



# Mekong River Commission

## REPORT

### INFORMAL DONOR MEETING

**23-24 June 2011  
Phnom Penh, Cambodia**

*Meeting the Needs, Keeping the Balance*

# **MRC INFORMAL DONOR MEETING 2011**

## **MEKONG RIVER COMMISSION**

**24 June 2011, Phnom Penh, Cambodia**

### **GENERAL INTRODUCTION**

1. The Informal Donor Meeting (IDM) of the Mekong River Commission (MRC)(hereafter referred to as “the Meeting”) was for the first time since 2003 held in Phnom Penh, Cambodia on 24 June 2011. The Meeting was attended by 72 participants, including 21 participants from the four MRC Member Countries, 25 representatives from 15 Development Partner countries and cooperating organisations, and staff of the MRC Secretariat (Appendix No. 1).
2. The Meeting was chaired by H.E. Mr. TE Navuth, Secretary-General of the Cambodia National Mekong Committee, Member of the MRC Joint Committee for Cambodia and Chairperson of the MRC Joint Committee for 2010/2011. H.E. Mr. TE Navuth was assisted by Mr. Pich Dun, Officer in Charge of the MRC Secretariat (the OIC).

### **OPENING SESSION**

#### **A. OPENING ADDRESS BY THE CHAIRMAN OF THE MRC JOINT COMMITTEE**

3. H.E. Mr. TE Navuth warmly welcomed all the participants attending the Meeting and reminded the participants that this was the first donor meeting held in Phnom Penh since the successful relocation of the MRC Secretariat and that the IDM would rotate between the two offices every year. The Chairman highlighted a number of important subjects that will be discussed by the Meeting, including the progress on the implementation of the Strategic Plan 2011-2015, the decentralisation of the MRC core functions, the IWRM-based Basin Development Strategy and the MRC funding needs. The Chairman noted that, as recommended in the 2007 Independent Organisational, Financial and Institutional Review of the MRCS and NMCs (IOR), the MRC has increasingly adopted a more open and participatory management style and disclosure of its work. This has become one of MRC’s key principles and it was clearly demonstrated during the prior consultation process on the Xayaburi hydropower project.
4. The Chairman reminded the Meeting that several MRC programmes are still facing funding difficulties that will have to be addressed during the new strategic planning period. As the flood season is approaching, the Chairman highlighted the critical funding situation of the Flood Management and Mitigation Programme (FMMP) and the need to identify solutions to the funding crisis of this programme. The Chairman closed his statement by thanking the Member Countries’ delegations and the Development Partners for their participation. He also noted with appreciation the return of the Government of Korea at the MRC table and said farewell to Mrs. Helena Ahola from the Government of Finland and Mr. Martin Sommer from SDC for their support as their assignments in the region are coming to an end (Appendix 3).

#### **B. ADOPTION OF THE AGENDA**

5. The provisional Agenda was adopted with no objections from the Meeting participants (Appendix No. 2).

#### **C. JOINT STATEMENT FROM DEVELOPMENT PARTNERS**

6. Mr. Hady Riad, Counsellor at the German Embassy in Phnom Penh, delivered the Joint Statement on behalf of Development Partners (Appendix No. 4). The Development Partners (DPs) thanked the MRC Secretariat for its invitation to the IDM and recognised the efforts of the Member Countries which led to the adoption of important MRC strategies - the Strategic Plan 2011-2015 and the IWRM-based Basin Development Strategy (BDS). They requested more information on the progress of the BDS and asked

whether the implementation was on track. DPs also encouraged the MRC to improve modelling techniques and to conduct more comprehensive scenario assessments as part of the Basin Development Plan.

7. The DPs took note of the decision by the Member Countries to elevate the decision on the PNPCA for the Xayaburi project to the MRC Council and required clear directions on further process of the project and encouraged additional studies to be conducted. The DPs, based on some media statements released the same morning, requested clarifications on whether the Lao government considered the PNPCA process completed. The PNPCA is one of the Procedures at the heart of the MRC mandate. The implementation of the Procedures is seen as highly important and DPs would like more information on the progress of their implementation.
8. The DPs requested more information on the decentralisation of the core functions and clarifications on the roles of each partners involved. The Performance Management System (PMS) will be crucial in this process and the DPs asked the MRC Secretariat to take significant steps in implementing the PMS. DPs requested additional commitment from Member Countries in terms of financial contribution by 2014 and raised concerns on the human resources situation, suggesting MRC to apply effective recruitment mechanisms to attract and retain competent staff. The DPs appreciated the efforts of the current OIC of MRCS and asked for an update on the recruitment of the new international CEO.
9. Lao PDR thanked the MRC for the invitation to the IDM. Lao PDR stated that prior consultation for the Xayaburi hydropower project has been conducted with the other Member Countries (MCs). Although the MCs did not come to an agreement, the process is deemed complete. In view of the concerns expressed by the MCs, Lao PDR recruited a consulting firm to conduct further studies and reviews to address issues raised by the other Member Countries. No construction will be conducted until the Lao government is satisfied with the feasibility studies prepared by the experts and a good understanding is reached with the other riparian States. Lao PDR is confident that the run-of-river Xayaburi project will have insignificant transboundary impacts and measures will be taken to limit them. The project will bring important national benefits in terms of poverty reduction and also bring many added regional benefits. Lao PDR looks forward to a more practical application of the 1995 Agreement and reaffirmed that the Project should not be delayed any further.
10. On behalf of the Joint Committee, the Chairperson informed the Meeting that because the Joint Committee could not reach an agreement at its special meeting on 19 April, it was decided that the matter should be brought to the attention of the MRC Council. The Council chair requested the Secretariat to further support this process. The JC was informed that the prime ministers of Lao PDR and Viet Nam met and agreed to conduct further studies and that the Secretariat had to work more on a roadmap to fill knowledge gaps identified.

#### **D. THE MRC STRATEGIC MATTERS, RESULTS, AND CURRENT DEVELOPMENTS IN THE BASIN**

11. The Chairman invited the Officer in Charge of the MRC Secretariat, Mr. Pich Dun, to present on current developments in the Basin as well as give an update on the MRC strategic matters (Appendix No. 5). The OIC informed the Meeting on the progress of the development of the targets and indicators needed to monitor the implementation of the new Strategic Plan and the progress on the development of the roadmap for the decentralisation of the MRC core functions. He also briefed the meeting on the implementation of the IWRM-based Basin Development Strategy. The OIC then briefly informed the meeting of recent developments on cooperation with MRC Dialogue Partners, China and Myanmar. He announced that both Countries were pleased to participate in the Junior Riparian Professional programme of the MRC and that the first Chinese Junior Professional was now working at the Office of the Secretariat in Phnom Penh.

12. The OIC explained how the MRC had demonstrated its relevance by promoting regional dialogue and used the prior consultation process on the Xayaburi hydropower project as an example. The prior consultation process showed the commitment of the Member Countries to the 1995 Agreement. The OIC took this opportunity to remind the Meeting that the latest development of the prior consultation process was the need expressed by the notified countries to further review and study the proposed project. The OIC also stressed that climate change; flood and drought are critical challenges facing the region. Programmes such as the Environment Programme, the Flood Management and Mitigation Programme and the Drought Management Programme are however still underfunded and the Secretariat must exert more efforts to seek additional funding support.
13. The USA requested additional information on the status of Myanmar joining the MRC as a Member. The Chairman informed the Meeting that since the MRC Summit, the Secretariat visited Myanmar and prepared necessary documents for their possible accession. In May 2011, however, the Embassy of Myanmar in Vientiane, Lao PDR, informed the MRC Secretariat that it would, for the time, being remain engaged with the MRC as a Dialogue Partner.

#### **E. PROGRESS ON THE IMPLEMENTATION OF THE STRATEGIC PLAN 2011-2015**

14. The OIC of the MRC Secretariat, with the support from the Chief of the International Cooperation and Communication Section (ICCS), presented the agenda item upon the request of the Chairperson of the MRC Joint Committee (Appendix No. 6). Since the adoption of the new Strategic Plan by the MRC Council in January 2011, the MRCS has been focusing on aligning the goals and outcomes of the MRC programmes with the Strategic Plan and started preparing plans for a transition towards the decentralisation of the MRC Core Functions. The Secretariat is now developing baselines for some indicators of the Strategic Plan and is working on an in-house Monitoring and Evaluation framework. The meeting was then briefed on the progress of the preparation of the transition roadmap. Using water quality as an example, the presentation focused on how the MRCS is envisaging the transfer of a greater share of tasks of a core function to the national level. The last part of the presentation was, as DPs requested, on how gender is integrated in the Strategic Plan and the MRC Programmes with examples on how programmes take gender into consideration in their work.
15. Australia thanked the Secretariat for the presentation and the inclusion of gender considerations as this was a request from DPs last year. Australia raised concerns on the capacity of the Secretariat to mainstream gender and encouraged the Secretariat to boost its gender capacities in the future. The Chief of the Human Resources Section clarified that the gender programme officer is working with all the programmes and considers that the current Secretariat staff has the capacity to work on this matter.
16. Germany requested the MRC Secretariat to present the results of the current study on decentralisation to donors at the next MRC Council. The Chairman confirmed that the progress will be presented to donors at the next Donor meeting and thanked Germany for their support to the organisational transition of the MRC. The Chairman required the Secretariat to take all the comments from Development Partners into consideration.

#### **F. PROGRESS ON THE IMPLEMENTATION OF THE IWRM-BASED BASIN DEVELOPMENT STRATEGY**

17. The Officer in Charge of the BDP Programme presented the progress on the implementation of the IWRM-based Basin Development Strategy since its approval in January 2011 (Appendix No.7). BDP outlined the general purpose of the Strategy and how the MRC will implement it through a Basin Action Plan addressing the strategic information and requirements in the Strategy. Since the approval, the MRC Secretariat has been working on laying out the foundation of the Basin Action Plan by identifying strategic actions and preparing national and regional recommendations for their implementation. The BDP has also worked to align the Strategy with the implementation annex of the MRC Strategic Plan. The BDP is coordinating the general implementation of

the Basin Development Strategy (BDS) and the roles and responsibilities of NMCs, Line Agencies and the MRC Secretariat have been defined. Some of the challenges related to the implementation of the Strategy include (i) the integration and participation of the national Line Agencies, (ii) the alignment of the BDS with the other MRC programmes and (iii) the funding of unfunded national and regional activities.

18. Australia remarked that the Basin Development planning cycle presented in the BDS seemed to reflect an ideal process rather than what has actually been the case for some development projects.
19. Denmark was glad to see that preparation for regional planning is on track and appreciated the linkages between the BDS and national sector plans. Denmark expressed concerns over the capacity of MRCS to implement this ambitious strategy, especially given the funding situation of the BDP, and encouraged the Secretariat to review the feasibility of the strategic actions and prioritise them.
20. The Secretariat clarified that activities will be prioritised and that it will actively seek funding for the implementation of the Strategy. The MRCS put a lot of efforts into attracting potential donors and the funding gap should be filled by the end of the year if all the standing pledges come through.

#### **G. STATUS OF THE PRIOR CONSULTATION PROCESS FOR XAYABURI**

21. After giving some background information on the PNPCA process, the Chief of the International Cooperation and Communication Section (ICCS) informed the Meeting of the status of the prior consultation process for the proposed Xayaburi hydropower project (Appendix No. 8). The Secretariat encountered several challenges during the first prior consultation process and found that the six month timeframe is tight for the amount and extent of activities to be done. The first PC showed the need to disclose information as soon as possible and that more consultations with other stakeholders may be needed. The Secretariat is currently developing a follow-up road map on activities and studies needed to fill the knowledge gap identified in the MRCS technical review report.
22. The USA informed the Meeting that they are working with the Secretariat to provide alternative decision-making tools and requested clarifications on whether the prior consultation process was formally over or if it needs to be further reviewed by the Member Countries. The USA asked if there will be some further reviews that Development Partners can assist with. The Chairman suggested the Member Countries to give their view on further steps to be followed.
23. Lao PDR noted that as stated in their officially submitted letter to the MRC on 22 April 2011 Lao PDR considers the prior consultation process completed and that Member Countries agreed to bring the matter to the attention of higher authorities in each country.
24. Viet Nam stated that it deemed the prior consultation process and submitted information as not satisfactory and noted that more studies and reviews were needed. Viet Nam indicated that the matter has been discussed by higher authorities and the Vietnamese Prime Minister instructed the Council to conduct further studies on the project under the MRC framework with the assistance from Development Partners. Viet Nam informed the Meeting that during bilateral meetings on the side of the ASEAN Summit in May 2011 discussions also highlighted that precaution was needed for the whole cascade of projects on the Mekong mainstream.
25. Cambodia took note of the comments from Lao PDR. Cambodia already informed Lao PDR that the prior consultation process requires further studies of environmental transboundary impacts. Since this matter could not be resolved at the Joint Committee level, it was decided that the matter should be brought to the MRC Council for consideration.
26. Thailand was pleased to hear that Lao PDR is conducting further reviews to address all the concerns raised by other Member Countries. Thailand asked Lao PDR to keep the MRC informed of this on-going process.

27. The Chairman instructed the Secretariat to arrange the meeting of the JC Working Group on PNPCA for the preparation of the MRC Council meeting.
28. Sweden asked how the Member Countries see the role of the Secretariat in conducting additional studies.
29. Germany underlined that PNPCA is one of the key MRC Procedures and is a pillar of the 1995 Agreement and noted that this first process would set a precedent for further prior consultation processes. Since the project will be discussed by the MRC Council, the PC process cannot be considered completed. Germany noted that it was good that no construction will be started until sufficient studies were conducted and added that this process should be formalised. DPs believe that this regional setting is highly relevant and they wish to see the MRC Secretariat deliver this essential function. The Secretariat should receive clear directions from the Member Countries in fulfilling this mandate.
30. The Chairman requested the MRC Secretariat to mobilise the MRC Programmes to conduct further studies and would consult the Council to provide further guidance.
31. Lao PDR noted that there was a lot of misinterpretation and misunderstanding on this process as this is the first time it is being conducted. Lao PDR stated that based on the PNPCA guidelines, the prior consultation process was completed and that Lao PDR submitted more information than required. Lao PDR believed that the process had been strictly followed. Lao PDR requested the Member Countries and stakeholders to look again at the 1995 Agreement and Lao PDR maintained that their position remains the same since April 22, 2011, and that the prior consultation process should be considered over. Lao was of the view that the six month time frame of the prior consultation process is so because the MRCS is supposed to provide technical assistance to Member Countries and not act as consultants to the project,
32. Australia observed that some Countries were not satisfied with the 6-month timeframe of the PNPCA process and noted that the documents related to the Xayaburi hydropower project were released very late. Australia requested clarifications on whether the consultants advising Lao PDR had consulted the MRC Secretariat and whether they were conducting further studies.
33. Lao PDR clarified that it requested the Secretariat to assist with the Technical Review Report which is in line with the MRCS' role in providing technical assistance to the Member Countries. Lao PDR added that they have to go through consultation with the other Member Countries and they have done so but the decision on the project rests with the Lao PDR government. Lao PDR agreed that there should be a workshop on PNPCA to discuss the role and responsibilities of each Member Country, other parties and clarify the process further.
34. Australia added that there is definitely a need for further studies and asked the JC to clarify what the timeframe for conducting further studies is. Australia also asked Lao PDR to clarify what Member Countries require of the Secretariat to finalise and follow up in its roadmap and whether the follow up studies are part of the PNPCA or a separate process
35. The Chairman requested the MRCS to take note of comments made and convene the next Joint Committee Working Group (JC WG) for PNPCA as soon as possible.

#### **H. PERFORMANCE BASED MANAGEMENT SYSTEM**

36. The OIC of the MRC Secretariat assisted by the Technical Coordination Advisor (TCA) presented the progress on the formulation of the Performance Management System (Appendix No. 9). The TCA summarised the work done on the PMS so far and the progress since the IDM 2010. The Technical Coordination Unit needs a PMS Specialist, but the two rounds of recruitment were unsuccessful so far. A team of consultants from Australia was hired in February to conduct a scoping study on the establishment of a PMS for the MRC. The TCA presented the key recommendations given as part of this scoping study, including the need for strong commitment and leadership on PMS at

Senior level. Based on guidance from the Joint Committee, the immediate actions to be taken include allocating more resources to the system, establishing an effective coordination mechanism and developing a clear road map for the implementation of the PMS. An internal PMS Task Group will also be established to guide the implementation of the PMS.

37. Australia supported MRC to have a high quality monitoring system at the MRC and stressed the need to fully establish the PMS Unit within the TCU and reconsider hiring external consultants in the future as they have lead to limited progress so far.
38. The MRCS clarified that PMS was under the TCU from the very beginning, but requires a lot of resources. There is currently some funding remaining to conduct further activities, but the issue of human resources is a major concern at the moment to move this process forward. The Chairman requested the Secretariat to take note of comments from Development Partners.

## **I. PROGRESS ON THE IMPLEMENTATION OF INDEPENDENT ORGANISATIONAL REVIEW OF THE MRCS AND THE NMCS**

### **I.1. REPORT ON RECRUITMENT OF THE NEW CEO**

39. In introducing this agenda item, the Chief of the Human Resources Section (HRS) of the Secretariat updated the Meeting on the progress on the recruitment of the international CEO (Appendix No. 10). Based on guidance from the MRC Council, the position of international CEO has been extended for another 3-year term and the recruitment of a riparian CEO has been deferred. The position was announced on 1 March 2011 and widely advertised. The Chief of HRS summarised the selection process and announced that interviews by the Joint Committee will be conducted in June-July 2011 and the next CEO is expected to start in early October 2011.

### **I.2. PROGRESS ON IMPLEMENTATION OF HR RECOMMENDATIONS**

40. The Chief of HRS presented the agenda item on the progress of the implementation of the HR recommendations (Appendix No. 11). The MRCS summarised the HR related recommendations from the IOR. The issue of harmonisation of salary scales for riparian professionals and international professionals and the MRCS proposed to drop this issue as riparianisation is on track. The Secretariat also prepared a draft grievance policy and an Administration of Justice, which were reviewed and, after Joint Committee approval, can be used if needed.
41. Australia asked whether the draft grievance policy and procedures and the Administration of Justice took into account discrimination and harassment. HRS confirmed that they were both in the documents.
42. Germany raised concerns on the difficulties of hiring and retaining qualified riparian and international staff. HRS explained that the Secretariat is trying to be more proactive and is planning with Programmes more in advance. HRS is also working to reduce the timing of the recruitment process.
43. Australia stressed the retention problem and whether the MRCS had the intention to change this system, for example by extending the length of contracts from one to three years. The OIC informed the Meeting that MRCS is discussing this issue with the Member Countries to find solutions. This will be discussed at the next Task Force Meeting and new types of contracts will be submitted for their consideration. The Chairman added that consultants had been hired to improve the current system and cited a number of recommendations that contribute to this. The results of this study will be reported to donors at the DCG Meeting.

### **I.3. PROGRESS ON IMPLEMENTATION OF THE MRC COMMUNICATION STRATEGY**

44. The Chief of the International Cooperation and Communication Section briefed the meeting on the progress of implementation of the MRC Communications Strategy and Disclosure Policy (Appendix No. 12). The MRCS presented how the MRC is becoming more open, accessible and accountable through improved public communications and responses and improved external communication. The MRC is also developing tailor-made and up-to-date information packages for the media and making more documents available. The Secretariat is working to develop a more refined media strategy. The MRCS is producing more products in riparian languages and is working with Secretariat Staff and the Member Countries to strengthened communications capacities.

#### **I.4. PROGRESS ON STAKEHOLDER PARTICIPATION**

45. The Chief of ICCS informed the meeting of the progress on stakeholder engagement (Appendix No. 13). The Secretariat has been engaging with a wide range of stakeholders since 2008 and submitted a step-by-step approach to stakeholder engagement and reported on the lessons learned to the Joint Committee. The Secretariat is exploring alternative opportunities to engage with the public and key stakeholders (Appendix No. 13). ICCS presented how stakeholder participation is included in the MRC programmes' work. The preliminary lessons from this process are that small group meetings are more efficient and that open-ended questions should be encouraged. The MRCS is recruiting a consultant to analyse practical models employed by other organisations and put forward recommendations for structures and focused options as well as associated plans to engage more effectively with stakeholders.

#### **J. MRC FUNDING NEEDS**

46. In introducing this agenda item, the Chief of the International Cooperation and Communications Section updated the Meeting on the progress of donor support and the current funding situation (Appendix No. 14). The MRCS is on track for this strategic cycle with 60% of the MRC Work Programme funded or committed. ICCS highlighted programmes with critical immediate funding needs including the Flood Management and Mitigation Programme (FMMP), the Drought Management Programme (DMP), the Fisheries Programme (FP), the Navigation Programme (NAP) and the Performance Management System (PMS). ICCS summarised the main objectives of these programmes and presented their current funding gaps. Programmes with medium-term funding needs are the Agriculture and Irrigation Programme (AIP), the Basin Development Plan (BDP) and the Environment Programme (EP), which have significant funding gaps that will need to be addressed in the medium-term. ICCS also presented the current funding proposals in the pipelines and called on Development Partners to contact the ICCS to discuss potential funding or technical cooperation opportunities.

47. Denmark appreciated receiving a more comprehensive picture of the MRC portfolio and requested more information on Member Countries contributions (financial and in-kind). The current funding gaps will not be easy to fill and Denmark urged the Secretariat to prioritise its activities to optimise current funding available. Denmark welcomed the efforts of the MRCS and the Member Countries and asked for more financial commitment from Member Countries. Denmark further urged the MRCS and the NMCS to prioritise the funding needs and their programme activities in order to strategically increase the contributions from the Member Countries. The MRCS also relies heavily on external consultants and called on the MRC to continue building capacities and ensure the sustainability of the organisation.

48. The Chairman reminded the Meeting that the Prime Ministers had committed to reaching self-sustainability by 2030 and the MRCS is working closely with all partners involved to prepare necessary plans to reach this target. ICCS added that the decentralisation road map would focus on capturing Member Country contributions, especially technical and in-kind contributions. The Chairman acknowledged the request from DPs to establish clearer targets by 2014 and reminded the Meeting that Member Countries had already committed to a funding target by 2014.

49. Switzerland concurred with Denmark's comment on the need for MRC programmes to start prioritizing their work in case the MRCS cannot secure enough funds in time. Switzerland also asked the MRCS to provide a better and more comprehensive view of the funding gaps, including a more detailed budget showing Member Countries' financial contributions as well as in-kind contributions.
50. Thailand commented that the MRC focuses on surface water and insisted that groundwater management is also important. Thailand called on Development Partners to also take this into consideration. The Chairman added that in partnership with the USGS, a groundwater expert was now working with IKMP.
51. The Environment Programme clarified the current funding situation of the EP and informed the Meeting of the current priorities of the programme which are assisting the Member Countries with filling the knowledge gap as well as environmental monitoring.
52. Japan informed the Meeting that Japan was organising a Green Mekong Forum in Bangkok and ensured the commitment of Japan to water resources management /drought mitigation and their future support. Japan asked how the transition towards core functions would affect the current funding mechanisms and distribution.
53. The Chairman, referring to Agenda Item E, told the Meeting that the consultants recruited by the MRCS to develop the decentralisation road map would contribute to create a better understanding of the implications of the decentralisation on the financial mechanisms. ICCS clarified that the decentralisation of core functions is about sharing more responsibilities rather than a delegation of core functions to the national level.
54. The Meeting took note of the current funding status of the MRC and requested the Secretariat to take into account the comments and suggestions from DPs, including providing a more accurate and detailed picture of the funding needs.
55. Australia requested more information and clarifications on the procedures and guidelines on the PNPCA and requested more information on the implementation of the MRC procedures. The Chairman suggested this item be added to the IDM meeting every year. The MRCS gave an overview of the procedures currently implemented or pending waiting further development of their guidelines. The MRCS agreed that the guidelines should be implemented in a more coordinated way and the matter is being discussed by the MRCS Senior Management and the MRC Programmes. The MRCS added that during the last Joint Committee meeting Member Countries also noted that there is a need to have an innovative approach to implementing those pending procedures. The Chairman requested the Secretariat to provide a written report on the progress of implementation of the MRC Procedures to the Development Partners.

#### **K. TOPICS FOR NEXT DONOR CONSULTATIVE GROUP MEETING**

56. The Chairman invited Development Partners and Member Countries to suggest additional topics for the next donor meeting.
57. Sweden, on behalf of the Development Partners, thanked the Member Countries for their contribution and welcomed the updated status of the PNPCA process, DP representatives noted the uncertainty for the MRCS of how to proceed with the process. DPs also noted the positions each of the four Member Countries have and understood that no further construction will be carried out without good understanding reached with other riparian states. DPs noted that Lao PDR has commissioned further studies to address concerns raised by the notified countries and looked forward to the full disclosure of these studies to contribute to the pool of information being used by regional decision-makers (Appendix No. 15).
58. The Chairman looked forward to further discussions and fruitful meetings on the Xayaburi project in preparation of the MRC Council.

#### **L. CONCLUSIONS**

59. The Head of the Cambodian delegation congratulated the participants for their fruitful participation in the Meeting. Cambodia noted with appreciation the growing partnerships and increased cooperation with DPs and thanked DPs for their support and commitment to the organisation. The transition of the organisation will ensure that the MRC is able to fully respond to critical and emerging challenges.
60. Lao PDR thanked Mrs. Ahola and Mr. Sommer for their support to MRC and thanked the US Government for the invitation to visit the Mississippi River Commission, which showed the need to make information more readily available and understandable to decision-makers.
61. Thailand thanked the delegates who participated in the Meeting and noted the recent efforts of the MRC to implement the Strategic Plan and the IWRM-based Basin Development Strategy. Thailand allocated 30 million USD for feasibility studies and assessment on groundwater resources. Flood and drought remain pressing issues that the MRC has to work on in the future to address the concerns of the people in the Basin. Technical and financial support from DPs is still required for the MRC to reach its mandate in these areas.
62. Viet Nam reminded the Meeting and Lao PDR that the Vietnamese Prime Minister had requested Lao PDR to conduct further studies on the Xayaburi hydropower project to properly conclude the PNPCA process. In this respect, Viet Nam welcomed the decision from the Chairman to convene a JC Working Group meeting as soon as possible. Viet Nam noted the important MRC funding gaps that could be a challenge to successfully implement the Strategic Plan in the next five years and thanked DPs for their unflinching support at this difficult time.
63. The Chairman delivered his closing statement and thanked all the distinguished delegates and representatives for attending the Meeting and contributing constructively to the Meeting and conveyed his best wishes to the participants (Appendix No. 16).



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Tran Duc Cuong  
Officer in Charge  
MRC Secretariat

Endorsed by: Ms. Klomjit Chandrapanya, Chief of International Cooperation and Communication Section (ICCS)

Rapporteurs:

Ms. Kamonrat Chayamarit, Donor Coordination Officer, ICCS

Mr. Julien Simery, Interim Donor Coordination Officer, ICCS

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**APPENDIX 1**

**LIST OF PARTICIPANTS**

## **LIST OF PARTICIPANTS**

### **A. MRC MEMBER DELEGATIONS**

#### **CAMBODIA**

1. H.E. Mr. Te Navuth  
Secretary General  
Cambodia National Mekong Committee  
Member of the MRC Joint Committee for Cambodia  
Chairman of the MRC Joint Committee for 2010-2011
2. H.E. Mr. So Sophort  
Deputy Secretary General  
Cambodia National Mekong Committee  
Alternate Member of the MRC Joint Committee for Cambodia  
Head of Delegation
3. H.E. Mr. Watt Botkosol  
Deputy Secretary General  
Cambodia National Mekong Committee
4. Mr. Tuy Ry  
Director of International Organization Department  
Ministry of Foreign Affairs and International Cooperation

#### **Observers**

5. Mr. Mao Hak  
Deputy Director General and Director of Hydrology and River Works Department  
Ministry of Water Resources and Meteorology
6. Mr. Ngoun Kong  
Deputy Director General of Ministry of Environment
7. Mr. Aun Vuthy  
Deputy Director of Hydro-electricity Department  
Ministry of Industry, Mines and Energy
8. Mr. Hak Socheat  
Director of Planning Department  
International Organization Department  
Cambodia National Mekong Committee Secretariat

#### **LAO PDR**

9. Ms. Chongchith Chantharanonh  
Acting Secretary General, LNMCS  
Alternate Member of the MRC Joint Committee for Lao PDR  
Head of Delegation
10. Mr. Viraphonh Viravong  
Director General, Department of Electricity  
Ministry of Energy and Mines

11. Mrs. Viengsavanh Sipraseuth  
Deputy Director General, Department of International Organization, MOFA

**Observers**

12. Mr. Thongthip Chandalasane  
Technical Officer  
Lao National Mekong Committee
13. Mr. Ketsana Xaiyasarn  
Technical Officer  
Lao National Mekong Committee

**THAILAND**

14. Mr. Chaiporn Siripornpibul  
Deputy Director-General  
Department of Water Resources  
Ministry of Natural Resources and Environment  
Head of Delegation
15. Mrs. Pakawan Chufamanee  
Director of Mekong Affairs Branch  
Department of Water Resources  
Ministry of Natural Resources and Environment
16. Mr. Surasak Suparat  
Director of Development Affairs Division  
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17. Ms. Nuanlaor Wongpinitwarodom  
Senior Policy and Plan Analyst, Bureau of International Cooperation  
Department of Water Resources  
Ministry of Natural Resources and Environment (MNRE)
18. Ms. Kedsarin Phanarangsarn  
Diplomatic Officer, Development Affairs Division  
Ministry of Foreign Affairs

**VIET NAM**

19. Dr. Le Duc Trung  
Director General of VNMC  
MRC JC member for Viet Nam  
Head of Delegation
20. Mr. To Anh Tuan  
Assistant to Director  
Department of International Organizations, MoFA
21. Mr. Nguyen Van Bang  
Senior Programme Officer  
Viet Nam National Mekong Committee

## **B. DEVELOPMENT PARTNERS**

### **ADB**

22. Mr. Nao Ikemoto  
Senior Natural Resources Management Specialist  
Cambodia Resident Mission  
Phnom Penh, Cambodia

### **AUSTRALIA**

23. Mr. Alexander Marks  
Second Secretary, Water and Infrastructure  
AusAID, Vientiane, Lao PDR
24. Mr. John Dore  
Senior Water Resources Adviser – Mekong Region  
AusAID, Vientiane, Lao PDR
25. Ms. Bounthavivanh Mixap  
Programme Officer, Mekong Water Resources Unit  
AusAID, Vientiane, Lao PDR

### **DENMARK**

26. Ms. Nguyen Kim Quy  
Senior Programme Manager  
Water and Sanitation/Mekong River Commission/Mixed Credit  
Embassy of Denmark, Hanoi, Viet Nam

### **EUROPEAN UNION**

27. Mr. Samuel Cantell  
First Secretary (Cooperation)  
Head of Economic, Trade and Regional Cooperation  
European Union Delegation to Thailand

### **FINLAND**

28. Ms. Helena Ahola  
Counsellor  
Development Cooperation  
Embassy of Finland, Bangkok, Thailand
29. Srin Boonyoung  
Programme Officer (Development Cooperation)  
Embassy of Finland, Bangkok, Thailand

### **GERMANY**

30. Mr. Hady Riad  
Counsellor  
Development Cooperation  
Embassy of Germany, Phnom Penh, Cambodia
31. Dr. Petra Schill  
Programme Coordinator  
MRC-GIZ Cooperation Programme  
Vientiane, Lao PDR

### **IUCN**

32. Mr. Kimsreng Kong

Senior Programme Officer  
IUCN Cambodia

### **JAPAN**

33. Mr. Akira Kadomoto  
Official  
Ministry of Foreign Affairs  
Tokyo, Japan

### **REPUBLIC OF KOREA**

34. Ms. Huh Jungae  
Counsellor & Consul of the Embassy of the Republic of Korea

### **SWEDEN**

35. Ms. Alexandra Wachsmeister  
Embassy of Sweden  
Bangkok, Thailand
36. Ms. Voralak Kosakul  
Programme Officer  
Bangkok, Thailand

### **SWITZERLAND**

37. Mr. Martin Sommer  
Regional Director SDC Mekong  
Swiss Agency for Development and Cooperation (SDC)  
Embassy of Switzerland

### **UNDP**

38. Mr. Robert Glofcheski  
Phnom Penh, Cambodia
39. Mr. Kim Lay  
Assistant Country Director and Team Leader of the Environment Unit  
Phnom Penh, Cambodia

### **USA**

40. Mr. Winston H. Bowman  
Regional Environment Director  
U.S Agency for International Development  
Regional Development Mission/Asia  
Bangkok, Thailand
41. Mr. Howell Howard  
Regional Environment Officer  
Economic Section  
Embassy of the USA, Bangkok, Thailand
42. Mr. Dustin Bickel  
Political-Economic Officer  
Embassy of the United States  
Vientiane, Lao PDR
43. Mr. Ben Roohi

### **WORLD BANK**

44. Mr. Toru Konishi  
Senior Economist  
World Bank, Vientiane, Lao PDR

45. Mr. Veasna Bun  
Senior Operations Officer – Infrastructure  
World Bank, Phnom Penh, Cambodia

**WWF**

46. Ms. Dang Thuy Trang  
Manager, Sustainable Hydropower and River Basin Management  
WWF Greater Mekong Programme  
Vientiane, Lao PDR

**C. MRC SECRETARIAT**

47. Mr. Pich Dun  
Officer-in-Charge, MRCS  
Assistant CEO, Head of OSP, and  
Director of Operations Division
48. Mr. Sourasay Phoumavong  
Director of Environment Division
49. Mr. Tran Duc Cuong  
Director of Technical Support Division
50. Mr. Satit Phromchai  
Director of Planning Division
51. Ms. Nguyen Thu Mai  
Chief of Finance and Administration Section
52. Ms. Weena Aksornkaew  
Chief of Human Resources Development Section
53. Ms. Klomjit Chandrapanya  
Chief, International Cooperation and Communication Section
54. Dr. Vitoon Viriyasakultorn  
Technical Coordination Advisor  
Technical Coordination Unit, Office of the Chief Executive Officer
55. Mr. Phetsamone Southalack  
OIC of BDP, Environment/Natural Resources Planner  
Basin Development Programme, Planning Division
56. Mr. Ton Lennaerts  
Chief Technical Advisor, Basin Development Programme  
Planning Division
57. Ms. Birgit Vogel  
Chief Technical Advisor  
Mekong-IWRMP
58. Dr. Vithet Srinetr  
Programme Coordinator, Environment Programme  
Environment Division
59. Mr. Xaypladeth Choulamany

Programme Coordinator, Fisheries Programme  
Operations Division

60. Mr. Tran Van Tuan  
Programme Coordinator, IKMP  
Technical Support Division
61. Dr. Lam Hung Son  
Programme Coordinator, FMMP  
Technical Support Division
62. Mr. Voradeth Phonekeo  
Programme Manager, ISH  
Planning Division
63. Mr. Itamaru Minami  
Technical Advisor, AIP  
Operations Division
64. Mr. Ix Hour  
Expert for Drought Management  
Operations Division
65. Mr. Julien Simery  
Interim Donor Coordination Officer  
International Cooperation and Communication Section
66. Ms. Kamonrat Chayamarit  
Donor Coordination Officer  
International Cooperation and Communication Section
67. Mr. Khy Lim  
Communication Officer  
International Cooperation and Communication Section

#### **D. ORGANISERS**

68. Ms. Manivanh Phanouvong  
Senior Programme Assistant  
International Cooperation and Communication Section
69. Ms. Chansouk Souphanthavong  
Secretary to Chief  
International Cooperation and Communication Section
70. Ms. Kim Socheat  
Secretary  
Finance and Administration Section
71. Mr. Ann Sokong  
Senior IT Assistant  
Finance and Administration Section
72. Mr. Chantra NEY  
Maintenance Supervisor  
Finance and Administration Section

**APPENDIX 2**

**ADOPTED AGENDA**

**INFORMAL DONOR MEETING**  
(Imperial Garden Villas, Phnom Penh Cambodia)

**Thursday 23 June 2011**

**Time                      Agenda Items**

**Tentative Agenda for Development Partners on Harmonisation Meeting**

13:30 – 14:00	Registration at the Imperial Garden Villas
14:00 – 17:00	Development Partners Harmonisation Meeting
18:00 – 20:00	Welcome reception dinner hosted by the Chairperson of the MRC Joint Committee for 2010/2011

**Friday 24 June 2011**

<b>Time</b>	<b>Agenda Items</b>	<b>Presentation or Statement made by</b>
08:00 - 08:30	Registration at the Imperial Garden Villas	
08:30 - 08:40	A. Opening statement	Chairperson of the MRC Joint Committee for 2010/2011
08:40 – 08:50	B. Adoption of agenda Discussion and conclusions	
08:50 – 09:20	C. Joint Development Partners' statement Discussion and conclusions	A donor representative
09:20 – 09:30	<b>Group Photo</b>	
09:30 – 10:00	<b>Coffee break</b>	

<b>Time</b>	<b>Agenda Items</b>	<b>Presented by</b>
10:00 – 10:20	D. The MRC Strategic matters, results, and current developments in the basin  Discussion and conclusions	OIC of MRCS
10:20 – 10:50	E. Progress on the Implementation of the Strategic Plan 2011-2015 (including gender considerations) <sup>1</sup>  Discussion and conclusions	ICCS
10:50 – 11:10	F. Progress on the Implementation of the IWRM-based Basin Development Strategy (including gender considerations)  Discussion and conclusions	BDP
11:10 – 11:40	G. Status of the prior consultation process for Xayaburi  Discussion and conclusions	ICCS/M-IWRMP
11:40 – 12:00	H. Performance Based Management System  Discussion and conclusions	TCU
12:00 -13:30	<b>Lunch</b>	
13:30 – 14:30	I. Progress on the implementation of Independent Organisational Review of the MRCS and the NMCs I.1. Report on recruitment of the new CEO I.2. Implementation of HR recommendations I.3. Implementation of the MRC Communication Strategy I.4. Stakeholder Participation  Discussion and conclusions	HRS/ICCS
14:30 – 15:30	J. MRC funding needs  Discussion and conclusions	ICCS
15:30 – 16:00	<b>Coffee break</b>	
16:00 – 16:30	K. Topics for next Donor Consultative Group Meeting  Discussion and conclusions, including on other matters related to strengthening MRC – development partner cooperation	A donor representative
16:30 - 16:40	L. Conclusions	
16:40 - 16:50	L.1. Statements	JC Members
17:00	L.2. Closing remarks	Chairman

<sup>1</sup> As requested by Development Partners at the IDM 2010

**APPENDIX 3**

**OPENING STATEMENT**

**Opening Statement**

**By**

**H.E. Mr. Te Navuth**

Secretary General of the Cambodia National Mekong Committee  
Chairperson of the MRC Joint Committee for 2010/2011  
Member of the MRC Joint Committee for Cambodia

**H.E. Mr. So Sophort**

Deputy Secretary-General  
Cambodia National Mekong Committee  
Alternate Member of the MRC Joint Committee for Cambodia

**Ms. Chongchith Chantharanonh**

Acting Secretary General  
Lao National Mekong Committee Secretariat  
Member of the MRC Joint Committee for the Lao PDR

**Mr. Chaiporn Siripornpibul**

Deputy Director-General  
Department of Water Resources  
Ministry of Natural Resources and Environment  
Member of the MRC Joint Committee for Thailand

**Dr. Le Duc Trung**

Director General  
Viet Nam National Mekong Committee  
Member of the MRC Joint Committee for Viet Nam

**Excellencies, distinguished delegates from the donor community, development partners, ladies and gentlemen,**

On behalf of the Joint Committee of the Mekong River Commission, I am grateful to have the honor to welcome representatives from our Member Countries, Development

Partners, and the staff of the MRC Secretariat to this Informal Donor Meeting with the Joint Committee members.

I would like to take the opportunity to officially welcome you all to our new Secretariat in Phnom Penh. At our meeting last year, we were preparing to co-host the two Secretariats, and I am pleased to inform you that the move has been quite a success. Our decision to establish two permanent seats, as you know, was the result of discussions of our Member Countries, with the support of our Development Partners. Our Informal Donor Meetings will now rotate annually between Vientiane and Phnom Penh.

**Distinguished delegates,**

We gather here once a year as an opportunity to exchange and share our views on mutual interests, as well as our progresses made and future directions for the organisation. Our aim today is to further strengthen our relationships by discussing strategic directions and the progress and implementation of several plans that were in place last year. I hope that our forum allows a platform for our Development Partners to guide us towards more effective implementation of the topics we set forth today. We look forward to a reciprocal exchange of knowledge and constructive feedback that will bring us one step closer to achieving our goals.

Financial autonomy. Country ownership. Critical Funding Needs. Communication and Disclosure Policies. These are among some of the topics we plan to cover today that reflect the strategic directions of the MRC for the next 5 years. We have entered a new strategic planning period this year, which was the result of extensive consultations with national Mekong Committees, line agencies and our Development Partners. Today we will discuss the next steps for the strategic plan as we will review the report on the implementation of its status.

Specifically within the topic of the Strategic Plan, we will discuss implementing the decentralization of the core functions. I hope that through our considerations we will be able to identify the core functions which should be prioritized for action in the short-term. Over the past year we have rediscovered the benefits of a participatory development approach for the MRC Strategic Plan 2011-2015. Your participation has brought us to this point today, and we thank you for your advice and guidance on how we should proceed with the Strategy's core function decentralisation implementation plan.

One topic which the MRC has been diligently addressing over the past year focuses on disclosure. As an inter-governmental river basin organisation it is one of our key

principles, and the issue of information sharing and discussion gained considerable attention during the Xayaburi prior consultation process. MRC and its Member Countries strove to approach this consultation process as open as possible by releasing relevant documents to the public on the organisation's website, and welcoming the press to discuss all topics of interest.

As you may have read or seen in the news, through improved media relations and improved disclosure of documents, the MRC is in the public's eye nearly every day – and some days even positively!

There is an international interest to understand and digest the MRC's presence in the Mekong region and a respect for the MRC's efforts to support transboundary dialogue with its Member Countries.

### **Excellencies, Distinguished Delegates, Ladies and Gentlemen,**

Despite the tremendous support of our Development Partners, several MRC programmes are experiencing a funding emergency. For example, the Flood Management and Mitigation Programme (FMMP), the Basin Development Plan programme (BDP) and the Environment Programme (EP) have secured less than 50% of their total budget for their upcoming strategic planning period.

As we approach the flood season, I would like to exemplify FMMP's current situation: Floods are unpredictable and when they do occur, the rural poor are the most vulnerable. As we have experienced in the past, floods can be devastating to Mekong communities as they result in a loss of lives, crops, and finances as homes and business are lost and people are prevented from attending school and work. FMMP's objectives work towards strengthening competencies to better prepare the region for Mother Nature's unpredictability. Strengthened capacities directly translate into flood preparedness at the national to the local levels that therefore contribute towards saving lives and livelihoods each year.

As we approach our annual flood season, it is vital that we search for a solution to FMMP's funding crisis.

Our FMMP represents only one of MRC's funding gaps which need your support to address. Whereas the MRC is working hard to close these gaps, I ask for your assistance today to prioritise programmes which are in need of immediate attention.

### **Distinguished Delegates,**

As we discuss ways forward for strategic matters, regional cooperation and updates on MRC milestones such as the Xayaburi prior consultation process, the IWRM Basin Development Strategy and the upcoming Performance Based Management System, I ask for your engagement over the next two days. Your participation today will outline the MRC's way forward for upcoming years, so please join in the discussion as much as possible.

In conclusion, I would once again like to take this opportunity to thank my fellow Joint Committee Members, their delegations, and the distinguished representatives of our Development Partners for their efforts in attending and participating in our meeting today.

I am especially pleased to see that the Government of Korea responded positively to our invitation to join this meeting. Korea has supported the MRC in the past and we certainly appreciate your return at this table.

Before closing, I would like to mention that at the end of this month, our friend and colleague, Mr. Martin Sommer, will be returning to Switzerland. In the past, SDC's support was greatly appreciated by our programmes. We hope that we will be able to continue our positive engagement with SDC, even after Mr. Sommer's departure. All the best Martin, we wish you a successful journey and hope to work with you again in the future.

Last but not least, we have to say good bye to one of MRC's unfailing supporters - Mrs. Helena AHOLA who is joining our donor meeting for the last time today as her assignment will end soon.

Helena, on behalf of the MRC, I would like to sincerely thank you for providing us with thoughtful advice and special attention. We wish you and your family the best and success for your next assignment and hope that you will remember MRC fondly and not as an organisation that always organises donor meetings during your mid-summer holidays.

Thank you.

## **APPENDIX 4**

# **JOINT DEVELOPMENT PARTNERS' STATEMENT**

**Development Partners Group Statement**  
**IDM - June 2010**

**Excellencies, Ladies and Gentlemen,**

1. Thank you to the Mekong River Commission Secretariat for hosting this Informal Donor Meeting, and the hospitality shown to all participants at this meeting. We appreciate the guidance provided by H.E. Te Navuth and the Cambodian NMC over the past 12 months in the role of Chair of the Joint Committee.
2. We recognise and welcome the progress achieved by the Member Countries and the MRC Secretariat over the last 12 months, particularly the adoption of the MRC Strategic Plan 2011-2015 and IWRM-based Basin Development Strategy at the Seventeenth Meeting of the MRC Council in January of this year. We look forward to an update on the progress of the implementation of these two strategies and a constructive discussion of any early issues that remain unresolved.
3. With respect to the IWRM-based Basin Development Strategy, Development Partners would like to enquire whether the MRC is on track to achieve the goals outlined in the strategy, and the progress achieved in formulating the Basin action plan and the National indicative plans. We encourage the MRC to apply improved modelling techniques and to conduct more comprehensive scenario assessments as part of the next phase of the Basin Development Plan.
4. Development Partners take note of decision of the Joint Committee on 19 April to elevate the deliberations on the proposed mainstream dam in Xayaburi Province, Lao PDR, to the Ministerial level. We understand that Member States still require additional information before being able to conclude the PNPCA. Development Partners therefore urge Member States to provide the MRC with clear directions as to the next steps for the Xayaburi PNPCA. This may include further rigorous analyses of the transboundary impacts of the Xayaburi proposal, to inform decision making. Development Partners stand ready to provide support where required. Adequate time should be provided before the conclusion of the PNPCA process for the consideration of all forthcoming analyses, including consultations with publics and civil society. We note today's media reports which say that the Lao Ministry of Energy and Mines considers the PNPCA is already complete. We would welcome clarification from the Lao Government on this important issue.
5. Partners of the MRC have produced other analyses, including an assessment of the uncertainty surrounding the economic outcomes of basin development under varying assumptions, and separate analyses are being procured by Member States. Coordination of these external efforts through the MRC is essential to exploit synergies and ensure adequate dissemination.
6. The PNPCA is one of several important agreed Procedures and Guidelines that are the bedrock of the MRC. The others are the Procedures for Water Quality; Data and Information Exchange and Sharing; Water Use Monitoring; and, Maintenance of Flows on the Mainstream. Implementation of these Procedures and Guidelines is a matter of the highest order for the MRC. In this context, Development Partners would appreciate an update on the implementation of these agreed Procedures and Guidelines, and plans of action to address any impediments to progress.

7. Developments Partners encourage the Member States and Secretariat to provide more clarification on the delegation sequence of core functions, specifically which functions will be delegated first, and how they will be financed. We also encourage you to provide an update on the emerging model for roles and responsibilities between the Secretariat, NMCs and line agencies to implement the core functions. We would welcome a discussion on areas and programmes where funding gaps are critical and if priorities are needed to reflect the funding available.

8. Development Partners recognise that the establishment of an appropriate performance-based management system continues to be challenge for the Secretariat. We note that a practical, functional system is required to gauge progress against the objectives of the Strategic Plan. For this system to be effective, strong commitment and leadership is required from senior management within the MRC Secretariat.

9. Member States have resolved to enhance efforts to create a financially secure international river basin organisation and increase Member Country contributions to cover core operating costs. Significant steps need to be taken to achieve this goal. In addition to an implementation plan, and before the next Council Meeting, Development Partners request to see a financial plan with milestones for increasing financial ownership by Member Countries. This would include the commitment to finance the Operational Expenses Budget by 2014.

10. In the context of the recommendations of the 2006 Independent Organisational Review of the MRC, Development Partners are concerned about Human Resources Management at the Secretariat, especially the recruitment and retention of staff. Key positions at the Secretariat have been left unfilled for extended periods of time. The one-year term of contracts for Secretariat employees leads to uncertainty for employees and their families. Development Partners urge the MRC to consider different employment models, such as multi-year contracts, that provide more certainty and better career development opportunities. Development Partners would be interested to know how the MRC is addressing these critical issues of HR management.

11. On the other hand, Development Partners understand that the process of recruiting a new CEO for the Secretariat is advancing positively, and we look forward to an update.

12. Since the departure of the previous CEO, the Secretariat has been ably led by the Officer-in-Charge, Mr Pich Dun. We thank Mr Pich Dun for his continuing service in this role.

This statement is endorsed by the following countries and organisations:

Australia  
Belgium  
Denmark  
European Union  
Finland  
France  
Germany  
Japan  
New Zealand  
Sweden  
Switzerland  
United States of America  
Asian Development Bank  
IUCN (International Union for the Conservation of Nature)  
The United Nations  
The World Bank  
WWF Greater Mekong Programme

## **APPENDIX 5**

# **THE MRC STRATEGIC MATTERS, RESULTS AND CURRENT DEVELOPMENTS IN THE BASIN**

**REPORT ON  
THE MRC STRATEGIC MATTERS, RESULTS, AND CURRENT DEVELOPMENTS IN  
THE BASIN**

**Dir. Pich Dun**

**Officer in Charge, Mekong River Commission Secretariat**

**Mr. Chair**

**Excellencies**

**Distinguished Delegates**

**Ladies and Gentlemen**

Good afternoon, it's a pleasure to see so many familiar faces here today. Allow me, with our Joint Committee Chairman to welcome you to this year's Informal Donor meeting. With over 50 participants this year, we are very pleased to host so many of our Development Partners.

2010 and 2011 were extraordinary years for the MRC. With the MRC's new strategic plan, the IWRM-based Basin Development Strategy and the prior consultation process, the past year embodies what the MRC has represented for the past 15 years and is moving into new directions. At our meeting here today, I hope we're able to take one step further together towards our goals of becoming a more financially sustainable and efficient international river basin organisation.

Today we will begin with reviewing the indicators and targets needed to monitor the implementation of the Strategic Plan. As you know, the Strategic Plan and its matrixes were approved, but now it's time to refine our approaches on how we plan to monitor our activities. We're almost there – with your input, we hope to further refine the indicators and targets so we can assure successful monitoring and evaluation.

Let me take a moment and reflect on the progress we have made on driving our Strategic Plan towards its implementation. First, a roadmap of the decentralization core-river management functions is currently being developed in consultation with National Mekong Committees and Line Agencies. This roadmap aims to analyse institutional, organisational and financial arrangements necessary for this process and evaluate the capacity of Member Countries to gradually take full ownership of the organisation's functions. A first draft of the transition roadmap will be submitted to the Joint Committee when it meets in August.

Our year took off in January with the approval of the IWRM-based Basin Development Strategy. Like the Strategic Plan, this strategy is an important milestone for the organisation. The document itself symbolises our 4 Member Countries agreeing on a common ground for basin-wide sustainable development of water resources. Unique to our organisation, the Strategy shifts our focus away from national interests and prioritises how we can approach the basin from a transboundary perspective.

We recognise that that over time, that a river basin organisation such as the MRC must shift from its development role to an organisation that is steered by its Member Countries. This will be a challenge for the organisation and its Member Countries, but it's a challenge we're ready to take on with your assistance in our currently Strategic Plan cycle.

In the upcoming years, our challenge will be to implement this Strategy and to continue to balance our growing region's economic opportunities with the needs of its people and environment. The MRC Secretariat stands ready to help the Member Countries in any way needed to effectively implement the Strategy. Progress on cooperation with Dialogue Partners and Development Partners, as well as on IWRM-based Basin Development Strategy will be reported in details and discussed under Agenda F.

In 2010 and 2011, we also experienced an intensified commitment from our Dialogue Partners. This began at the Summit in Hua Hin and continued through the flood and drought season, and persists today. We believe that dialogue and an exchange of knowledge has nurtured our relationships and in 2010 and 2011. Recently, China

suggested that it intends to maintain and increase cooperation under the current framework as MRC's Dialogue Partner at thematic and sector levels and also welcomed MRC's invitations extended to Chinese experts to participate in MRC activities such as studies on sediment management, flood and drought management training and navigation.

China also indicated that it is considering the possibility of seconding a staff member to MRCS. Both China and Myanmar were both invited to join the Junior Riparian Professional Programme and the first Chinese JRP has started his programme with IKMP in April this year. With China and Myanmar's engagement and interest in the sustainable development of the Lower Mekong Basin, we're definitely all on board and heading down the right track together.

What would the region look like with out the MRC? This is one question that our work has been able to answer in 2010 to 2011.

Over the past year we have demonstrated the urgency for regional dialogue, and that the MRC is the one organisation able to ensure it. As you know, the MRC has provided the platform for the prior consultation process on the proposed Xayaburi hydropower project, which demonstrated the commitment of our Member Countries to the 1995 Agreement. Through dialogue, we were able to demonstrate together that the MRC's presence stands strong and that our technical expertise is utilised among our Member Countries.

As it was our first, the prior consultation process was one of our biggest challenges to date. Despite the challenges, we worked steadily together and continue to do so, putting the interests of the river and its people first. The result of the process is the need to further discuss, review and study of especially the trans-boundary in-depth environmental and social impacts on the downstream of the project, although the six-month timeframe required by the PNPCA has been met. You will hear more on its latest status and have a chance to discuss during Agenda G.

Whereas proposed mainstream development has received the most attention, it is not the only challenge our river is facing. Climate change, for example, is no longer an

emerging threat. Climate change is a topic everyone in our basin is adapting to. The MRC's Environment Programme is working hard to assure that our Member Countries take holistic steps towards climate change adaptation that prioritise the transboundary nature of our river's eco and biological systems.

Just as climate change impacts our environment, it also is a cause of intensified floods and droughts. The MRC's Flood Mitigation and Management Centre is responding to these conditions and striving towards improved regional preparedness measures. Likewise, droughts are causing significant impact on agricultural productivity and fisheries. The MRC drought programme aims to build national and regional capacity to analyze, design and implement solutions to mitigate land degradation and establish sustainable land use and management practices.

Unfortunately, these three important programmes, which are crucial to help our Member Countries, are still underfunded. The MRC must exert more efforts towards these topics and seek additional financial support.

Without a doubt, we couldn't have accomplished our tasks this year without our Development Partners. We are grateful for your insight and sharing your lessons learned and best practices with us. Without your support, we would not have been able to support our Member Countries to our fullest extent. As we discuss our future directions in this meeting today, I hope we're able to collaborate on approaches towards the sustainable management and development of the Lower Mekong Basin that we can all agree on. Together with your support, we will be able to swim upstream together and secure the future of our river, its people and its natural resources.

Thank you again for your untiring efforts to support our organisation and our Member Countries.

## **APPENDIX 6**

# **PROGRESS ON THE IMPLEMENTATION OF THE STRATEGIC PLAN 2011-2015**

## **NOTE FOR INFORMATION**

### **PROGRESS ON THE IMPLEMENTATION OF THE MRC STRATEGIC PLAN 2011-2015**

1. This briefing note reports on the progress made to the implementation of the MRC Strategic Plan 2011-2015 since it was approved by the MRC Council in January 2011. It also provides an overview of gender considerations in the Plan.

#### **General implementation of the Strategic Plan**

2. The Joint Committee approved the implementation details of the Strategic Plan at its Thirty-third Meeting held in March 2011. The detailed implementation matrix (Annex B of the Strategic Plan) provides a functional roadmap for the MRC chiefly through its programmes to realise the MRC strategic goals and outcomes set out for this strategic plan period.

3. The Strategic Plan is implemented by the MRC programmes. The programmes, particularly those starting new phases during this strategic plan period, are well aligned to the Strategic Plan. The objectives of those programmes respond directly to the Goals of the Strategic Plan. The MRC vision and the indicators describing the expected achievements set the direction for the type of data and information to be made available through the programmes and other regional and national initiatives.

4. The imbedded move towards the implementation of the long-term core functions and transition towards the core functions decentralisation for national line agencies have been adopted as the key strategy by most of the programmes, such as EP, IKMP, BDP, FMMP.

5. In supporting the development of the MRC-wide Performance Management System, a monitoring and evaluation framework developed in-house by the ICBP team, which has a great potential to be applied at the organisational level, is currently being tested by ICBP before being up-scaled. Some other programmes have also developed their M&E frameworks to measure their performance against the programmatic goals and outcomes which will ultimately track the majority of the results set out in the Strategic Plan because of the imbedded alignment between Programme plans and the Strategic Plan.

#### **Transition Roadmap preparation**

6. The preparation process of the MRC roadmap of transition towards decentralisation of core functions has just recently started due to the delayed recruitment of consultants to help develop and facilitate the Roadmap process. A Concept Paper was prepared in late May as an input to an internal discussion with the programmes and a kick-off discussion and consultation with the National Mekong Committee Secretariats in early June. The discussions were conducted in a regional workshop held on 1 June 2011, to get an improved insight into the process for determining the scope and sequence of decentralizing MRC's core river basin management functions and directions on the process and action plan necessary to develop the Roadmap.

7. As a kick-off of the whole process, this workshop discussed the key conceptual questions to the decentralisation of the core functions and the development of the Roadmap. The following recommendations were made:

- Institutionalisation of the work that comes with decentralised core functions at national level is needed: It is crucial to set up a national level body/working group as a mechanism to take core function decentralization forward;
- Each country will need to have its own national roadmap to undertake the decentralised core functions;
- Arrangements, regulations and institutions within each country need to be taken into account in the Roadmap;
- Regional planning rests with the MRC/MRCS;
- Each function “transferred” or “decentralized” should come with a clear plan for capacity building and financing (from the State budget, or other sources of innovative financial mechanisms other than diminishing donor funding);
- Member Country delegates at the meeting further suggested the following funding mechanisms for the core functions implementation by national line agencies:
  - ✓ Member Countries could start by sending more funding to the MRC to undertake core functions (similar to the OEB arrangement) then funds could be gradually distributed back to the responsible national line agency;
  - ✓ Another approach could be each Member Countries provide funds directly to the responsible national line agency or executing agency. This mechanism would require discussion and approval in each member country.
- It was well recognised by the Member Country delegates that some other international RBOs are very small because they provide advise on technical trans-boundary issues; Therefore, they suggested that once the core functions are “operationalized” at the country level after the transition period, the Member Countries will have to determine the role and size of the MRCS;
- The Roadmap should be very specific, especially for the first five years of transition;
- It is highly advised that meeting with top line agency leaders be held after the MRCS works out an in-depth analysis with its programmes on the details of a decentralisation plan, and the meeting should be chaired by the JC member or Secretary General of NMCs.

8. The immediate next step for the MRCS is to undertake in-depth analysis of the existing core functions implementation and decentralisation plans with all the programmes in much more detail than what is already provided in the Concept Paper. Progress will be reported to the Joint Committee at the 34<sup>th</sup> Meeting in late August 2011, which will include the following:

- A revised Concept Paper
- A proposed list of “first priority core functions” for decentralization 2011-2015
- A draft outline of the Transition Roadmap
- A draft ToR for the JC Working Group
- Draft ToR for additional studies.

### **Gender mainstreaming**

9. One of the underlying principles that have shaped the MRC strategic goals for 2011-2015 and guide the organisation’s actions to realise them is gender mainstreaming. Integrating gender perspectives into MRC activities has been institutionalised in the MRC at regional and national levels, through the implementation of the MRC Gender Strategy and Policy as well as the Tool Kits for Gender Responsive Mekong River Basin Development, alongside with the national gender frameworks.

10. Two specific indicators of the Strategic Plan which set out a framework within which MRC impacts on gender equity are to be measured, monitored and reported.

- Indicator 1406: Degree to which gender aspects are addressed in water resources development plans and projects  
Target: At all levels of decision making
- Indicator 4303: Degree to which staff can apply gender-responsive approaches<sup>1</sup> in developing MRC policies, strategies and other MRC documents  
Target: Strategic and key programme documents of the MRC are gender responsive

11. The Strategic Plan further identifies some key activities for the MRC programmes to implement in order to attain the strategic goals, as well as defines the milestones for monitoring the progress towards the expected achievements, which include those on gender aspects.

- Key gender-related activity: Analyse, assess and incorporate implications for gender equity in sector and cross-sector planning processes
- Gender-related milestones:
  - ✓ ICBP01: Gender audits undertaken for all MRC programmes and major policy documents to ensure gender responsive approaches are mainstreamed
  - ✓ ICBP02: Gender tools (gender analysis, gender statistic, gender budgeting, etc.) are applied in each stage of the project management cycle
  - ✓ ICBP03: Gender responsive capacity of the NMCSs and targeted national agencies strengthened and gender tools are applied in the regular works of the prioritised national line agencies as identified by ICBP

12. Similarly, MRC programmes specify gender aspects explicitly their own indicators and targets to align with the Strategic Plan and the MRC's policies on this issue. At the operational level, many of the programmes set clear relevant targets and build in their programme design the incorporation of gender disaggregated data and gender equity assessment for better gender responsive policy formulation and implementation.

13. ICBP is facilitating and supporting all other programmes, as well as coordinating with other regional/national agencies and partners in the implementation of the gender responsiveness and mainstreaming activities in the Lower Mekong Basin.

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<sup>1</sup> Gender responsive approaches can include gender analysis, gender budgeting, gender-aggregated data management, etc.

## **APPENDIX 7**

# **PROGRESS ON THE IMPLEMENTATION OF THE IWRM- BASED BASIN DEVELOPMENT STRATEGY**

## NOTE FOR INFORMATION

### PROGRESS ON IMPLEMENTATION OF THE IWRM-BASED BASIN DEVELOPMENT STRATEGY

#### Background

1. This Note presents the progress on implementation of the IWRM-based Basin Development Strategy for the Lower Mekong Basin (herein referred to as “the Basin Strategy”) to inform the donors of the MRC. The Strategy is the key element of the rolling IWRM-based Basin Development Plan that further comprises basin-wide development scenarios and an emerging Project Portfolio.

2. The Basin Strategy was approved by the MRC Council during its Seventeenth Meeting on 26 January 2011. The Council Members anticipated that implementation of the Strategy will promote regional cooperation for the sustainable development of water resources and help to address climate change impacts and protect ecosystems and livelihoods. They called for the basin’s people to play a central role in the implementation of the Strategy and highlighted the need for capacity building and joint learning.

3. The Basin Development Strategy provides initial directions for cooperative and sustainable LMB water development and management, recognizing data and knowledge limitations and the imperative for both development action and management care. The Strategy removes some longstanding barriers to realizing opportunities for sustainable development of the Mekong River. 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.

4. The road map of the Strategy requires that initially a Basin Action Plan is prepared to address the identified development opportunities and the Strategic Priorities for Mekong basin development and management set out in the Strategy. Furthermore, an implementation monitoring system is to be put in place to track progress and impacts of the projects, programmes and activities defined by the Basin Action Plan.

#### Progress

5. Since the approval of the Strategy, the BDP2 has supported the preparation of the Basic Action Plan through:

- Identification of the 64 Strategic Actions that are required to address the 15 Strategic Priorities and the monitoring system;
- Preliminary indication of regional and national responsibilities for taking up Strategic Actions, including their linkage with MRC Programmes;
- Alignment of the Strategy with the MRC Strategic Plan 2011-2015 implementation annex;

- The preparation of principles, guidelines and examples in support of the preparation of the Basin Action Plan; and
- An agreed work plan for the preparation of the Basin Action Plan in parallel with the BDP 2011-2015 inception phase.

6. Thus, the foundation has been laid for the preparation of the Basin Action Plan at the regional and national levels. The Basin Action Plan will include a Regional Action Plan (principally governing the activities of the MRC Programmes over 2011-2015 and to be ultimately approved by MRC Joint Committee) and four National Indicative Plans (to demonstrate how each country will respond to the IWRM-based Basin Development Strategy through a variety of nationally selected actions). The National Indicative Plans will be aligned, to the extent possible, with the national sector planning and management cycles.

## **Gender Equity**

7. Gender equity is critically important for sustainable development in the Mekong Basin. The implementation of the IWRM-based Basin Development Strategy offers good opportunities to promote and improve gender equity in the water and related sectors, including through the implementation of the following Strategic Actions:

- 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 identification of projects, programmes and activities - and the filling of pro forma “project description sheets” outlining the key design, implementation and M&E information, with a slot for gender information – offers opportunities to consider the role of women;
- 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;
- 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.

8. To capture the benefits from the above opportunities and identify new opportunities for achieving gender equity, the use of the MRC Gender Strategy and Gender Policy and “Tool Kits for Gender Responsive Mekong River Basin Development” and/or national gender frameworks will be promoted.

## **Next Steps**

9. The Regional Action Plan and the four National Indicative Plans will be prepared in parallel during the remainder of 2011. The preparation of the National Indicative Plans is being led by the NMCs in consultation with the line agencies concerned. Senior National Advisors have been engaged to facilitate the process. The preparation of the Regional Action Plan is being led by the BDP 2011-2015 in consultation with the MRC Programmes. The BDP 2011-2015 will ensure that the five Plans are compatible.

10. The Regional Action Plan and the four National indicative Plans will be summarized in a coherent and consistent overall Basin Action Plan. The Basin Action Plan will comprehensively address the Strategic Priorities within the IWRM-based Basin Development Strategy; 2) lead to a strengthened framework for basin planning and management; and 3) lay the foundation to a strengthened and broader based approach to the assessment of scenarios and the updating of the Basin Development Strategy in 2014/2015. The Basin Action Plan will also highlight areas where additional funding support is most needed.

11. The action planning at the regional and national level will result in defined sets of projects, programmes and activities. Non-structural and enabling activities will be included in the Project Portfolio. Water infrastructure projects will be recorded in the Project Master Database. Those passed through the PNPCA process will be uploaded to the Project Portfolio. Such a process will facilitate both integrated national planning as well as support regional overview of developments within the basin and associated water uses. It may also lead to project proposals being notified under the terms of the PNPCA much earlier in the process. The Project Portfolio will be used for the promotion of unfunded regional and national non-structural and enabling activities.

## **Challenges**

12. The BDP 2011-2015 is designed to facilitate and support implementation of the Basin Development Strategy. The core functions of the BDP 2011-2015 are to ensure that a coherent Basin Action Plan is drawn up, to facilitate and monitor implementation of the Plan, and to assist in drawing together their outcomes to produce a strengthened and integrated approach to basin development and management. Whilst others (e.g. Line Agencies, MRC Programmes etc.) will address many of the 64 Strategic Actions to implement the Basin Strategy, it will be the role of BDP 2011-2015, through the NMCSs and the regional BDP team, to ensure all are undertaken in a coordinated and focused manner. BDP will be further responsible also for directly addressing a number of the Strategic Actions itself.

13. The main challenge is the further integration of the National Line Agencies in the basin planning process, and in particular the implementation of the Basin Development Strategy. A comprehensive response at the national level to the opportunities and Strategic Priorities in the Strategy will be ensured through national and regional working groups and other mechanisms in order to capture the mutual benefits that can be created through integrated basin-wide planning. Other challenges are the full alignment of MRC Programmes with the Strategic Priorities and the funding of unfunded national and regional activities.

## **APPENDIX 8**

### **STATUS OF THE PRIOR CONSULTATION PROCESS FOR XAYABURI**

## **NOTE FOR INFORMATION**

### **STATUS OF THE PRIOR CONSULTATION PROCESS FOR THE PROPOSED XAYABURI HYDROPOWER PROJECT**

1. On 19 April 2011, as agreed by Member Countries during the 33<sup>rd</sup> Meeting of the Joint Committee, a Special Session of the MRC Joint Committee was convened at the MRC Secretariat in Vientiane to conclude the Prior Consultation Process for the proposed Xayaburi Hydropower Project. Due to different country views regarding the proposed Xayaburi project, the JC members agreed to take the matter to the MRC Council for its consideration. The MRC Council's next regular session will be in October/November 2011.

2. Since the proposed Xayaburi project is the first case implemented under the prior consultation process, some challenges have been faced. For example, it has been suggested that more time should be extended further than the six month timeframe set up in the PNPCA for prior consultation process to allow enough time for well informed consultation or discussion in each notified country, Some countries have proposed for more national consultations to include more communities and stakeholders which are most directly affected by the proposed project. Stakeholders raised concerns that information about the proposed project including the Environmental Impact Assessment, Feasibility Study as well as the MRCS PC Review Report should have been disclosed to the public earlier to allow stakeholders sufficient time to study and comment on them. There were also comments that the PC Review Report should provide more details regarding impacts on downstream countries (especially Cambodia and Viet Nam)

#### **Next steps**

3. Development and discussion of a Prior Consultation Follow-Up Road Map focusing on activities and milestones needed to fill knowledge gaps as well as to complete tasks identified in the MRCS Prior Consultation Review Report regarding the proposed Xayaburi Hydropower Project.

4. As communicated by Lao PDR, a group of acknowledged international experts and consultants are being recruited to conduct further reviews of the EIA/Feasibility Study of the proposed project as well as issues raised as part of the MRCS Prior Consultation Review Report including proposed mitigation measures.

5. The MRC Council has not indicated whether it will convene a Special Session to consider this matter or discuss it during its next regular meeting.

6. A workshop, possibly a PNPCA JC WG Meeting, is intended to be organized to, among other reasons, discuss lessons learned from the first ever Prior Consultation process.

#### **Background**

7. On 20 September 2010 Lao PDR submitted its proposal regarding the Xayaburi Hydropower Project on the mainstream of the Mekong River, which triggered the first prior consultation process under the MRC Procedures for Notification, Prior Consultation and Agreement.

8. Following the submission of the proposed mainstream dam, a prior consultation mechanism and various activities were set up and carried out. Firstly, within the MRC Secretariat, a PNPCA Task Group was established to assess and review the submitted documents in support of the MRC JC. The PNPCA TG's aim was the development of the MRC Prior Consultation Review Report under the technical coordination of the AusAID-funded Mekong IWRM Project (MIWRMP). To assist the MRC Joint Committee in reviewing the project, a PNPCA Joint Committee Working Group (PNPCA JC WG) was created comprising representatives of each Member Country. The PNPCA JC WG met three times during the prior consultation process and discussed various related issues as well as provided guidance to the PNPCA. Two Expert Groups were operational under the coordination of the PNPCA TG, one on fisheries and another one on sediments. The final MRCS Prior Consultation Review Report was released to the public after the 33<sup>rd</sup> Meeting of the MRC Joint Committee and can be downloaded at MRC's Webpage: [http://www.mrcmekong.org/PNPCA/2011-03-24\\_MRCS\\_PC\\_Review\\_Report.pdf](http://www.mrcmekong.org/PNPCA/2011-03-24_MRCS_PC_Review_Report.pdf).

9. Secondly, a field visit to the proposed Xayaburi project site was conducted for members of the PNPCA JC WG and the PNPCA TG on 29 November 2010. As agreed by the PNPCA JC WG, Member Countries have organized national consultations according to their national regulations and rules to gather comments, concerns and recommendations on the proposed Xayaburi hydropower project from various stakeholders including civil society, non-governmental organizations and local communities who may be affected by the proposed project. Lao PDR and the developer conducted consultations and meetings with local people near the proposed project site during the feasibility study. In Cambodia, two national consultations were organized on 10 February 2011 in Kratie Province and on 28 February 2011 in Sihanoukville. In Thailand, four meetings were convened (on 22 January 2011 in Chiang Rai Province, on 10 February 2011 in Loei Province, on 12 February 2011 in Nakhon Phanom Province, and on 16 February 2011 in Bangkok). In Viet Nam, two consultative meetings were conducted on 14 January 2011 in Can Tho City, and on 22 February 2011 in Ha Long City, Quang Ninh Province. The report - including the more detailed national reports of the consultative meetings as annexes - were agreed by Member Countries to be disclosed to the public during the 33<sup>rd</sup> Meeting of the MRC Joint Committee, and can be downloaded at MRC's Webpage: <http://www.mrcmekong.org/PNPCA/2011-03-31-Report-on-Stakeholder-Cons-on-Xayaburi.pdf>.

## **APPENDIX 9**

# **PERFORMANCE BASED MANAGEMENT SYSTEM**

## **NOTE FOR INFORMATION**

### **PERFORMANCE BASED MANAGEMENT SYSTEM**

#### **Progress since the last Informal Donor Meeting in June 2010**

1. After the Informal Donor Meeting in June 2010, the fourth mission of the Technical Peer Review Group took place during 23-25 June 2010 to review the progress of PMS development. As the GIZ representative (Mr. Sigfrid Schroder-Breitschuh) was contracted by the MRCS to assist with preparing the Strategic Plan Results Chain and the associated Data Monitoring and Management Plan, he did not participate as part of the TPRG on this mission. Only a representative from AusAID participated. The mission reviewed progress in all areas of PMS and provided a list of recommendations, a road map for remaining activities, and job descriptions for different PMS consultants as well as a full time PMS specialist position.

2. As a follow up to the Regional Performance Management System workshop organized on 11-12 May to introduce PMS concepts and details to Member Countries, a series of national workshops were organized starting from Thailand (9-11 July), Lao PDR (19-21 July), Cambodia (28-30 July), and Viet Nam (18-20 August). The workshops were designed as training workshops to introduce PMS as well as skills on logical framework analysis, results chains and performance management system as applied to the MRC Strategic Plan 2011-2015. A regional consultant was recruited to lead this training workshop with support from the Technical Coordination Advisor (TCA) and ICBP. The 3-day training workshop was divided into 3 sections including Logical Framework Analysis (LFA), Result-based Management (RBM) and Performance Management System (PMS). To ensure consistency among countries, the Team designed 8 packages of slide presentations interspersed with 3 group assignments in LFA, RBM and PMS respectively. A total of 96 NMC and LA staff attended the workshops in 4 countries. Their positions ranged from director, chief of division to researcher and field officer. About one-third of the participants are female. The TCA was heavily involved in all 4 training workshops.

3. At the First Meeting of the MRC Joint Contact Group (JCG) on the MRC Strategic Plan 2011-2015 and the Performance Management System (PMS) held on 21 September 2010 in Phnom Penh, Cambodia, the TCA presented progress on the development of the MRC's PMS. The focus was on the Guiding Principles Document to gain comments from Member Countries as well as representatives of Development Partners.

4. After the meeting of the MRC JCG in September, progress on the overall PMS development process experienced further delays due to personal issues affecting the consultant team leader for PMS meaning that he had to withdraw his services. As a result, in addition to developing a pool of resource people to support this work, MRCS needed to identify a replacement team leader to provide overall leadership for completing the establishment of the PMS at the organizational level. MRCS advertised for a full time position "PMS specialist" within the TCU to manage and coordinate all activities required to complete the establishment followed by operationalisation of the Performance Management System. The position had been advertised twice, but both recruitments were unsuccessful due to the lack of qualified candidates which points to the very specialised nature of the work and unfamiliarity with PMS in the region. A third round will be advertised following consideration of the recommendations on future steps prepared by the new PMS consulting team.

5. A new team of three consultants from Australia experienced with PMS systems in both the private sector and the development field was recruited in December 2010. The team has cross-disciplinary skills in performance management and with specialist skills in capacity development, information system architecture, and monitoring and evaluation (M&E). The consulting team undertook its first mission to the Office of the Secretariat in Vientiane during 7-11 February 2011 as a preliminary activity to:

- Clarify the scope and develop time/cost-saving strategies based on what has already been done by MRCS and other consultants to date;
- Develop a comprehensive appreciation for the requirements of the overall PMS development process, and suggest strategies to minimise time/costs over the remainder of the process;
- Provide inputs to the design of the overall MRC level performance management system addressing both the monitoring and evaluation systems and the linkages with the Strategic Plan 2010 - 2015, including making propositions for the institutional set up within MRCS.

6. The consulting team had meetings with the CEO, TCA, BDP, ISH, EP, ICBP, ICCS and FP to discuss how different programmes understand PMS, their work progress relating to PMS, and their expectations on the system. Time limitations meant that the team could only meet in person with the programmes located at the OSV which introduced some lack of detail, but as this was a scoping visit, it was expected that the main generic issues to be addressed through a partial sets of interviews. At the end of the mission the team made two debriefing meetings, one for the CEO, Directors and Section Chiefs, and another for programme coordinators and CTAs from OSV. Based on the discussions, the need for a simple and practical PMS is clear. A system that reports on the linkage between organizational and programme levels is needed to help stakeholders involved understand how they contribute to achieve the goals of the organization as a whole. However, this has to be done step by step and a clear roadmap is needed. One important issue raised by the consultants was organizational commitment for the PMS process in allocation of both financial and human resources. A mission report was subsequently submitted by the consultants on 22 February 2011.

7. The progress on PMS was reported to the Thirty-third Meeting of the MRC Joint Committee during 24-26 March 2011 in Sihanoukville, Cambodia. The Member Countries were concerned about the limited progress of the PMS and suggested some immediate actions be taken including (i) allocate more resources to the system, (ii) establish an effective supervision mechanism to ensure that the timely implementation of the PMS is achieved and (iii) prepare a clear roadmap of the development and implementation of the PMS to ensure the effective implementation of the Strategic Plan as well as programmes' workplan.

8. The TCU continues to take the lead in implementing the activities as proposed in the road map prepared by the Technical Peer Review Group in June in 2010 with some adjustments. At the internal Programme Management and Coordination Meeting held on 16 May 2011 at the OSP in Phnom Penh, recommendations made by the Australian consulting team and issues on future direction of PMS development were discussed. The meeting appreciated the approach recommended by the consulting team that PMS should be initiated as a simple system, and then through time, develop into a more sophisticated system in step with developing capacity and demand. This recommendation goes in line with comments from the countries that the concept of PMS seems complex and difficult to follow, and suggested that the term "monitoring and evaluation (M&E)" should be used as it is easier to understand and most people are familiar with it already. However, the proposed approach with many steps of implementation including the IT component cost much more than anticipated, which is not feasible under the remaining budget for PMS development.

9. The meeting agreed with the suggestion that an internal PMS Task Force comprising selected programmes from both OSV and OSP be established to discuss how to move this exercise forward based on the remaining budget and revise the activities outlined in the current roadmap as appropriate. In addition, a clear direction will be needed from the Senior Management on whether the original concept of PMS development that will be looking into the performances of MRC Secretariat, NMCs and NMCSs is still valid or too ambitious.
10. One resolution for the long process of PMS development is a pilot of a M&E system. ICBP, with support from TCU, has been designing an M&E system to be piloted for the ICBP programme within this year. The M&E system is designed to provide a basis for assessing the performance of ICBP in terms of a) implementation of the designed ICBP Programme Document, b) the achievement of the different set mile-stone and performance indicators formulated in the PIP 2011-2013, and c) the alignment of the ICBP to the Strategic Plan 2011-2015.
11. The system will visualize the progress and formulate tangible results and evidence for the implementation of the different capacity building activities both within ICBP and at a later stage, MRC at large if agreed. The system was presented to the ICBP Steering Committee members, the MRCS Senior Managers, the MRC Programme Advisors and Coordinators, and was very well received. There were internal discussions about the possibility of scaling up the system if it proves workable not only for ICBP but also for the other MRC programmes.
12. This very much linked with a) the current programme planning and management applied at the MRC and the different available M&E systems initiated by some of the MRC programmes, and b) the Performance Management System (PMS) that the MRC is developing.
13. This system, once modified according to the requirements of a standard PMS, will help MRC monitor performance by providing information on implementation progress in relation to the Strategic Plan 2011-2015 Goals and Outcomes. This will also enable MRC programmes to a) monitor the implementation progress, b) measuring performance, c) align the programme achievement to the Strategic Plan's Goals and Outcomes, and d) meet accountability requirements from Member Countries and Development Partners.

## **APPENDIX 10**

# **REPORT ON RECRUITMENT OF THE NEW CEO**

## **NOTE FOR INFORMATION**

### **PROGRESS ON THE RECRUITMENT OF THE CHIEF EXECUTIVE OFFICER (CEO) OF MRC SECRETARIAT**

#### **Background**

1. According to the Seventeenth Meeting of the MRC Council, the Council Chairman announced that an agreement had been reached among the Member Countries to recruit another 3 years term of an international CEO. Reference is made to the letter dated 28 January 2011 from the Chairman of the MRC Joint Committee for 2010/11 requesting the Secretariat to proceed with the recruitment process of an international CEO. This defers the recruitment of a riparian CEO for a further 3 years until 2014. As agreed with the Member Countries, this position is an international position, accordingly nationals of all countries including riparian countries are eligible to apply.

#### **Status of the recruitment of the International CEO position**

2. The vacancy announcement for this position was made on 1 March 2011. The period of advertisement was six weeks with the closing date for application on 13 April 2011. A recruitment roadmap is provided and attached to this briefing note for information (Attachment 1). The Secretariat posted the vacancy announcement of this position widely both internationally and regionally to ensure a large pool of candidates were reached. This includes:

- 2.1 MRCS website
- 2.2 The Economist magazine in the Executive section
- 2.3 Two international well-recognized online recruitment websites
- 2.4 UN related website ([www.unjobs.org](http://www.unjobs.org))
- 2.5 Environment jobs websites, water job websites, water-centre job websites
- 2.6 MRCS recruitment network websites include AusAid, ICEWARM, Mekong Institute, AIT
- 2.7 Major newspaper in all four member countries
- 2.8 Two well-recognized online recruitment websites in each member country
- 2.9 Two headhunting companies in three member countries (headhunting company in Lao PDR is not available),
- 2.10 The other channels include [M-Power\\_L@sea-user.org](mailto:M-Power_L@sea-user.org), [lancang-mekong@googlegroups.com](mailto:lancang-mekong@googlegroups.com), [laofab@googlegroup.com](mailto:laofab@googlegroup.com)

3. By the deadline for the application, the Secretariat received 215 applications. Preliminary screening was conducted by the MRCS preliminary screening panel which comprised of the four directors from the four member countries. The panel screened all applications based on an approved selection criteria and scoring system. The preliminarily screened candidates who received at least scores 70 points and above from each director were submitted to each Joint Committee member for consideration on 9 May 2011.

4. Upon the approval of the shortlisted candidates from the MRC Joint Committee, the next step will be a written test. MRCS has prepared a list of questions for the written test and sent them to Joint Committee members for their consideration on 9 May 2011. The written test is planned for the period from 23 May to 3 June 2011. The results of the written test will inform the final short-listing of the candidates for an interview round.

5. Short-listed candidates will be interviewed during the period from 22 June to 5 July 2011. Upon the approval of the MRC Council for the selection of the CEO, it is expected that the successful candidate will be on board by early October 2011.

## **APPENDIX 11**

# **IMPLEMENTATION OF HR RECOMMENDATIONS**

## **NOTE FOR INFORMATION**

### **PROGRESS ON HUMAN RESOURCES RELATED RECOMMENDATIONS FROM THE INDEPENDENT ORGANIZATIONAL, FINANCIAL, AND INSTITUTIONAL REVIEW OF MRCS AND NMCS**

#### **Introduction**

1. The Independent Organizational, Financial and Institutional Review (IOR) of MRCS and the NMCS undertaken in 2006 made the following recommendations related to human resources management:

- Recommendation 5: Applying a uniform contract system for MRCS and NMCS Staff,
- Recommendation 26: Reviewing staff selection process and opening recruitment to civil society as well as government officials,
- Recommendation 27: Developing NMCS orientation packages for MRCS staff as complementary to the orientation package developed by MRCS,
- Recommendation 28: Reviewing the MRCS staff appraisal system, basing it more on a competency analysis for individual staff, and developing an orientation programme for all supervisors,
- Recommendation 30: Formulating a formal grievance procedure,
- Recommendation 35: Developing a unified salary structure for MRCS that is appropriate for the region.

2. As reported to the Seventh Meeting of the Task Force on the MRC Secretariat Organizational Structure on 19 May 2009, the IOR stated that the development of a unified salary structure for MRCS that is appropriate for the region is required. This relates to the harmonization of salary scales for riparian professional and international staff. However as the timeline for the riparianization process is set for the end of the year 2012, this issue is no longer relevant following the review of the riparian salary system. The Secretariat therefore proposed that this element of the review recommendation be dropped. As a consequence recommendation 35 was excluded from issues assigned to the consultancy on human resources.

3. Based on the remaining recommendations, the Secretariat prepared the terms of reference for this consultancy which include (i) Recruitment and Selection process improvement (including developing MRC and NMCS Orientation Package for MRCS Staff Members), (ii) Human Resources Policies and Procedures including Employment Contract System Improvement, and (iii) Compensation Management and Staff Appraisal System Improvement for the consideration and approval of the Joint Committee. The terms of reference were approved in June 2009.

#### **Progress**

4. As reported to the last MRC Informal Donor Meeting on 17-18 June 2010 the Secretariat had contracted a consulting firm to proceed with the works required on these issues and the consultants commenced their works on 26 April 2010. During their research, the consultants met with different parties of MRCS. This included MRCS Senior Management, selected staff members both at programme management level and general staff members, MRCS Staff Association representatives, and Member Country Representatives. Their reports on the findings and recommendations were submitted to the Secretariat on 10 September 2010. And it has been shared with the MRCS Senior Management, Member Countries, Development Partners, and the MRCS Staff Association on 10 and 17 September 2010 and 1 and 2 March 2011 respectively.

5. Based on the Twelfth Meeting of the Task Force on the MRC Secretariat Organizational Culture on 4 October 2010 the Secretariat reported on the recommendations made by the consultants to address the recommendations related to human resources management made by the IOR. The meeting discussed the recommendations made by the consultants, however, it was agreed at the meeting that national consultations with their human resources management-related divisions are required prior to any decision on the issue can be made. Secretariat human resources staff was requested to facilitate the NMCS as a resource person for the national meetings and to provide summary details to NMCS for consideration. The responsible Secretariat staff will be working with the Member Countries as a resource person to provide required information. Subsequently, the MRCS Senior Management recommended that the consultant team leader should also participate in the national consultation meetings since they would be in a better position to present their studies and analyses including comparative examples from other organizations.

6. The national consultation meetings were conducted in all member countries during January to March 2011. The Secretariat proposed that the national consultations should directly involve the responsible persons from NMCS, representatives from human resource management-related divisions, the consultancy team leader, and the Chief of HRS of MRCS. A relatively small group of people with direct experience of MRC and human resources issues will lead to efficient and focused discussions.

7. As requested by the Task Force Meeting, the Secretariat prepared an HR Consultancy Analysis Report based on the recommendations made by the consultants including budget implications if there were any for the consideration of the Member Countries and as an input for the national consultation meeting.

8. The National Consultation Meeting on HR Consultancy Report of the Consultants and the Summary and Analysis Report by the MRCS have been completed in all four Member Countries. The Member Countries provided their comments as outcomes from the national consultation meetings for the Secretariat. These comments together with the comments received from the MRCS Staff Association had been discussed at the Thirteenth Meeting of the Task Force on 7 March 2011 and subsequently had been submitted to the consideration of the Joint Committee Meeting on 24 March 2011.

9. Based on comments made at the Joint Committee's 33rd Meeting, some parts required additional information. The Secretariat has been working on this additional information with the consultants and the information will be discussed at the Fourteenth Task Force Meeting tentatively set for 23 June 2011.

10. On the formulation of a formal grievance policy and procedures, as reported to the last informal donor meeting, the Secretariat prepared a draft grievance policy and procedures and submitted it to the MRCS Staff Association for consultation. The MRCS Staff Association considered the draft and provided comments in August 2009. Subsequently, the draft was sent to legal advisors to ensure that the policy and procedures are in line with legal requirements of both Cambodia and Lao PDR, host countries of the MRCS. Comments of the legal advisors had been incorporated into the revised version of the policy. The revised grievance policy and procedure have been reviewed and commented on by the HR consultant. In addition, the HR consultant recommended MRCS to have an Administration of Justice to compliment the grievance policy and procedure. A Administration of Justice process was considered necessary to structure the approach of the Organization when it may need to initiate investigations and other related actions against a staff member for any misconduct and wrongdoing.

11. The Administration of Justice has been considered by the parties concerned including MRCS Senior Management, staff members through the MRCS Staff Association, and Member Countries and non-objections have been provided. These two documents and policies can now be used if needed.

## **APPENDIX 12**

# **IMPLEMENTATION OF THE MRC COMMUNICATION STRATEGY**

## **NOTE FOR INFORMATION**

### **IMPLEMENTATION OF THE MRC COMMUNICATION STRATEGY AND DISCLOSURE POLICY**

**1. Taking Action on the Internal Organisational Review:** The Independent Organisational, Financial and Institutional Review of MRCS and the National Mekong Committees (IOR) states that “some development partners are concerned about the extent of the (MRCS’) disclosure policy” (p.9). The IOR Assessment Team recommended the adoption of full openness by MRC on scientific data and analysis produced by the MRCS. Over the past year, the MRC has prioritized taking action on this IOR recommendation. The MRC’s actions on this recommendation were primarily tested during the prior consultation process on the proposed mainstream Xayaburi hydropower project. The MRC worked closely with its Member Countries to receive information in a timely manner and was committed to sharing all information with the public as soon as it was made available. The MRC’s communication approaches were therefore developed in 2010 towards the primary goal of implementing the MRC Disclosure Policy by improving transparency and information dissemination. As described throughout this briefing note, several approaches were taken to improve our external and internal relations, and assure the public that the MRC shares all information possible, as soon as it becomes available. In 2011-2012, the MRC will continue to improve its transparency through lessons learned in 2010. Additionally, recommendation 37 of the IOR requests to formalise a stakeholder consultative process as part of the MRC’s Annual Meetings. Over the past year, the MRC has re-approached this topic by reviewing Programme’s stakeholder relations as well as stakeholder participation and engagement with MRC at other levels. In July 2011, the MRC will begin conducting a new stakeholder analysis as requested by the Joint Committee.

**2. Improving our external communication approach:** Since the last Informal Donor Meeting in June 2010, the MRC has improved its management of media and public relations into a more proactive approach. This includes trying to anticipate interest and preempt the media’s and the public’s negative response to MRC-related news. One way that the MRC has aimed to improve its media and public relations is to provide briefing to key media outlets ahead of time to manage expectations, provide up-to-date information as soon as it is available and to disseminate the information to a wide audience. For example, most recently during the Joint Committee Special Session on the proposed Xayaburi hydropower project and when the Procedures for Water Quality was signed the MRC prepared and immediately released Questions and Answers, Frequently Asked Questions, and a press release in riparian language within a couple of hours of the released news. As media and public relations are built upon timely responses to important events, the MRC has strived to provide the media and public with not only printed materials, but with the face-to-face time they deserve to answer all their questions. The MRC has been featured in printed medias as well as multi-media sources world-wide in the past year including the *New York Times*, the BBC, wire agencies such as IPS and AFP, the *Guardian*, the *Bangkok Post*, the *Nation*, MSNBC, and many others within the region. By taking a more pro-active stance with the media and the public, there has been greater interest in the MRC’s work and as a result, the MRC has received almost daily media attention from around the world. Journalists have appreciated the Secretariat’s handling of the provision of information to the media regarding our services as “professional, transparent and timely.”

3. In addition to trying to improve our media and public relations, the MRC has introduced new communication tools such as ‘human interest stories’, or stories which contextualise Mekong people’s lives in our region. As we have received positive feedback on this communication approach, the MRC will make it a more regular feature on its website in an attempt to demonstrate how the organisation’s work is relevant in the lives of many different people throughout the region. Our human interest stories also improve relations with the featured individuals in the stories. For example, for International Wetlands Day, the MRC interviewed a farmer in Boun That Luang on his daily struggles and future concerns. For International Women’s Day the MRC interview Her Excellency Madame Khempeng Pholsena on her perspectives on women in the field of Integrated Water Resources Management.

4. **Improving online accessibility:** Over the past year, the MRC has invested its time in refining its new corporate website as it is a primary platform to disseminate the knowledge that the organisation produces. This lengthy process has included developing a design which is easier to access and navigate, and adding new features that highlights the MRC’s regional work. Out of the four websites that are undergoing the redesigning process, the MRC corporate website and the web data portal (<http://portal.mrcmekong.org/cms/about-the-portal>) have recently been launched online. These two sites provide access to information on critical issues facing the Mekong as well as information on the MRC’s programme work in the region. Additionally, the redesign of Mekonginfo and MRCS Intranet was started, and is now in its final stages. A working group from the MRCS was established in order to oversee the general implementation of the web redesign process and to work with the consultant team on content development and design. This working group has provided valuable insight on how to improve the website’s content as well as perspectives on how to improve the website design to suit the organisation’s online communication objectives.

5. **Better assisting Programmes with their communication needs:** In early 2011, the communication needs of MRCS programmes were assessed by ICCS, and programme communications activities were planned together with the MRC’s communication team. The communication assessments were the first step towards improving communication and coordination between ICCS and the programmes, and to be able to better meet their needs as identified in their work plan. Our communication assessments have demonstrated that each programmes communication needs are unique and one area that could be improved upon next year would be to assist the programmes with developing a greater communication campaign or annual communication goal.

6. **Producing knowledge in riparian languages:** This year, the MRC has been focusing its efforts to produce as much as possible in riparian languages to widen its readership. Examples of documents which have been translated include the updated 1995 Mekong Agreement and all related Procedural Rules, the IWRM-based BDP Strategy, the MRC Strategic Plan 2011-2015, the summary report of the SEA, media releases and statements, Frequently Asked Questions (FAQs) and exhibitions. Currently, the MRC is working to produce its informational Programme leaflets, booklets, and technical reports in riparian versions. Additionally, greater outreach was extended to riparian media in Member Countries by disseminating media releases and accommodating interviews in riparian languages. Finally, the MRC is expanding the scope of the website to include riparian languages as well. By producing publications, reaching out to the regional media and developing website content in riparian languages, the MRC hopes to help develop local knowledge and expand its regional audience.

**7. Media Training:** This year, the MRC faced the challenge of continuing its public and media relations without the guidance of a CEO. For the first time, Directors, Programme Coordinators and Chief Technical Advisors have been approached as an 'official voice' of the MRC. To better prepare the organisation for this transition and on techniques to better communicate with the media, ICCS provided an intensive two-day media workshop. The workshop was attended by all MRC Directors, CTAs, PCs, ICCS and select others. By the end of the workshop participants, who used to be more comfortable talking mainly about technical issues felt more confident and better prepared with situations when the media may approach them with potentially sensitive and complicated issues.

**8.** Additionally, in preparation for the Joint Committee Special Session, MRC spokespeople were prepared to ensure that coherent messages were conveyed and the role of the MRCS as an advisory body was communicated to the public and correctly reported by the media. The MRC responded to media requests by individual scheduled telephone interviews with international and regional journalists. Regional journalists were also accommodated with interviews in their riparian languages upon request. Media attention to the MRCS is on-going with a focus on follow-up reports on the next steps regarding the proposed Xayaburi hydropower project. This year has demonstrated the MRC Programmes' willingness to engage the media and act as spokespeople.

**9. Disclosure:** During the prior consultation process, the topic of disclosure was often tabled by the media and other stakeholders. The MRC has responded to its stakeholders and the media's concerns over document disclosure by posting all documentation possible on its website as soon as they are made available. A number of documents have been placed on the corporate website, including records of MRC governance meetings, draft reports, consultant reports, such as all the SEA reports, the MRCS Technical review of the proposed Xayaburi and its EIA report conducted by the developer. Hard copies are distributed as normal. **Updating the MRC's image:** ICCS has recently started developing a new 'look' for the MRC's printed documents. The goal of developing a new image for MRC publications is to better project the future directions of the Lower Mekong Basin. We began this project by redesigning the MRC Strategic Plan 2011-2015 booklet, the IWRM-based Basin Development Plan Strategy material, new programme leaflets, and other promotional material such as an "About the MRC" brochure so our stakeholders can learn more about the organisation.

As part of the process to update our image, the MRC has hired a photojournalist to refresh our photo catalogue. Additionally, the MRC is in the process of hiring a videographer to create short films on the Lower Mekong Basin and the challenges and opportunities the region faces.

**10. Media Strategy:** In 2011, ICCS plans to develop a media strategy which will include further improving our outreach to national, regional and international media outlets by building upon our increasing partnerships. During the prior consultation process, the MRC developed strong relationships with the regional media. The challenge now is to sustain these relationships and to explore the media's interest beyond hydropower development. Consideration is being given to further accommodate the needs of riparian language journalists to be better engaged with the MRC's transboundary issues by providing more interviews in riparian languages, for example as the MRC did following the JC Special Session.

Support to Member Countries on this aspect is increasing to help expand their national and public profile by helping them to identify the gaps in their public and media relations. The MRS is also exploring ways in which it can reciprocate its networks and support its NMCs. The MRC began this process in early-2011 by establishing communication focal points at the NMCs and discussing the organisation's communication goals with them.

**11.** These above-mentioned activities will be updated regularly as part of the International Cooperation and Communication Section annual work plan.

**12.** Future activities for 2011 include a video documentary production to raise awareness on issues related to the Lower Mekong Basin; a continued redesign and translation of a wide-range of MRC documents and communication materials; and continued support with National Mekong Committees to assist them with meeting their communication needs.

## **APPENDIX 13**

# **STAKEHOLDER PARTICIPATION**

## **NOTE FOR INFORMATION**

### **REPORT ON PROGRESS ON STAKEHOLDER PARTICIPATION IN MRC PROGRAMMES**

#### **Introduction**

1. In 2007, the MRC carried out an Independent Organisational, Financial and Institutional Review of the MRC Secretariat which recommended that the organization “formalise a stakeholder (NGOs and Civil Society) consultative process as part of MRC annual meetings” (Recommendation 37).

2. In 2009/2010 the Secretariat commissioned a consultant report on Stakeholder Engagement at Governance Level Policy which is yet to be approved, mainly due to concerns of needing more time to assimilate the experience from stakeholder involvement at other levels of the MRC's work before developing the most appropriate vehicle for stakeholder engagement at the governance level. Consequently, the Secretariat has proposed that MRC adopt a step-by-step approach by initially engaging a wider range of stakeholders, including NGOs and Civil Society, in its programme and strategic planning activities, expanding from what some MRC Programmes are already practising. At its Thirty-second Meeting, the Joint Committee approved this approach and requested the Secretariat to prepare a report on lessons learned from this approach, as a means of exploring ways to establish an enabling environment for engaging the stakeholders in its governance process.

3. At the 33<sup>rd</sup> Joint Committee Meeting in March 2011, the Secretariat presented a report on lessons learned and proposed next steps which includes the need for a more comprehensive study on evaluation of other existing platforms, assessment of stakeholders' expectation, a comparative analysis and integrated stakeholder engagement strategies. The JC Members took note of the report and recommended that the Secretariat develop an in-depth assessment on MRC stakeholder engagement as well as the contribution of observers to MRC governance meetings and to present the report at the next JC meeting if possible.

#### **Progress in involving stakeholders**

4. The MRC has engaged with a wide range of stakeholders at its programme, strategic planning and governance levels. Different engagement mechanisms are in place for different groups of stakeholders of the MRC. Dialogue Partners and Development Partners have engaged with the MRC through regular meetings and attended MRC governance meetings, such as Joint Committee and Council Meetings, as Observers. A few regional partner organisations including WWF and IUCN are granted the Observer status for the JC and Council Meetings. Non-governmental organisations, civil society organisations and other groups of stakeholders are largely involved in MRC through its programme works and strategic planning.

#### **Engagement at programme level**

5. Stakeholder engagement at the programme level as initiated by the Basin Development Plan (BDP) Phase 2, the Initiative for Sustainable Hydropower (ISH) through its Strategic Environmental Assessment (SEA) as well as others like the Environment Programme (EP) have emphasised the importance of stakeholder participation in MRC activities which will further promote cooperation with a wide range of stakeholders and bring about the recognition of the MRC as an organisation that strives for transparency and regional collaboration. It also provided lessons learned for the MRC in terms of understanding the networking, organization, financing, capacity and expectations of

stakeholders. Moreover, it has provided reflections on methods that work and do not work in engaging stakeholders.

6. The Basin Development Plan Phase 2 held three Regional Stakeholder Forums in March 2008, October 2009 and July 2010 to build consensus among the riparian governments and stakeholders on the common directions for sustainable development and management of water and related resources. About 150 stakeholders participated in the first forum, and about 250 in the second and third ones. They included representatives from local, regional and international non-governmental organisations, affected communities, donors, academic and research institutes, National Mekong Committees and the media.

7. Some of the stakeholders' comments and perspectives drawn from the three stakeholder forums were included in the Basin Development Strategy that was approved at the 17th Meeting of the MRC Council. The BDP is planning to integrate those comments and perspectives into its next programme, the BDP Phase 3.

8. Some of the inputs from the BDP forums that are reflected in the Strategy include its requirement for long-term sustainability through management of the river and livelihood-giving system, active and transparent involvement of all Mekong stakeholders in the river's resources management and development, its acknowledgement of potential changes in the river's flow regimes by upstream development. The Strategy embraces Integrated Water Resources Management principles and practices, identifies both opportunities and risks including those associated with fisheries as well as sets out strategic priorities for basin-wide development. The inputs obtained from the forums were presented by the BDP team to representatives of National Mekong Committees and line agencies during national consultations on the draft IWRM-based Basin Development Strategy.

9. Since initial efforts of engagement, NGOs have gradually been more open to sharing information with the BDP which implies a certain level of achievement in trust building.

10. In the 14-month development of the SEA starting May 2009, the ISH held a series of consultative events and stakeholder involvement at different stages over the period. This is to maximise cooperation with stakeholders and show that the SEA is an open and technically sound and credible assessment in which they have been effectively involved with. The programme started with grouping stakeholders into different categories: government agencies, civil society and non-governmental bodies, the private sector, and the general public and the media. Each required special consultative and communications approaches since they have different levels of communication capacity, features and expectations of the SEA. Communications tools and key messages were then developed. For example, the SEA Final Report Summary was translated into riparian languages along with more easy to digest Frequently Asked Questions. The Final Report, Summary and Frequently Asked questions were made available on the MRC website.

11. Internally, the ISH has worked with other MRC Programmes including the BDP to form multi-stakeholder partnerships and outreach through which it has been able to avoid confusion and redundancy, yet enhance synergies in engaging with key basin and sub-basin stakeholders of the MRC. Externally, the MRC website was used to inform about the SEA purpose, timeline and for inputs to it through webpage submission. Received submissions were made available on SEA page. Print and electronic media were engaged in official release of SEA outcomes and press conferences, national and regional consultation workshops.

12. For engagement with non-government organisations and academic institutes, the programme initially held one-to-one meetings and civil society roundtables at the national level, followed by a regional multi-stakeholder workshop. These stakeholders include well-known international NGOs such as IUCN, WWF and International Rivers, local NGOs, directly and indirectly affected communities, the media, and environmental policy and research institutes.

13. The MRC Secretariat played a role in sending out invitations to these groups of stakeholders at national forums where representatives from the NMCs also attended.

14. **Points of concern:** The ISH reported that several times local NGO representatives were not focused with their debate on issues tabled for particular forums. Their representation of views was also less structured than that of international NGOs.

#### **Engagement at policy level:**

15. In September 2010, the MRC held the Regional Stakeholder Dialogue on Directions for MRC Strategic Plan 2011-2015 in Phnom Penh. The forum aimed to seek stakeholders' inputs to priority issues and on directions of the MRC in order to strengthen their participation further at the strategy level. A total of 68 participants attended the dialogue, including local civil society organisations, research institutes, non-governmental organisations (NGOs) and representatives of NMCs.

#### **Overall evaluation of engagement at programme and policy levels:**

16. **Organisation and finance:** Civil society organizations used existing networking mechanisms for issue-based grouping in order to participate in the forums. A number of advocacy NGOs critical of the MRC has so far opted out of the participation. The MRC covered the costs of transportation and accommodation of the majority of representatives of participating local NGOs and civil society representatives.

17. **Good practices and lessons learned:** Group discussions were arranged in a way that eventually enabled interactive communications. The MRC programmes chose to separate government officials from representatives of non-governmental organisations, acknowledging that the majority of the latter were less likely to talk in the immediate presence of the former. Comments were collected from both groups and then were reported back to the plenary session. Both BDP and ISH came to a common conclusion that parallel meetings have proved to be more productive than plenary sessions when it comes to seeking genuine comments and views.

18. During the opening of each of the forums, stakeholders were asked to share their questions and ideas about the event. They also worked in small groups. Open-ended questions were provided for each group and interactive debate took place accordingly. At the end, all groups shared details of their discussion and then sought a conclusion from the plenary session.

19. E-mailing, the MRC website and calling have proved to be effective communication means for sharing and exchanging information and views with stakeholders.

20. The BDP team found that effective communication, by simplifying messages based on interests of particular groups of stakeholders, is part of their success in this process.

21. The BDP observed that in order to create an enabling environment, the MRC should act as a link between government agencies and NGOs. In this situation, the MRC needs to communicate clearly with National Mekong Committees about objectives of stakeholder engagement.

22. Civil society at the Regional Stakeholder Dialogue on Directions for MRC Strategic Plan 2011-2015 reflected that in order to engage stakeholders more meaningfully the organizer should send them related documents in advance. They also suggested the setting up of a Community Committee to work with each NMC so that they can participate in national Mekong affairs meetings.

#### **The arrangement for a more comprehensive analysis**

23. In order to take discussions forward in accordance with the recommendation from the JC Members, the MRC Secretariat has developed Terms of Reference for hiring an

International Stakeholder Analysis Consultant. The consultant is tasked with conducting a comparative analysis on MRC-wide stakeholder engagement by reviewing the MRC history of stakeholder engagement and the current Observer arrangement in MRC governance meetings. The consultant is also assigned to provide a practical and comprehensive analysis of other models in stakeholder engagement employed by other international organisations, with a view to recommend options for the MRC and provide associated roadmaps.

24. Recruited for a period of two months in July and August, the consultant is expected to produce the following outputs by the end of the contract:

- MRC-wide stakeholder review and analysis;
- Analysis of stakeholder engagement modalities in other organisations;  
and
- Practical recommendations on options for a structured, focused stakeholder engagement for the MRC.

25. Once the stakeholder analysis has been finalised, the MRC Secretariat will present all lessons learned and constructive recommendations to the JC as the first step to move forward. The Secretariat would then take action based on the JC's advice.

**APPENDIX 14**

**MRC FUNDING NEEDS**

NOTE FOR INFORMATION

MRC PRIORITY FUNDING NEEDS

1. With the approval of the MRC Strategic Plan 2011-2015 at the 17<sup>th</sup> MRC Council Meeting in January 2011, the organization entered into its new strategic planning cycle. Since the start of the current Strategic Plan 2011-2015 cycle, the MRC continued to have strong and continuous support from the development partner community. The multi-year funding agreement and commitment towards the Work Programme Budget amounted to approximately USD 58 million. Details on development partner multi-year funding agreements and funding commitments are shown in Figure 1 below:

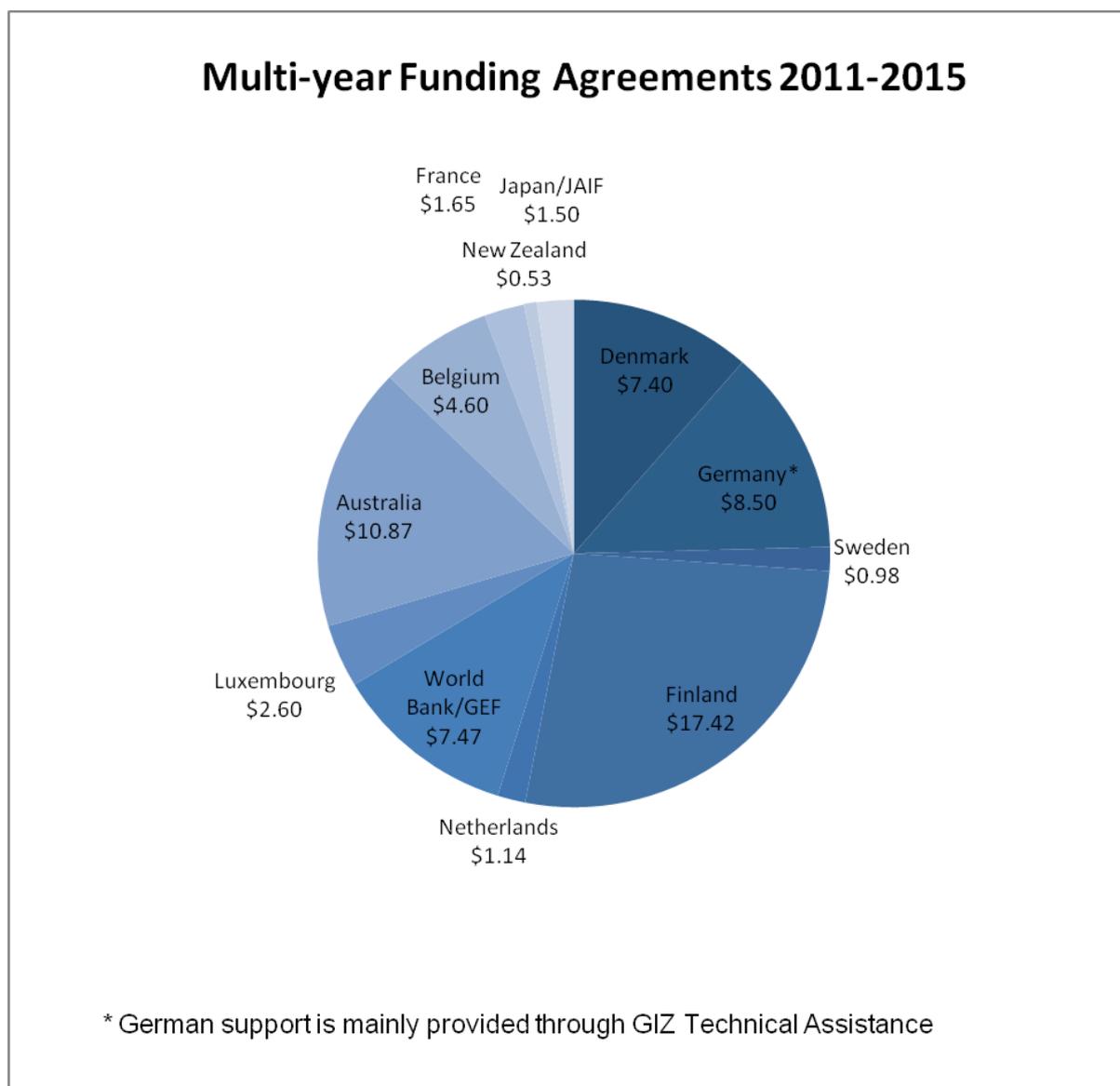


Figure 1: Multi-year Funding Agreement and Funding Commitment towards the Work Programme Budget for the Strategic Plan 2011-2015 (in USD million)

2. At the 17<sup>th</sup> MRC Council in January 2011, the MRC reported that there are 12 Development Partners supporting the MRC with the amount of USD 56.53 million with USD 14.42 million standing pledges\* and USD 26.9 million standing commitments\*. Since then, Finland’s standing commitment has turned into three funded agreements with the amount of

11 million EUR which is equivalent to USD 14.30 million. This was allocated to the Initiative on Sustainable Hydropower (EUR 3 million), the Information and Knowledge Management Programme (EUR 7 million), and the Integrated Capacity Building Programme (EUR 1 million). In addition, Japan has further committed funding of USD 1.5 million to support the Agriculture and Irrigation Programme.

### ***Programme Funding Priority***

#### ***Immediate funding Needs***

3. Despite the continuous support from the Development Partner community, the overall amount committed at the moment only covers 46.8% of the overall MRC Work Programme 2011-2015 Budget requirement. The funding gaps are still large for the SP 2011-2015 cycle. The programmes that are in immediate funding needs refer to programmes that as of June 2011, have received funding less than 50% of their planned budget and the absence of funding would result in the programme being unable to start some of their Work Plan for this year and may require termination of activities, separation of staff and thus loss in previous investments in that programme. Those programmes that are facing immediate funding needs, ranked by top priority, are the Flood Management and Mitigation Programme (FMMP), Drought Management Project (DMP), Fisheries Programme (FP), Navigation Programme (NAP) and Performance Management System (PMS).

4. Following the 33<sup>rd</sup> Joint Committee Meeting in Preah Sihanouk province in Cambodia, both the Flood Management and Mitigation Programme Document for 2011-2015 as well as the Drought Management Project Document were approved by the Member Countries. Following its regional consultation meetings, the FMMP's logical framework was simplified and future operations and development of the RFMMC were readjusted. In addition, to highlight the priority of drought management, the Member Countries also agreed to a timeline for finalization of the wider Drought Management Programme Document.

#### ***Flood Management and Mitigation Programme is in urgent need***

5. The Flood Management and Mitigation Programme (FMMP) is facing an urgent need for funding and is given high priority for fundraising. The MRCS is working towards turning pledges and commitments into funding agreements to ensure the timely implementation of the FMMP 2011-2015. One of the main achievements of the FMMP so far is the fully functioning and operational Regional Flood Mitigation and Management Centre (RFMMC) which is completed with flood forecasting systems that improved flood forecast and broadened flood related information as well as strengthened flood preparedness and emergency management in the LMB. **The FMMP has a total budget plan of USD 15 Million for the Strategic Plan 2011-2015 with only USD 3.21 million committed.** Taking into account the time that is required to successfully conclude a funding agreement, FMMP's current funding support ends in 2011. One key entry point for support to FMMP is its role in the region's climate change management. FMMP's work in climate sensitive data collection and flood forecasting should appeal to development partners who have an interest in aiding the LMB to prepare and adapt to climate change. (See Annex 1: The Flood Management and Mitigation Programme Document 2011-2015)

#### ***Drought Management Project is also in need***

6. After the 33<sup>rd</sup> Joint Committee meeting where the Drought Management Programme's Core-Functions Project 2011-2013 was approved, the full Drought Management Programme 2011-2015 was revised based on the approved document. DMP outcome 1, 2 and 3 will be covered by the Drought Management Programme's Core Functions Project (support committed by JAIF); leaving Outcome 4 and 5 still in need of immediate funding. Outcome 4 is the application of drought management and mitigation tools at pilot project sites and Outcome 5 is development of drought management capacity and technical capacities and networks. The DMP held a series of national consultation meetings and recently held a regional consultation meeting with positive result on the programme document. **The total budget plan for DMP 2011-2015 is the amount of USD 3.80 million.**

## **7. Improving and Protecting the Livelihoods Derived from Mekong Fish – Fisheries Programme (FP)**

The MRC Fisheries Programme (FP) is to provide a basis for management of fisheries resources and their environment in order to maintain their productivity for future generation.

*Unique Achievements.* The major achievement of the MRC Fisheries Programme has been to scientifically demonstrate the size and value of the Mekong basin's fisheries as well as their importance to millions of people's livelihoods and food security. As a result, the basin's fisheries are at the forefront in considerations of the impact of developments in other sectors. Another key focus for inland fisheries for in Mekong resources development is the emphasis on user participation in fisheries management, which has led to better fisheries regulations and higher compliance. However, lack of knowledge is still an obstacle to improved management, planning and implementation.

*Key Focus.* Recent national fisheries management and development is characterized by a renewed focus on inland fisheries in national policies and legislations. A key focus here is the emphasis on user participation in fisheries management. However, lack of knowledge is still an obstacle to improved management planning and implementation. There is also a focus on fisheries impacts in considerations of major projects such as the mainstream hydroelectric dams, and in particular their possible transboundary impacts.

Since its establishment in the early 1990s, the FP has been successful in tackling the consequences of development characterized by increasing pressure on the fisheries sector. The efforts undertaken by national governments and regional organizations towards sustainable fisheries management and development as well as identifying remaining and emerging challenges pointed out to a need for this current FP Phase III.

*Major FP Outputs.* Major FP outputs include:

- Impacts of climate change on fisheries and aquaculture are assessed
- Technical and scientific information on LMB fisheries is packaged and disseminated effectively
- Information on Fisheries and Aquaculture Status and Trends (FST) and Fisheries Valuation (FV) is available regularly
- Potential impacts of infrastructure development on fisheries and aquaculture described and mitigated measures identified and evaluated

*The current funding gap for FP (2011-2015) is USD 8 million.*

## **8. Trade and Transport on the Mekong River – Navigation Programme (NAP)**

*NAP's recent accomplishment.* In 2009, the Navigation Programme facilitated the formulation of the Agreement on Waterway Transport between Cambodia and Viet Nam which is the first Agreement between the two countries to reduce cross-border navigation restrictions, improve efficiency and safety standards.

The NAP continues to work to ensure efficiency and safety of domestic and cross-border waterborne transport in the Upper and Lower Mekong Basin. The NAP also works to promote clean river transportation, prevention of environmental damage, capacity building and contingency planning. In late-2010, arrangements were made to start up a study and legal taskforce that will provide recommendations for the establishment of a legal framework between Lao PDR and Thailand for cross-border navigation for the reach downstream of Luang Prabang.

Key to NAP is informing, promoting and coordinating navigability. The NAP is providing timely and relevant information to waterway users, tidal monitoring, real time data on river heights, electronic navigation and Automatic Identification Systems (AIS). The NAP is also working to make sure that the ship locks are being done properly.

*NAP future major outputs.* For this Strategic Plan cycle, the NAP is working towards three main outputs:

- Optimization study,
- Standard specification and
- Cooperation with China.

*The current funding gap for NAP within the MRC Strategic Plan period is USD 9.4 million.*

### **9. The Results-Based Monitoring and Evaluation System – The MRC Performance Management System (PMS)**

*Achievements so far.* The emphasis of the PMS is on evaluation of the outcomes and impacts of the programmes. Achievements as of today - there are four programmes that have cultivated the monitoring and evaluation (M&E) framework as an organic part of their programme management: they are EP, CCAI, ICBP and IKMP. The BDP also is developing the M&E framework to monitor the implementation of the Basin Development Strategy. These M&E frameworks are programme-level results frameworks which ultimately contribute to the SP (2011-2015) results.

*Planned Outputs 2011-2015.* Programmes are well aligned to the Strategic Plan 2011-2015 and the MRC core-functions are intrinsic in the design of the programmes's new phases. In the medium-term, the PMS is to monitor whether the Strategic Outcomes are being achieved by measuring and checking MRC performance against the targets and indicators developed. The main outputs for the Technical Coordination Unit to deliver are the following:

- The design and implementation of additional monitoring mechanisms which are related to overall performance monitoring
- Elaboration of the monitoring and evaluation system
- Finalization of the guidance manual
- Reporting System is established
- Training programmes on the system
- The design and implementation of the PMS at the programme level; and
- The design of the IT system.

*Achievable product for 2011.* Currently the remaining budget for the PMS implementation through the ICBP is approximately 200,000 USD. In addition to the finalized guidance manual, one major output among others the TCU can deliver by the end of this year is:

- Results-based reporting which is an important step towards performance management culture. The reports will become results oriented which will provide foundation for better programme management, monitor progress and act as an early warning of problems. Even though the numbers have decreased since most donors are in line with the donor harmonization policy – reporting alignment related, the 13 MRC programmes produce several reports per year. This results-based reporting system will also involve the improvement of the current internal report processing.

With this reporting system in place, MRC reports' content and quality will also be measured against what are set out in Agreements with development partners. To a certain extent, this reporting system will increase accountability and strengthen credibility by presenting achievements and providing feedbacks to development partners on funding received and soliciting future funding.

*The planned budget for the PMS development and Implementation (2011-2015) is USD 1.7 million.*

### **Medium-term Funding Needs**

10. Other priority programmes are those programmes that have current funding ending in 2012 and as of today have received less than 50% funds for their total budget planned until

2015, Those programmes are the Agriculture and Irrigation Programme (AIP), the Basin Development Plan Programme (BDP) and the Environment Programme (EP), with funding gaps of USD 3.45 million, USD 5.78 million, USD 6.6 million respectively. The total amount of funding needs, pledges and commitments for these programmes is outlined below in Figure 2:

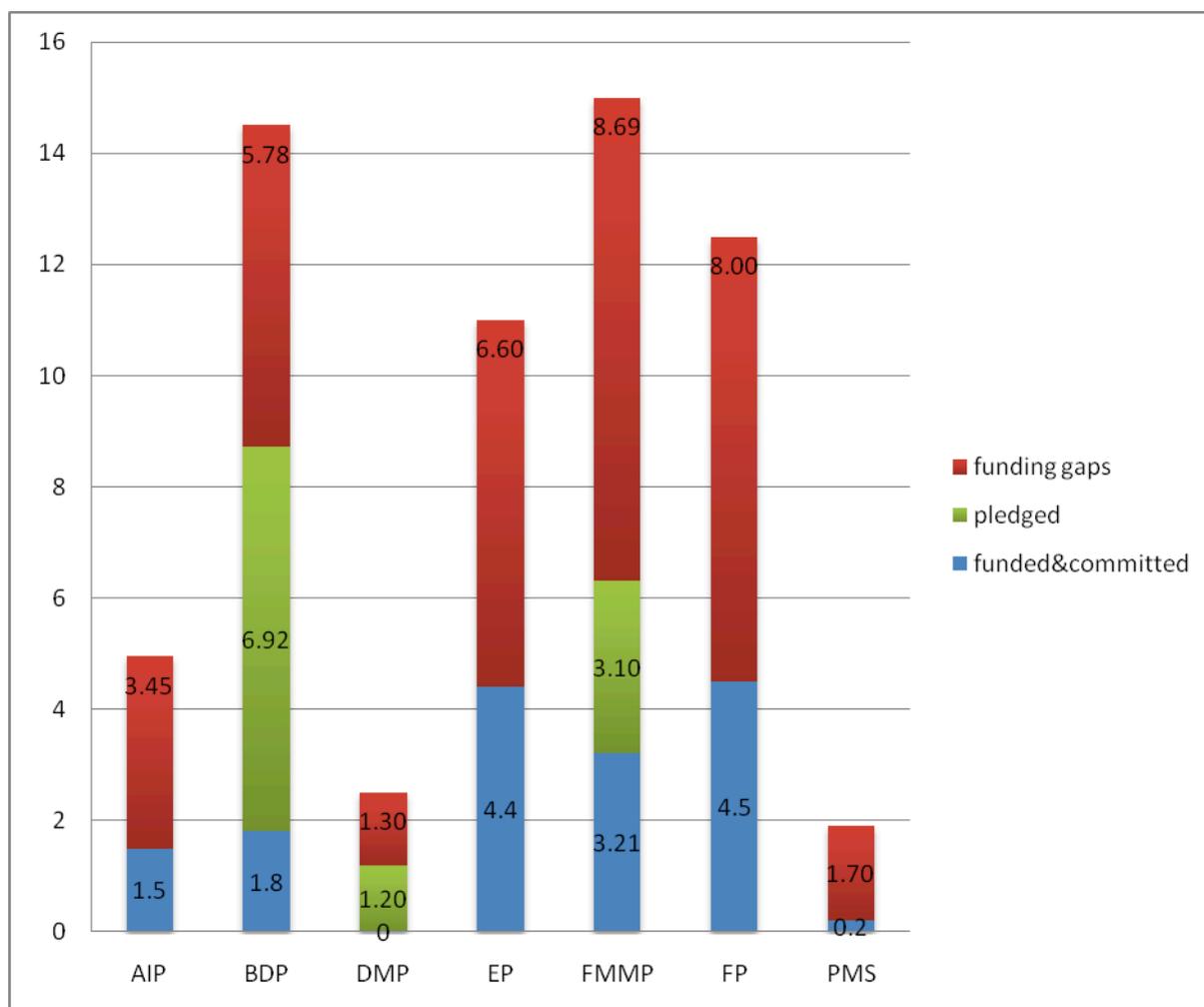


Figure 2: Programmes that have critical funding gaps for the Strategic Plan 2011-2015 (in USD million)

### 11. Formulation of the Agriculture and Irrigation Programme for 2011-2015 (AIP)

The AIP is completing its 3-year project 'Sustainable and Efficient Water Use in Irrigated Agriculture in the LMB' (SEWU). The following items are expected to be completed in 2011:

#### Deliverable products in 2011

- Country Reports which include water use assessment and development of Water Use Efficiency (WUE) improvement plan at pilot site;
- Socio-economic impacts assessment of hydrological changes, irrigation development and other factors in the LMB; and
- Development of future direction of irrigation development in the LMB

*Major outputs by 2014.* In addition, under the new IWRM-based Agricultural Water Management Project, the outputs below are among those outputs expected to be completed in 2014:

- A technical guideline to improve the irrigation facilities adaptable to climate change
- A manual to assess the functions of existing irrigation facilities
- Verification studies of manual/guidance at pilot projects
- Improvement of MRC irrigation database, and
- Capacity building of concerned line agencies.

*The current funding gap for AIP (2011-2015) is USD 3.45 million.*

## **12. Understanding the bigger picture – Basin Development Planning (BDP)**

*The Basin Development Strategy.* BDP aims to better understand what development means for people living in the Lower Mekong Basin, by promoting dialogue, developing strategies and supporting negotiations. The strategy also prioritises irrigated agriculture for food security, environmental and social sustainability of hydropower development, climate change adaptation strategies and integrating basin planning into national and regulatory systems. The Strategy was approved by the MRC Council in January 2011.

The Strategy prioritises irrigated agriculture for food security, environmental and social sustainability of hydropower development, climate change adaptation strategies and integrating basin planning into national planning and regulatory systems.

*Basin Action Plan.* The implementation of the Strategy will be through a Basin Action Plan for which during the rest of 2011, will be prepared through Regional Action Planning and National Indicative Planning. In the process, gender issues will be addressed. Priority activities are guiding, facilitating, supporting, monitoring the implementation of the IWRM-based Basin Development Strategy, supporting the implementation of the identified studies of strategic importance to reduce uncertainties and risks of planned water resources development and supporting the Member Countries in creating the appropriate institutional mechanisms at the national and regional levels.

*Funding opportunities on the horizon.* The Basin Development Plan (BDP) Programme has planned for four programme outcomes for the Strategic Plan 2011-2015 cycle with a 14.5 total budget plan. As of May 2011, the BDP has received funding in the amount of USD 1.8 million. While the Danish International Development Agency (DANIDA), the Swiss Development Cooperation (SDC) and the Swedish International Development Agency (SIDA) are considering support to the BDP, which is still in need of additional funding support to ensure the programme's continuation throughout the current Strategic Plan cycle.

*The current funding gap for BDP (2011-2015) is USD 5.78 million.*

## **13. How does the MRC respond to the changing needs of the Mekong River's environment? - Environment Programme (EP)**

The MRC Environment Programme works to support cooperation among MRC Member Countries to secure a balance between economic development, environmental protection and social sustainability within the Mekong region.

*Achievements so far.* Among major achievements EP has delivered are the followings:

- The Procedure for Water Quality (PWQ) was signed by the Member Countries at the Council in January 2011, including the Technical Guidelines for implementation;
- Trans-boundary Environmental Impact Assessment (TbEIA) which is one of the basin wide water resources management guidelines has been completed; and
- State of the Basin Report which describes the status of fisheries, forestry, agriculture, hydropower, water quality, wet lands, navigation and trade, climate change and flood management in the LMB, was published in 2010.

In response to the Mekong's changing environment, the Programme's objective by 2015 is to ensure that basin management and development is guided by up-to-date environmental and social knowledge and efficient environmental management cooperation mechanisms, such as facilitating the implementation of procedures and guidelines on the river's water quality.

*EP Future Directions.* EP works towards making links between people's livelihoods and monitoring activities. EP is also preparing to respond to climate change challenges by balancing environmental, social and economic principles through the IWRM approach. EP stresses that the Mekong's environmental issues are transboundary by nature. River pollution is one cross-border issue that impacts the entire region. In order to prepare for pollution incidents, EP supports contingency planning that address related emergency situations.

*The current funding gap for EP (2011-2015) is USD 6.6 million.*

### **Overall Funding Gaps**

14. *Overall picture.* The total budget for the MRC Programmes for the Strategic Plan 2011-2015 covering the budget for 13 programmes, the budget for the Water Management Trust Fund (WMTF) and the budget for Performance Management System (PMS) amounts to USD 143.84 million. As of May 2011, twelve Development Partners will be supporting the MRC with the amount of USD 58 million, with the amount of standing pledge of USD 25.12 million. The total funding gap thus is approximately USD 60.72 million. The funding situation varies significantly across programmes. The funding situation of each programme is outlined in Table 1 below.

	Estimated Budget	Updated Funded and Committed	Estimated Funding needs	Pledged	Funding gap
AIP	4.95	1.50	3.45	0.00	3.45
BDP	14.50	1.80	12.70	6.92 (DANIDA)	5.78
CCAI	15.94	8.80	7.14	6.50 (EU)	0.64
DMP	3.80	0.00	3.80	1.20 (JAIF)	2.60
EP	11.00	4.40	6.60	0.00	6.60
FMMP	15.00	3.21	11.79	3.10 (JAIF, GIZ)	8.69
FP	12.50	4.50	8.00	0.00	8.00
ICBP	7.3	5.40	1.90	0.00	1.90
IKMP	15.40	10.12	5.28	0.00	5.28
ISH	12.50	7.42	5.08	0.00	5.08
MIWRM	13.10	5.7	7.4	7.4 (World Bank)	0.00
NAP	12.00	2.60	9.40	0.00	9.40
PMS	1.90	0.20	1.70	0.00	1.70
WMTF	3.00	1.40	1.60	0.00	1.60
WSMP	0.95	0.95	0.00	0.00	0.00
<b>Total</b>	<b>143.84</b>	<b>58</b>	<b>85.84</b>	<b>25.12</b>	<b>60.72</b>

*Table 1: Funding status and gaps for the Strategic Plan 2011-2015 period (in USD million)*

### **15. Helping the Lower Basin adapting to the Climate Change – Climate Change and Adaptation Initiative (CCAI)**

Being a new initiative established in 2009, CCAI has published an important publication on adaptation to climate change in the countries of the Lower Mekong Basin, which is a regional synthesis of national studies relevant to climate change and adaptation activities, needs and gaps of the MRC member countries.

*Distinction of MRC CCAI.* What makes the MRC's CCAI distinct from other climate change initiatives is the way in which the CCAI uses a holistic approach including all the existing MRC programmes' perspectives to tackle the issue.

The MRC CCAI touches on almost every aspect of water management. The CCAI will work closely with and through those MRC economic related sector programmes – Agriculture and Irrigation (AIP), Fisheries Programme (FP), Initiative for Sustainable Hydropower (ISH) and Navigation Programme (NAP) - to develop appropriate adaptation measures. Below are detailed examples:

*CCAI and FMMP.* Any significant change to the climate of the Mekong Basin will have an effect on flood behavior and flood risk across the basin. Therefore, the interlinks between CCAI and the FMMP are clearly presented on both programmes. FMMP has incorporated in its programme document the climate change implications for the Cambodia floodplain and the Vietnam Mekong Delta, as part of its integration into flood risk management. The MRC flood warning system is an excellent service, which could be expanded to cover other extreme events induced by climate change.

*CCAI and DMP.* In addition, a framework for drought impact and vulnerability assessment in the context of climate change will also be developed, which will serve as a basis for the identification and elaboration of drought preparedness, projection/monitoring systems, and mitigation strategies and planning.

*Total budget plan for CCAI (2011-2015) is currently USD 15.94 million with a funding need of USD 7.14 million. EU has pledged a support of EUR 5 million, which is approximately USD 6.5 million<sup>1</sup>.*

## **16. Capacity Building and the MRC - Integrated Capacity Building Programme (ICBP)**

*What will be MRC ICBP purpose and priorities?* ICBP supports the MRCS and the Member Country agencies (a) to reach a more coherent approach in efficient management of water and related resources, b) to obtain a more cohesive decision-making, policy development and institutional development, (c) to adapt to more international standards of an international river basin organisation and (d) to ensure equitable water resource management through further mainstreaming of gender equality principles in all MRC programmes.

*What will ICBP deliver by 2013?*

- IWRM competency framework will be completed
- Junior Riparian Professional Project Phase III (Batch 6) is in place, including JRP from China and Myanmar
- MRC/MDBA/ICE WaRM/AusAID strategic Liaison partnership to be actualized
- MRC Learning guidelines will be finalized
- Gender mainstreaming and piloting of the MRC programmes is supported
- Concept note for regional network available and initial stages for network development implementation is completed.

*The current funding gap for ICBP (2009-2013) is USD 1.9 million.*

## **17. Sustaining Hydropower on the Lower Mekong Basin (ISH)**

The LMB countries are moving from agricultural to a more industrialized economy. ISH is playing a significant role in promoting energy policy, intergovernmental agreements, and promoting the MoUs between countries. ISH is working to bring two groups of people – the IWRM planners and Energy Power Sector/developers - to work and plan together.

*ISH major achievements so far.* ISH has successfully developed three major tools:

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<sup>1</sup> Currency exchange rate applied (as of June 2011) is 1 EUR = 1.30 USD.

- 1) Preliminary Design Guidance (PDG) - (5 subject areas): navigation, fish passage, sediment and river morphology, water quality and aquatic ecosystems and safety of dams. This Guidance is followed closely by developers.
- 2) River Basin Hydropower Sustainable Assessment Tool (RSAT) – a tool designed to enhance existing tools and processes such as Environmental Impact Assessments and Management Plans. RSAT works by bringing together different sectors and institutions and seeks integrated basin-wide planning and cooperation.
- 3) Operational Strategy for 2011 is to progressively scale-up to implement 2011-2015 outputs, focus on the 5 priority outputs for 2011, continue to function as a cross-cutting initiative working with and through other MRC programmes, achieve full ISH staff level in 2011 and maintain the momentum established in 2010.

In addition, the ISH also plays a significant role in supporting the implementation of the Procedures on Notification, Prior Consultation and Agreement (PNPCA) and coordinate assessment of the long-term implications of mainstream dam proposals. The recent Strategic Environmental Assessment (SEA) was a recent good example of such assessment using multi-stakeholder dialogue from national and regional levels.

*ISH focus in 2011.* The ISH's direction for the new phase of the MRC Strategic Plan will continue to emphasise a cross-cutting approach and coordinate across MRC programmes. The ISH 2011 priority outputs are the following:-

- RSAT
- Hydropower Database (HDB)
- Follow-up on Technical Recommendations on mainstream hydropower development
- Benefit sharing such as innovative finance, and
- Increase cooperation with China.

*The current funding gap for ISH (2011-2015) is USD 5.8 million.*

**18. How does the MRC develop a knowledge base on water resources for the Mekong region? – Information and Knowledge Management Programme (IKMP)**

The IKMP is the centre for the repository and analysis of data and tools for information on Mekong River Basin water and related resources and develops reliable and up-to-date databases and information systems. The programme prepares and develops appropriate modeling systems and other decision-support systems for the MRC.

*Achievement of the IKMP.* A very significant achievement that IKMP has gained so far is the setting up of a system of exchange, auditing, improvement and quality assurance processes for hydro-meteorological data and updating the main database to a satisfactory standard. Modelling and assessment tools have been successfully developed and provided for riparian countries.

*IKMP in 2011.* In the year 2011, IKMP will be focusing on providing Xayaburi sediment report and modeling, Real Time Monitored Water Level (HH) and Real Time Monitored Precipitation (PH) monitoring on the Portal, Vital services installed and Knowledge Hub planned.

*Future products of IKMP.* For the Strategic Plan 2011-2015, priority activities are:

- River Monitoring Network
- MRC Toolbox
- MRC-IS elements; an
- Learning Centre and Knowledge Hub

*The current funding gap for the IKMP (2011-2015) is USD 5.28 million.*

**19. Mekong and the Integrated Water Resources Management Project (M-IWRM)**

The M-IWRM Project will address IWRM challenges in the LMB through a three tier approach, combining interlinked basin, national and cross-border initiatives in synergy with the MRC-led basin development planning process. Priority actions for the M-IWRM are to support the development of:

- Basin Action Plan to implement the Strategy
- Strategic Priorities for Basin Development
- Strategic Priorities for Basin Management
- Priorities Studies and Guidelines
- Monitoring and Evaluation

A funding proposal for M-IWMP is being submitted to the World Bank Board of Directors for approval in July. If the new grant is approved, the Project will be fully funded.

**Water Management Trust Fund**

20. The MRC Water Management Trust Fund was established in 2005 to work on three activity tracks in support of the 1995 Agreement: i) Strategic Policy Development; ii) Transboundary Mediation Facility; and iii) Responsive Programme Development. The WMTF has been playing a significant role in providing a flexible funding mechanism to respond to short-term and emerging demands of the Member Countries since then. The achievements of the WMTF during 2009-2010 are highlighted below including the development and formulation of the MRC Strategic Plan 2011-2015. With the WMTF supported by Denmark, Finland and France, the MRCS successfully engaged a wide range of stakeholders including the Development Partner community into its Strategic Plan formulation. This marked another important step of the MRC in working with stakeholders in a more collaborative and transparent manner.
21. The WMTF also enabled key Water Quality activities to be conducted including the completion of the Procedure for Water Quality (PWQ), the development of the Technical Guidelines for implementing the Procedure on Water Quality (TGWQ) and Water Quality Monitoring Network as well as Multi-Media Monitoring and Assessment of Toxic Contaminants in the Mekong Riverine Environment.
22. Another major achievement with funding from the WMTF is implementation of activities related to the Integrated Water Resources Competencies. Through ICBP, WMTF supports a series of training courses and workshops on the IWRM topics as well as supports the production of an IWRM training manual.
23. Next, during the organization transition period this WMTF will be playing a significant role in facilitating implementation of activities that support the strategic direction of the MRC in the next five years including activities related to riparianization, improvement of the organization's support system i.e. monitoring and evaluation system and decentralization of river basin management core functions.

*The MRC is expecting to raise the amount of USD 3 million for the Trust Fund (2011-2013) and with USD 1.4 million support from Finland the funding gap for the MRC to cover is USD 1.6 million.*

**Fundraising proposals**

24. SIDA. The MRCS has submitted a proposal to the Swedish International Development Agency (SIDA) in April 2011 for its consideration to support several MRC programmes i.e. EP, FP, BDP, Institutional Support and CCAI. SIDA's interests in expanding regional cooperation would significantly increase synergies between SIDA's interest and the MRC mandate. This proposal is being reviewed by the SIDA board and the result is expected by the end of August.

25. *EU.* Following close consultations with the European Union (EU) for more than a year, the MRCS submitted a proposal in April 2011 to seek the EU's support to the CCAI. The amount sought is EUR 5 million. The proposal will go through several steps before a result can be expected by the fall this year. If this proposal is approved, the funding gap for the CCAI 2011-2015 will be almost closed.
26. *SDC.* Since the 17<sup>th</sup> Council meeting where the Swiss Agency for Development and Cooperation (SDC) stated its interest in reinforcing its cooperation in the region with the MRC, a scoping study was conducted by the SDC resulting in BDP and EP being considered for support. At the moment, the MRC is developing a comprehensive proposal to submit to the SDC in June 2011.
27. *Japan/JAIF.* The MRCS submitted two proposals to Japan/JAIF in April 2011 which are the Drought Management Programme's Core Functions Project and the Provisional of Flood Forecasting, Flash Flood Guidance and Dissemination of Information and Warning –Alert Services during 2012-2015. The proposals request the amount of USD 1.2 million and USD 1.3 million, for DMP and FMMP respectively.
28. While the MRC is driving towards financial self-sustainability and financial autonomy gradually over the next 20 years and a roadmap for this is being discussed as part of the process of implementation of its current MRC Strategic Plan 2011-2015, further external support would still be needed in this respect in the foreseeable future. The MRCS has been making several attempts to expand and attract other development partners to support its programmes. In connection with the re-orientation of the MRC's activities around its core functions, the MRC also set a goal for an efficient organizational transition of the Commission for implementation of its core functions and riparianization of the MRCS.

***Cooperation with Development Partners and Cooperation with other organizations***

29. Besides fundraising efforts, the MRC is looking into more effectively utilizing the current existing MoUs and technical cooperation and turning those MoUs into practice. At the moment, the MRC has 15 active MoUs and Letters of Intent. Most of which are cooperation on exchange of knowledge, providing technical assistance and sharing of data.
30. Since the 33<sup>rd</sup> Joint Committee meeting in March 2011 where the MRC reported one strategic framework signing with the Federal Republic of Germany, the MRC has signed three additional agreements: two Memorandum of Understandings, namely, an MoU with the Murray Darling Basin Authority (MDBA), Australia, and an MoU with the United States Geological Survey (USGS), USA and a Letter of Intent for Cooperation with the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australia.
31. An active cooperation derived from the MoU recently signed between the MRC and the MDBA has proved a good example of opportunities for sharing work processes and efforts to ensure needs and interests of the MRC which reflects needs of National Mekong Committees (NMCs), line agencies, academic institutions and other NMC partners of the four Member Countries are met. The MoU offers a more linked-up framework i.e. Drought and Salinity Management in the context of Climate Change and Basin-wide planning. Through this MoU, the first activity on capacity building programme has been organized by ICE WaRM (International Centre of Excellence in Water Resources Management) with the support of AusAID, which include participants from all six of the Mekong countries including the two MRC Dialogue Partners – Myanmar and China.

## **APPENDIX 15**

### **CLOSING REMARKS FROM DEVELOPMENT PARTNERS**

**Closing Remarks from Development Partners  
IDM - June 2011**

Excellencies, Ladies and Gentlemen,

1. On behalf of all Development Partner representatives, thank you for the opportunity to discuss the important issues and challenges facing the Mekong River Commission.
2. It was very helpful to hear the reports on progress in many areas of the MRC agenda.
3. We particularly welcomed the opportunity to hear different perspectives on the status of the first implementation of the PNPCA. This is a crucial issue for the MRC.
4. We noted the uncertainty of the MRCS in how they should proceed with the PNPCA. We noted the MRC Secretariat's plan to prepare background information concerning the Xayaburi PNPCA for submission to the next Council Meeting.
5. We noted the position of the Government of Lao PDR – and also of the Governments of Cambodia, Thailand and Vietnam – conveyed to us today. We also take note that the Lao Government has indicated that no construction of the project will be carried out until the Lao Government is satisfied with the mitigation measures proposed, and a good understanding is reached with other riparian states.
6. We note that Lao Government has already commissioned further analysis to address concerns raised thus far. We look forward to the full disclosure of this analysis to contribute to the pool of information being used by regional decision-makers.
7. We also noted that all parties – the Member Countries, and your MRC Secretariat – are interested in conducting a holistic evaluation of this 1st PNPCA.
8. We hope that this reflection on current status – and agreement on next steps for MRC action – takes place very soon, as it will assist all Member Countries to learn from PNPCA experiences thus far, and will inform Ministerial-level deliberations on the Sayaboury proposal.

**APPENDIX 16**

**CLOSING REMARKS**

**Closing Statement**

**By**

**H.E. Mr. Te Navuth**

Secretary General of the Cambodia National Mekong Committee  
Chairperson of the MRC Joint Committee for 2010/2011  
Member of the MRC Joint Committee for Cambodia

**H.E. Mr. So Sophort**

Deputy Secretary-General  
Cambodia National Mekong Committee  
Alternate Member of the MRC Joint Committee for Cambodia

**Ms. Chongchith Chantharanonh**

Acting Secretary General  
Lao National Mekong Committee  
Alternate Member of the MRC Joint Committee for the Lao PDR

**Mr. Chaiporn Siripornpibul**

Deputy Director-General  
Department of Water Resources  
Ministry of Natural Resources and Environment  
Alternate Member of the MRC Joint Committee for Thailand

**Dr. Le Duc Trung**

Director General  
Viet Nam National Mekong Committee  
Member of the MRC Joint Committee for Viet Nam

**Excellencies, distinguished delegates from the donor community, development partners, ladies and gentlemen,**

The Meeting is seen as important opportunity to discuss progress, achievements and future plans of the MRC, and a forum for open dialogue where the MRC would receive feedback from Development Partners.

Today, we have reviewed MRC strategic matters, lessons learned from the first prior consultation process and progress on the implementation of the Independent Organisational Review among many others.

This year as we look ahead, we have many items on our agenda to accomplish. 2011 and 2012 will be a year that focuses on the implementation of the strategies and plans we worked so hard to finalise in 2010. A successful implementation of the Strategic Plan and the BDP Strategy may seem like a daunting task, but we are approaching our goals as four countries working together with all of our development partners. Together we can make it happen.

As we approach the implementation of our activities there are several topics we discussed during our meeting which we will be considering.

One of our lessons learned from the prior consultation process centres around the issue of disclosure. We learned what the public's expectations are with the PNPCA process, and how we can anticipate their needs. Through our experiences this year, we have learned the measures which need to be taken in order to be one step ahead of the public and media. Our lessons over the past years been invaluable.

Our meeting has also been informed about the progress made to the implementation of recommendations from the Independent Organisational Review of the MRCS and NMCs. In line with the concerns raised in the statement by our Development Partners this morning such as on recruitment, retention and contract system, we look forward to the Task Force's discussion over the consultant's findings on the recommendations for the implementation of the Independent Organisational Review.

Development Partners also stated that they wish to be provided with information on the progress and update of implementation of the approved procedures. The Secretariat informed the meeting that implementation of some Procedures is still pending. There's a new approach discussed internally to really improve the implementation of the MRC Procedures, and the MRCS takes note that Development Partners have requested a report on their implementation status.

It is difficult to imagine that so much has occurred within our organisation over the past year. I hope next year that we will be able to present to you all which we have implemented in 2011 that brings us closer to our strategic goals.

In moving toward these goals to meet our challenges and deliver our services and products, we will need the continued kind support of our Development Partners.

I would like to acknowledge the stimulating and useful discussions and the spirit of cooperation shown by Development Partners. I thank participants of the meeting for the fruitful and constructive discussions, and also the OIC MRCS, Mr. Pich Dun and Secretariat staff for their hard work to ensure the smooth running of the meeting.

It has been a very productive session together. In closing, I wish all of you safe travels as you return home and that our discussions continue throughout the entire year.

Thank you.