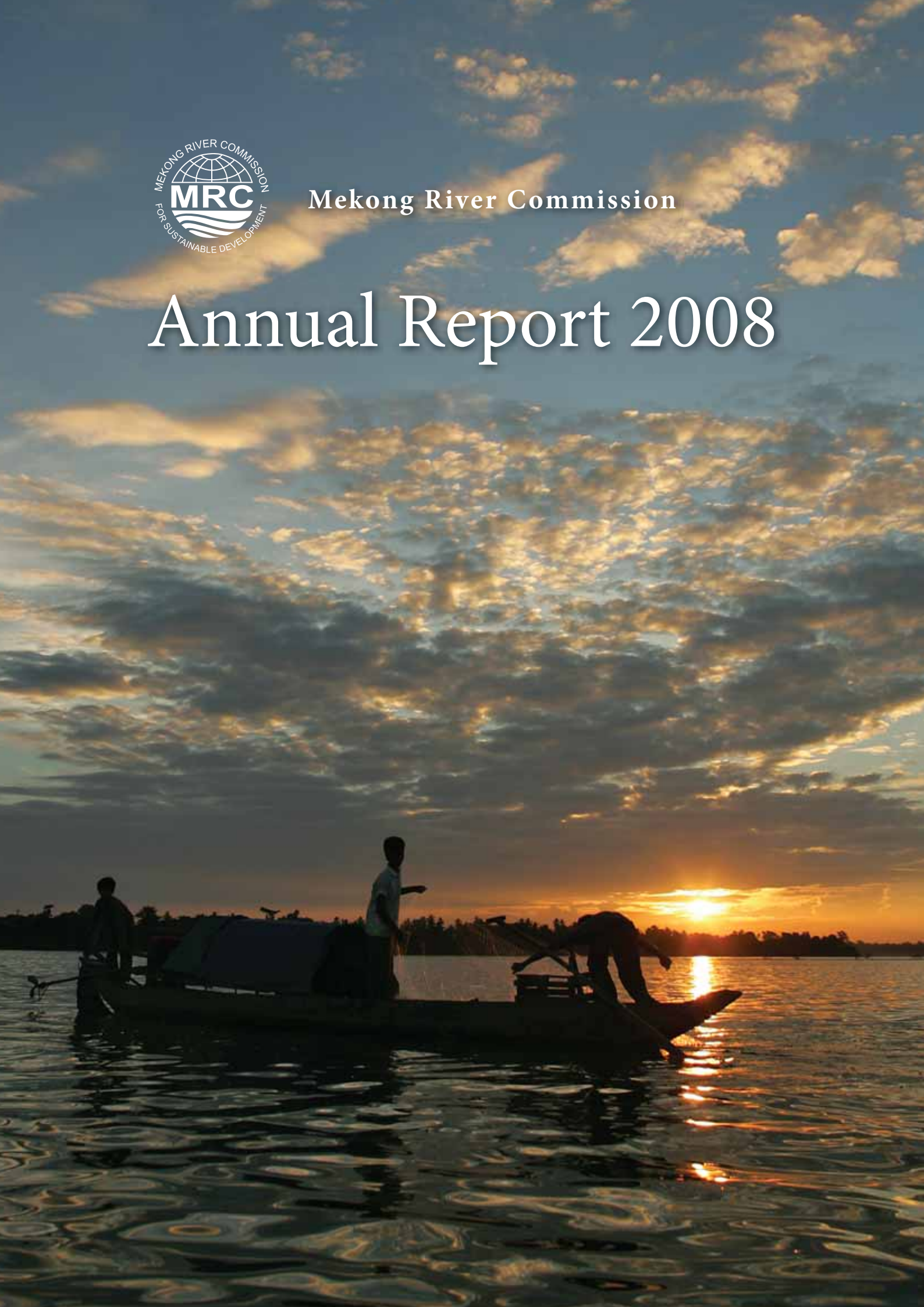




Mekong River Commission

Annual Report 2008



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Design & Layout: Phannavanh Anoulack

Written by: Damian Kean, Cathy Williams

For more information contact: mrcs@mrcmekong.org

This report is also available as a free download on the MRC website www.mrcmekong.org



Mekong River Commission

The Vision for the Mekong River Basin

An economically prosperous, socially just and environmentally sound Mekong River Basin

The Vision for the Mekong River Commission

A world class, financially secure, International River Basin Organisation serving the Mekong countries to achieve the Basin Vision

The Mission of the Mekong River Commission

To promote and coordinate sustainable management and development of water and related resources for the countries' mutual benefit and the people's well-being

Meeting the needs, keeping the balance

The Mekong Basin



The Mekong River Commission

The Mekong River Commission (MRC) is a river basin organisation built on a foundation of more than 50 years of experience in the region. The organisation has its roots in the United Nations-founded Mekong Committee, which began life in 1957.

On 5 April 1995, the governments of Cambodia, Lao PDR, Thailand and Viet Nam signed *The Agreement on Cooperation for the Sustainable Development of the Mekong River Basin*, to form the MRC in its current incarnation. The four signatories to the accord agreed to cooperate in the management of Mekong water resources for their mutual benefit; and to harness the economic potential of the Basin's water resources in a sustainable manner.

The MRC has since welcomed the People's Republic of China and the Union of Myanmar as dialogue partners to the organisation and in 2002, the MRC and China signed an agreement to share hydrological data. The data provided by China has since become a core component of the MRC's flood forecasting and river monitoring activities. The agreement was extended in 2008.

The MRC promotes regional cooperation in order to implement the 1995 agreement. It serves the Member Countries by supporting decisions and promoting action on sustainable development and poverty alleviation as a contribution to the UN Millennium Development Goals. It also helps Member Countries exchange information and formulate a joint basin development plan.

The work of the MRC is guided by the wishes of the four Member Countries who hold regular meetings to make decisions on strategy and policy.

The MRC is led by a Council, whose membership consists of one minister or cabinet member from each country. This Council meets once a year.

Working at a more executive policy level, below the Council is a Joint Committee whose members consist of no less than the heads of relevant government departments. The Committee meets twice a year and functions as a board of management.

The MRC Secretariat manages the day-to-day operations of the organisation. It is based in Vientiane, Lao PDR and employs more than 150 people, including engineers, scientists, environmental and social specialists, and administrators. Its Regional Flood Management and Mitigation Centre is based in Phnom Penh. The Secretariat is headed by a Chief Executive Officer who is appointed by



the Council.

National Mekong Committees in each Member Country work with the Secretariat to provide a link between the Secretariat and each respective national government and coordinate activities through the relevant line agencies. The MRC is funded through the contributions of Member Countries and international development agencies from a range of countries. Development partners also have a role in the organisation and are consulted regularly.

The MRC is partnered with a broad coalition of interests, including the governments of Member Countries, development banks, the United Nations, the private sector and civil society.



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Message from the Chairperson of the MRC Council



I am delighted to present the 2008 Annual Report on behalf of the Mekong River Commission. 2008 was an eventful, and in some cases, highly challenging year – not only for the MRC but also throughout the Mekong River Basin. The most dramatic and devastating occurrence was the August flood, the worst in over 30 years for areas in Northern Lao PDR and Thailand, which caused an estimated US\$ 135 million worth of damage to property and crops, and effectively destroyed livelihoods. Many of the people impacted by the August floods are still receiving emergency food aid. They will probably continue to do so in the short to medium-term.

The flooding also placed the MRC under the spotlight – in particular its effectiveness in providing flood forecasts. It highlighted the need to further build capacity in the region for mitigating the effects of floods and responding to flood disasters and their aftermath. The 2008 flood was both a litmus test and learning experience.

The MRC's Flood Management and Mitigation Programme acted quickly on the recommendations for improving planning and response to floods. It developed an action plan – now being implemented – which focuses on improvements to flood forecasting and communication effectiveness with Member Countries line agencies and other stakeholders. A technical paper outlining the causes and nature of the flooding was widely disseminated shortly after the event.

The MRC also responded to calls for greater community and stakeholder dialogue and participation in its decision-making processes. This has been encouraged through a variety of forums, including a major multi-stakeholder consultation on the Basin Development Plan in March 2008, and on sustainable hydropower in September 2008. Based on a Regional Meeting on Stakeholder Engagement in November 2008 in Vientiane, a draft code for stakeholder participation and a communication strategy aimed at greater transparency and increased access to information was proposed for consideration by the Joint Committee in 2009.

Building on its early hydropower strategy, a clear role for the MRC as a facilitator of dialogue on hydropower issues was established in 2008. Government agencies, the private sector and civil society have been engaged in a series of activities reflecting the cross-cutting nature of hydropower development in close cooperation with the MRC. The MRC's new Initiative on Sustainable Hydropower will engage expertise from the region and around the world in understanding strategic environmental assessment and comprehending the impacts of hydropower on fisheries, sediment management and navigation. This information will form the basis for the formal process of prior consultation on proposed mainstream hydropower projects required under the 1995 Mekong Agreement.

The drive to provide greater access to information has been taking place both centrally and at programme level throughout 2008. The Environment Programme signed a Memorandum of Understanding with the regional arm of the Global Change System for Analysis, Research and Training (SEA-START) to cooperate on studies and project activities related to climate change and adaptation. This is just one aspect of the Environment Division's new Climate Change and Adaptation Initiative which began formulation in July 2008. The establishment of the ad hoc Fisheries Expert Group to advise the Hydropower Consultation Meeting in November 2008 about the effects of hydropower developments on livelihoods and fisheries, including fish migration, set a new benchmark in the knowledge sharing and independent advisory role of the MRC to Member Countries and stakeholders.

A joint seminar with The People's Republic of China run by the Navigation Programme and Yunnan Navigation Affairs Bureau on the topic of Waterway Safety and Navigation Improvement showed how sharing regional knowledge and experience can result in improved cooperation and can help address - in this case - navigation issues between the four MRC Member Countries and their dialogue partners, China and Myanmar. The Navigation Programme also reached the final stage of facilitating an agreement for cross-border waterborne transportation between Cambodia and Viet Nam that will reduce trade barriers and harmonise legal frameworks for navigation between the two countries.

The year was also a defining moment for a number of programmes, with some closing and others moving on to new phases. The Water Utilisation Programme concluded successfully, with follow-up activities being continued by the

Mekong Integrated Water Resource Management Project. A number of projects under the Agriculture, Irrigation and Forestry Programme including the Challenge Programme on Water and Food and Phase II of the Watershed Management Programme, also wrapped up activities and are moving on to new phases in their programme cycles.

Development Partners continued to provide financial support to the MRC as programmes progressed well throughout the year and new initiatives were identified to respond to development challenges throughout the Basin. The MRC is taking steps to improve donor harmonisation and aid effectiveness and to introduce an effective results-based approach to project delivery, management and monitoring. Many donors were additionally generous with support during the August flood.

I would like to take this opportunity to thank the international donor community for their continuing support of the MRC and its work. I would also like to thank the Member Countries who have continued to increase their contributions to the MRC, as it starts on a path to increased financial ownership. 2008 has been a year of consolidation and aligning ourselves to new challenges. The MRC has demonstrated that it is both equipped and prepared to play its role in promoting sustainable development of the region's water resources and the work programme for 2009 is designed to meet these expectations.



Mme Khempheng Pholsena
Minister to the Prime Minister Office
Head of Water Resources and Environment Administration (WREA)
Chairperson of Lao National Mekong Committee (LNMC)
Chairperson of the MRC Council for 2008-2009



MEKONG RIVER COMMISSION GOVERNANCE STRUCTURE



H.E. Mr Lim Kean Hor

Minister of Water Resources
and Meteorology

Member of the
MRC Council for Cambodia



H.E. Mme Khempheng Pholsena

Minister to the
Prime Minister's Office

Member of the
MRC Council for Lao PDR



H.E. Mrs. Anongwan Thepsoutin

Minister of Natural Resources
and Environment

Member of the
MRC Council for Thailand



H.E. Dr. Pham Khoi Nguyen

Minister of Agriculture
and Rural Development

Member of the
MRC Council for Viet Nam



H.E. Mr Sin Nin

Vice-Chairman of Cambodia
National Mekong Committee

Member of the MRC Joint
Committee for Cambodia



Mr. Chanthavong Saignasith

Director-General of Lao National
Mekong Committee

Member of the MRC Joint
Committee for Lao PDR



Dr Saksit Tridech

Permanent Secretary, Ministry of
Natural Resources and Environment

Member of the MRC Joint
Committee for Thailand



Le Duc Trung

Secretary-General of Viet Nam
National Mekong Committee

Member of the MRC Joint
Committee for Viet Nam

MRC Secretariat Responsible for technical and administrative services

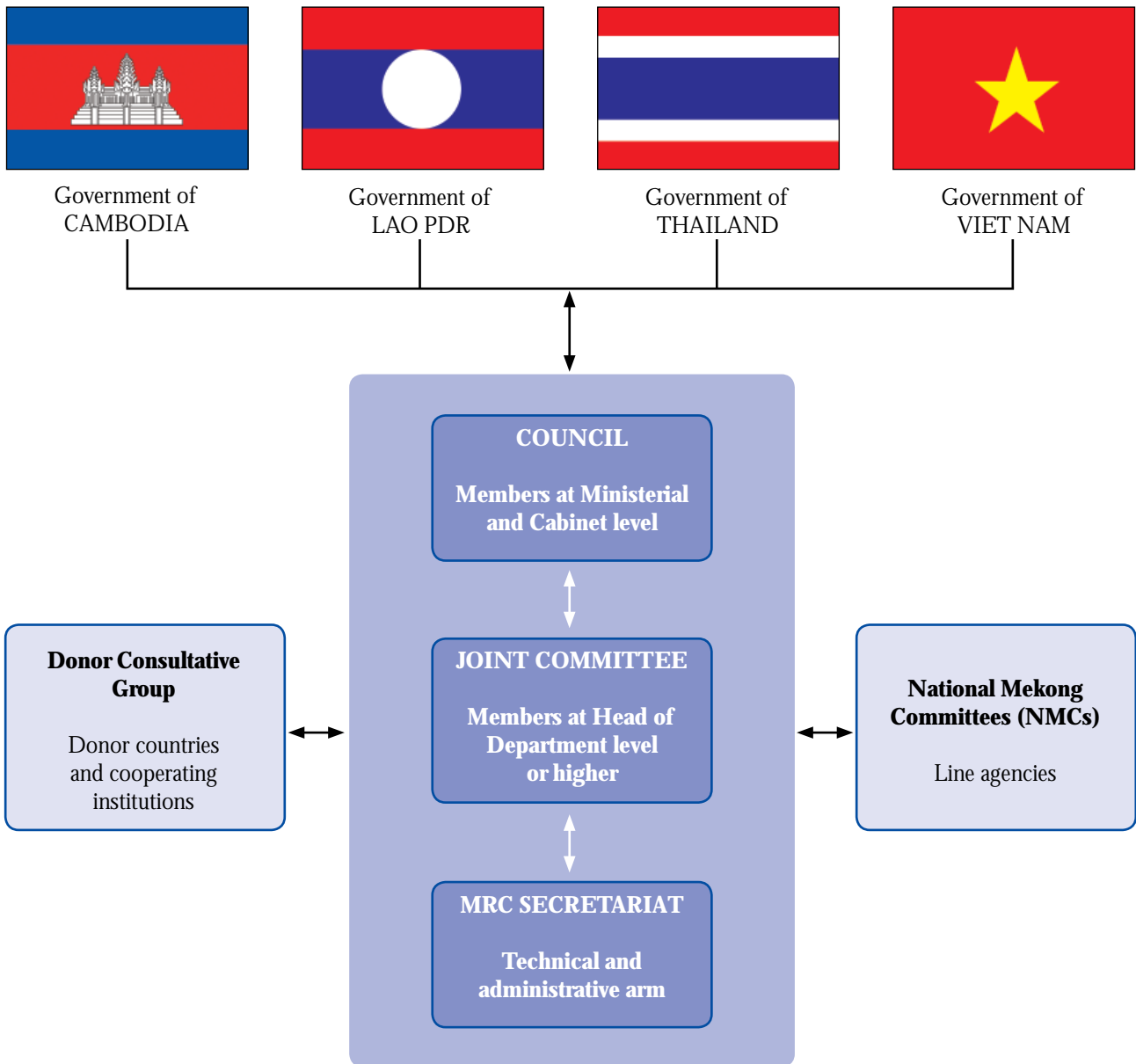


Mr DoManh Hung
Officer in Charge
January-March

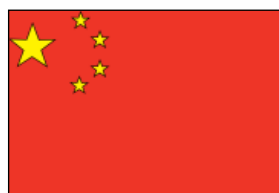


Jeremy Bird
Chief Executive Officer
April-December

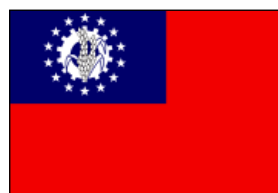
ORGANISATION OF THE MEKONG RIVER COMMISSION



Our Dialogue Partners

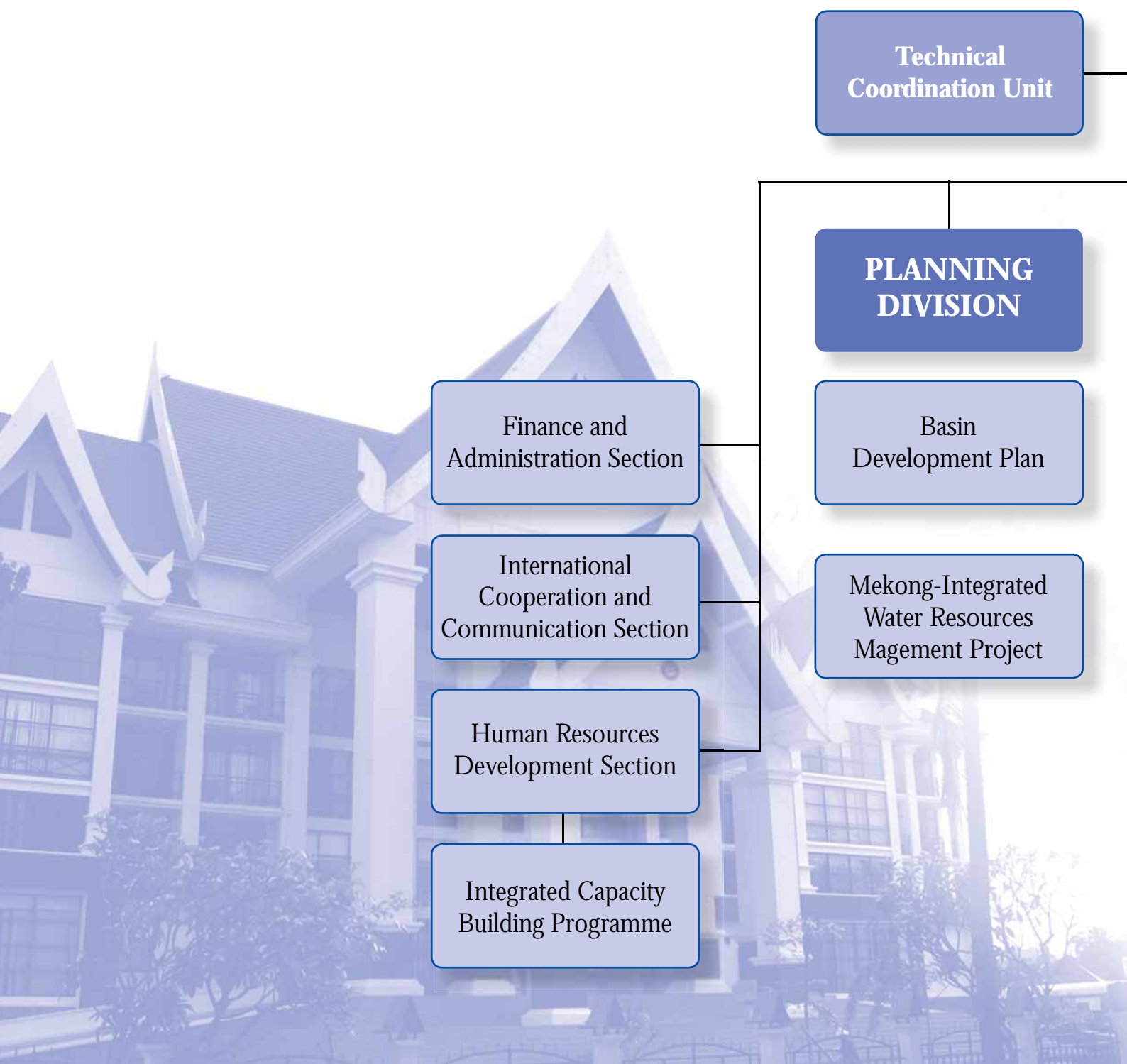


China



Myanmar

Structure of the Mekong River Commission Secretariat





CEO

Office of
the CEO

**ENVIRONMENT
DIVISION**

Environment
Programme

**TECHNICAL
SUPPORT
DIVISION**

Information and
Knowledge
Management
Programme

Flood Management and
Mitigation Programme

**OPERATIONS
DIVISION**

Agriculture, Irrigation
and Forestry
Programme

Navigation
Programme

Fisheries
Programme

Initiative on Sustainable
Hydropower



Integrated Mekong development – the Basin Development Plan (BDP)

More than 60 million people live in the lower part of the Mekong Basin. Close to one third of the Basin population lives on less than one dollar per day and many in the Basin depend wholly or partially on the Basin's natural resources for their livelihood.

It is the job of the Mekong River Commission, which has four Member Countries; Cambodia, Lao PDR, Thailand and Viet Nam; to help the governments of the Basin sustainably manage Mekong water and related resources and help use these resources as a means for lifting the population out of poverty.

The Basin Development Plan (BDP) was devised to provide support to achieving this goal across the region in a consistent and synchronised manner and in a way that takes account of each Member Country's individual characteristics.

The BDP uses an "Integrated Water Resource Management (IWRM) approach" that facilitates a basin-wide planning process and partnerships with the basin's stakeholders, in order to reflect community interests. A central feature of MRC's approach is the consultative process that allows riparian countries to have an input in a range of possible development scenarios including hydropower schemes. The second phase of the programme (2007-2010) which began actual implementation in 2008, is designed to prepare a rolling IWRM-based Basin Development Plan that supports sustainable development in the Mekong Basin. The BDP is implemented by all Member Countries and

complies with sound environmental and socio-economic principles. It consists of four components:

- Programme Management and Communication;
- Rolling IWRM-based Basin Development Plan;
- Knowledge Base and Assessment Tools; and
- IWRM-based Planning Capacity.

In the first year of implementation, teething problems were experienced in the form of difficulties and delays by almost all national BDP units. These resulted in delays in the mobilising of research institutions/national expert teams to start updating sub-area reports. There were also staffing delays and the programme initially had difficulties in finding suitable trainers. However, these initial problems have been overcome and the BDP has accelerated its progress. Regular coordination meetings have helped to ensure close monitoring of activities at both regional and national levels and facilitating discussion amongst BDP teams for solutions.

Programme Management and Communication

The first Stakeholder Consultation for BDP was held in early 2008, which coincided with the release of the Inception Report. The first donor review was conducted in May 2008 with members from DANIDA, SIDA and AusAID on the panel. Though "understandable delays" were noted, the review concluded that the programme was on a "solid footing." To increase stakeholder participation in the IWRM process at all levels, the MRC Regional Meeting for Stakeholder Engagement was held in Vientiane, Lao PDR, in November 2008. A draft Stakeholder Participation



and Communication Plan (SPCP) for BDP to guide the engagement of and communication with stakeholders about the various activities of the BDP has been written following national consultations.

Rolling IWRM-based Basin Development Plan

A common understanding was established amongst Member Countries and other stakeholders on how the BDP planning process would continue. The countries agreed to bind by the principle of ensuring the integration of basin concerns into national planning and decision-making on Mekong water and related resources.

A Regional Technical Working Group with representatives from national planning agencies and water-related line agencies was established to support BDP's scenario and strategy work. The 28th Joint Committee meeting endorsed in principle, the defined development scenarios and the assessment criteria. On 25-27 September 2008, a preliminary hydrological assessment of selected basin-wide development scenarios was implemented to inform the Regional Multi-Stakeholder Consultation on Hydropower, and to support the scoping of the trans-boundary economic, social and environmental assessment. A detailed outline of the IWRM-based Basin Development Strategy was prepared and widely discussed.

Knowledge Base and Assessment Tools

In collaboration with the responsible MRC programmes and national line agencies, the MRC began the process of identifying gaps in sector knowledge. The emerging results were used to implement preliminary scenario assessments. Guidelines for BDP's sub-area activities were prepared but the start-up of the actual sub-area activities faced considerable delays due to challenges in mobilising capable implementation teams and preparing quality proposals.

IWRM-based Planning Capacity

Measures to improve the ability of stakeholders to participate in the planning process began in 2008, with the participation of line agencies, national planning agencies and Member Countries in the BDP planning cycle. Experts from four Member Countries' line agencies, working together as a team with an international expert on hydropower and irrigation, participated in a round table working group that looked at various development related scenarios and an IWRM-based basin development strategy.

A study tour to the Columbia River Basin in the USA took place. Senior MRC officials and participants from

the Member Countries were able to see for themselves the positive and negative impacts of high levels of basin development.

Expected outcomes for 2009

In 2009, the BDP programme, in collaboration with the Member Countries and other MRC Programmes, will complete sector reviews and sub-area profiles, train national trainers to deliver IWRM planning courses in the riparian languages and produce the main elements of the IWRM-based Basin Development Plan, in particular:

- Completion of the assessment of the defined basin-wide development scenarios;
- Preparation of the final draft IWRM-based Basin Development Strategy, and the associated stakeholder engagement activities at the sub-area, national and basin levels; and
- Development of a Master Project Database and a preliminary Project Portfolio, including a process for the promotion and facilitation of sustainable projects and trans-boundary governance of controversial projects.





Feature - Regional consultation and the Basin Development Planning Process

The Mekong River Commission convened a Basin Development Plan Stakeholder Consultation in March 2008. Participants represented a wide range of stakeholder groups from state and non-state agencies in the four Lower Mekong Basin countries.

The consultation was intended to renew and further enhance partnerships between the MRC and the stakeholder groups involved in the BDP process.

Issues on the agenda for discussion included the sharing of water resources for domestic use, hydropower, navigation and fisheries, plus preservation of the river ecosystem, and promotion of regional cooperation. The Basin Development Planning process is designed to include different views so that the MRC can assist Member Countries in developing a shared vision to develop the Basin and alleviate poverty.

Major interventions, such as hydropower and other changes in land-use will lead to modifications in the annual flows of rivers in the Mekong Basin, and the use of water, complicating the task of development planning. Therefore, the decision-making processes needs to become more inclusive to accommodate the interests of all relevant sectors.

Some of the Key Messages to emerge from the BDP Stakeholder Consultation:

- Stakeholders expect strong leadership from the MRC in bringing together government agencies, civil society and private sector groups and the media to exchange views on development opportunities and constraints within the LMB.
- The challenge for the MRC is to demonstrate the impact of an MRC Strategic Plan at both basin and national levels. A shared view emerged that water





resources development must be made sustainable through a comprehensive planning process.

- Several concerns have become critical; how the Mekong region will respond to the emerging challenges of food security and high food, oil and gas prices; how MRC Member Countries will work together to address issues of water availability in the context of global climate change; national socio-economic dynamics; and how the MRC will ensure its continued relevance. Cooperation with upstream countries and MRC's role in this regard need to be addressed.
- There is a general understanding of the potential for water resources development in the Basin given the hydrological conditions of the river, the relatively low amount of water storage-per-head compared to other river basins, and the potential increase of flow during the dry season due to the construction of dams upstream.
- Hydropower development and the impacts on fisheries are at the centre of discussion on future water resource development. Fisheries are essential for sustaining the livelihoods of poor people. The impacts of hydropower development on fisheries are well known, if not always accepted by all. There are winners and losers from hydropower and participants felt that the poor are mostly likely to lose.
- However, sustainability of both hydropower and fisheries is possible. Good planning is the key. Avoidance and mitigating measures include the careful location and design of hydropower dams so that they do not block fish migration routes.
- National sovereignty is an issue with respect to aligning national water policies with the IWRM-based basin strategy. Thailand and Viet Nam have smaller land areas in the Basin than Cambodia and Lao PDR and, consequently, to a large extent, their national policies reflect the diversity of other river basins in their respective countries.





Monitoring, understanding and protecting the environment – the Environment Programme (EP)

The Mekong River system faces several environmental challenges over the next decades. Water quality and flows, climate change, hydropower, human infrastructure, fisheries, agriculture and forestry all have an impact on the river environment and in some cases threaten the biodiversity of the Basin's aquatic systems and the livelihoods of those that depend on them. The long-term impact of many of these variables is unknown and much more research and modelling is needed to understand and plan environmental measures.

The Mekong River Commission is working to boost the ability of Member Countries to ensure a healthy environment that can support the area's rich diversity of natural resources while allowing people's livelihoods to flourish. In order to do this, it is necessary to supply essential data and tools for environmental planning and management to the MRC and regional governments. The MRC has expertise at the Secretariat in Vientiane and supports riparian government efforts to monitor water quality and ecosystem health. The MRC helps to improve environmental policy and management through partnerships with various agencies, thereby supporting the Basin Development Plan process.

There are six components within the Environment Programme:

- Programme Management;
- Environmental Monitoring and Assessment;
- Environment Decision Support;
- People and Aquatic Ecosystems;
- Environmental Knowledge; and
- Environmental Flows Management.

Of particular note in 2008 was the formulation of the new MRC Climate Change and Adaptation Initiative, which was launched to support the Member Countries in their future efforts to deal with the impact of climate change. Preparation was made for a major Regional MRC Climate Change Forum, which was scheduled for the beginning of 2009 in Bangkok.

Environmental Monitoring

2008 saw further transfer of the activities of the MRC's Ecological Health Monitoring System to Member Countries and line agencies to gradually increase capacity. In the long-run, this will support a sustainable monitoring system. Routine water quality monitoring continued and the capacity of national laboratories improved. The first River Report Card on Water Quality covering 2000-2006 was published in 2008, providing easy-to-read statistics on the ecological and social health impact of the Mekong.



Environmental Decision Support

A final list of six “trans-boundary critical areas and issues” was agreed upon by the Member Countries, for the MRC to prioritise actions over the next decades. These include;

- The environmental and fishery impact of upstream and downstream development;
- Water quality, water fluctuations and fisheries in the Se San, Sre Pok and Se Kong sub-basin;
- Strung Treng (Cambodia) and Champassak (Lao PDR) environmental, tourism and wetland management issues;
- Water quality on the border between China and Lao PDR at Hua Khong;
- The impact of mainstream hydropower development on water quantity and quality including sedimentation in the Mekong Delta; and
- Potential oil spills from water transport between China, Chiang Saen (Thailand) and Bokeo Province (Lao PDR).

The Environmental Considerations of Sustainable Hydropower Development project was formulated jointly with the Asian Development Bank and the Worldwide Fund for Nature. The project will develop a sustainability assessment methodology for hydropower projects based on international standards and suited to the Mekong Region.

People and Aquatic Ecosystems

The MRC scheme to map wetlands focused on training and technology transfer in 2008. A common land cover, land-use classification system including different classes of wetland was initiated.

A vulnerability assessment and a social impact monitoring system were developed and the first testing surveys took place in 2008. The system will be fully developed and tested in 2009. This will help improve the way that social aspects and the livelihood of people can be incorporated into various impact assessments including the work of the BDP.

Environmental Knowledge

Work on the Second State of the Basin Report started in 2008 in collaboration with the BDP. The report is expected to be published in 2010.

Environmental Flows Management

Some delays in implementation in this project occurred in 2008 due to the project objective to increase links with BDP scenarios, so that the analysis of environmental flows can be used to further build capacity and raise awareness.

Work to establish an overview of the environmental impacts of tourism in the Lower Mekong Basin and at the regional level is coming to an end with the finalisation of country and regional reports expected in 2009.





Living with floods – the Flood Management and Mitigation Programme (FMMP)

Floods along the Mekong have the potential to directly endanger life; do millions of dollars worth of damage to property; destroy livelihoods and crops; and put people at increased risk of poverty, malnutrition and disease. At the same time, they are an important and essential natural process, bringing water, nutrients and other benefits to floodplains, wetlands and ecosystems.

The disruption posed by floods was demonstrated very clearly in Vientiane, Lao PDR in August 2008. The water level reached on 15 August in Vientiane was the highest since record-keeping began in 1913. At 13.7 m above the gauge datum, the Mekong River was one metre higher than the maximum levels recorded in 1966, 1971 and 2002. The capital experienced its worst flooding for more than a generation. Tens of thousands of people were affected – many still receiving food aid by 2009.

The MRC's flood forecasting service became the focus of attention throughout the August 2008 crisis. The flood was a test of the organisation's ability to monitor river and weather conditions and forecast the likelihood of further flooding. The information provided by the MRC was important for Member Countries and the wider public in assessing the likely scale and duration of the flood and emergency response plans, as well as delivering assistance to affected areas. A number of important lessons were learnt

as a result of the 2008 flood in terms of data collection, forecasting models, coordination with national agencies and communication. These lessons were consolidated into an action plan, now under implementation.

The Flood Management and Mitigation Programme (FMMP) helps to prevent, minimise or mitigate people's suffering and economic losses due to floods, while preserving the environmental benefits of floods. The MRC Regional Flood Management and Mitigation Centre (RFMMC) in Phnom Penh, which was officially opened in April 2008, provides technical and coordination services to the four Member Countries including forecasts, flood data, and training packages.

The FMMP activities are conducted under five components:

- Regional Flood Management and Mitigation (RFMM) Centre;
- Structural Measures and Flood Proofing;
- Enhancing Cooperation in Addressing Trans-boundary Flood Issues;
- Flood Emergency Management; and
- Land Management.



Establishment of the RFMMC – National Activities Contribute to Regional Forecasting

In Cambodia, the Department of Meteorology and the Department of Hydrology and River Works completed several phases of a project designed to improve the monitoring of rainfall. Twenty-four water level and rainfall stations were upgraded and established with improved communication capacity by the implementation of a system that uses mobile texting.

In Lao PDR, equipment has been purchased for the upgrading of stations, communication training for observers was completed and specialist software has been installed and tested allowing the Department of Meteorology and Hydrology (DMH) to upgrade 16 crucial rainfall stations in the northern part of the country.

In Viet Nam, a link between the National Centre for Hydrometeorological Forecasting's database system and the RFMMC was upgraded enabling automatic data exchange between the two bodies. Procurement of computers and instruments to upgrade district offices is presently underway. In Thailand, the RFMMC is planning to conduct a sensitivity analysis, which will be based on historic water

level and rainfall data in order to identify, prioritise and assess the minimum future data requirements.

Agreement to share hydrological information with the People's Republic of China

The agreement between the MRC and the People's Republic of China to share information regarding hydrological variations upstream was extended in 2008. The information from China improves the accuracy of flood forecasts further downstream and eventually leads to longer forecasting lead times.

Flood forecasting

The development of the new Mekong Flood Forecasting System is at an advanced stage. The system uses a set of computer models and past flood data to predict flooding more accurately than was previously possible.

To address the threat of flash floods in the MRC Member Countries plans for the implementation of a Mekong Flash Flood Guidance System are well underway. A management mission to the USA took place in November 2008, and development work on the actual system is ongoing at the Hydrologic Research Centre in San Diego. Training and





implementation in Phnom Penh will take place during the 2009 flood season, though the system will not be operational until the 2010 flood season.

Communication and coordination

The web-based forecasting service of the MRC has been improved and is now more user-friendly with summary information on flooding displayed on the MRC home page. By the start of the 2009 flood season, it will display the operational water level and rainfall data of each Member Country, showing changes on a simplified graph of the water levels at each forecast station.

One of the lessons learned from the 2008 flooding was the need for better protocols for contacting focal points in key country line agencies. These have been developed and will be in place for 2009.

Other related activities

The MRC published the following flood related documents in 2008:

- The 2007 Annual Mekong Flood Report with the theme “The flood hydrology of the major tributaries in the Lower Mekong”; and
- A widely disseminated interim report on the 2008 flood situation

Structural measures and flood proofing

In 2008 the project completed a flood damage/risk assessment and developed Integrated Flood Risk Management (IFRM) strategic guidelines. IFRM planning and impact evaluation, as well as the development and design of structural measures and flood proofing were also carried out. Demonstration projects and capacity building programmes had been completed by the end of 2008.

Enhancing cooperation in addressing trans-boundary flood issues

The FMMP has focused on improving the skill level of national agencies and MRCS staff in conflict management and addressing differences and disputes related to trans-boundary flood and related resources issues. Preparatory work was carried out for a wide range of training in this area which began in 2008 and is due to end by September 2009.

Flood emergency management strengthening (FEMS)

A new 15 month project entitled “Strengthen Development and Implementation of Flood Preparedness Programs at Province, District and Commune levels in the Lower Mekong Basin, Phase IV” started in August 2008. It will be completed in October 2009.

Land Management

Activities implemented by GTZ in 2008 included the continuation of training courses in land-use planning for the line agency staff in four riparian countries. Seven pilot districts, two each in Cambodia, Lao PDR and Viet Nam, and one in Thailand, were identified in 2008 for project work to begin.





Navigating trade and commerce - the Navigation Programme (NAP)

The Mekong River is an important gateway to trade centres in the Southeast Asian region and the rest of the world. Despite a predicted short-term slump in demand due to the global economic crisis, sustained growth in inland water trade along the Mekong River continues to be evident, with a significant increase in container traffic in Cambodia and Viet Nam. In a few years time, container movements at Phnom Penh Port will increase from around 8,000 to more than 50,000 containers annually. The Mekong route between China and Thailand is also proving to be a vital transport corridor for trade in the region. At least 260,000 tonnes of cargo per year are transported between Thailand and Yunnan province in China via the Lancang-Mekong River. Due to the increasing amount of traffic along these trade routes, it is critical that environmental and social considerations are integrated in planning and development.

In comparison with other cargo routes, inland waterway transport has comparatively less impact on the environment. It is estimated that on the Yunnan-Bangkok multi-modal transport route, annual savings in fuel consumption with current transport volumes are about 4.5 million litres, corresponding with a reduction of 12,400 tons of CO₂-emissions, not to mention the decrease in vehicles on the roads, less pollution and fewer traffic accidents.

Growth in river traffic is expected to continue with the provision of legal frameworks for trade and new navigation infrastructure. Nonetheless, in many parts, the Mekong River has not yet been exploited for its potential to boost trade relations and income for countries in the Basin. A

regional development approach is needed to contribute to poverty reduction and sustainable development of the Mekong Region.

One of the strategic objectives of the MRC Navigation Programme is to promote freedom of navigation and increase the international trade opportunities for the MRC Member Countries' mutual benefit, and to assist in coordination and cooperation in developing effective and safe waterborne transport routes in a sustainable and protective manner.

Development of navigation is taking place through the following five components of the Programme:

- Socio-Economic Analysis and Regional Transport Planning;
- Legal Framework for Cross-border Navigation;
- Traffic Safety and Environmental Sustainability;
- Information Promotion and Coordination; and
- Institutional Development.

The Navigation Programme is currently in the third year of its five-year implementation plan. Although the programme is only partially funded, in 2008 substantial progress has been made in a number of important areas, most notably, the completion of detailed river charts for shipping and transport planning, installation of aids to navigation systems and legal frameworks for cross-border navigation. The MRC is on track to achieving its expected outcomes in this area.



Transport Planning for Navigation

In 2008 the MRC conducted surveys of several selected river stretches to identify areas that may be dangerous to navigation. High resolution images were gathered between Luang Prabang and Pakse and a number of areas posing high risk to navigation safety were identified and charted. This information will be used to help install river channel markers.

Studies were also conducted into the economic potential of waterway transport and the potential impact that mainstream dams will have on navigation, particularly in the Upper Mekong River.

A second study to recommend standard specifications for ship locks on proposed Mekong mainstream dams was also carried out. These specifications will help hydropower planners to ensure that any future dams would not become an impediment to navigation and the freedom of navigation required by the 1995 Mekong Agreement would be upheld.

Legal Framework for Cross-Border Navigation

In 2008, the final stage of facilitation in the negotiations between Cambodia and Viet Nam on a draft agreement for cross-border waterway transportation was reached. By the end of the year, both parties were consulting with their respective governments for approval.

Aids to Navigation Systems

Using information collected by navigation surveys, three new projects to aid navigation between Vientiane and Luang Prabang, as well as between Phnom Penh and Kampong Cham were planned in 2008. Technical workshops with riparian staff involved in the inland waterway transport sector were held in December, resulting in a navigation channel plan. A tendering process is currently underway and the aids to navigation systems are scheduled for installation in 2009.

Mekong River Navigation Information Systems

Projects to improve the information available to the Mekong navigation industry also progressed throughout the year, including a regional River Information System (RIS) that will provide planners, decision makers and waterway users with reliable and accurate navigation data. In 2008, two tidal stations were established in conjunction with HYCOS (see page 23) at Cua Tieu (Mekong Estuary) and Dinh An (Bassac Estuary) in Viet Nam. Shipmasters and pilots in the estuaries now have access to information on water levels available in almost real time. This is of particular importance

for larger ships that can only pass the sand bar at sea during high tide.

Also in 2008, tendering began for the establishment of an Automatic Identification System (AIS) on the Mekong River between Phnom Penh and the border of Cambodia and Viet Nam. This will allow the tracking of vessel movements on this stretch of river resulting in improved efficiency and safer transport.

Support to Line Agencies

Following the establishment of the Navigation Advisory Body in 2007, four National Navigation Coordinators have been recruited and are now fully involved in the activities of the programme. The body had its fourth meeting in Thailand in June 2008.

Regional Cooperation

MRC also carried out activities to promote and coordinate development of the navigation sector. The first joint seminar with Chinese Authorities, on Waterway Safety and Navigation Improvement was held in Jinghong, Yunnan Province, China on 14-16 October 2008. Another seminar relating to sustainable development of navigation along the Mekong River is planned for 2009.





Informing the process of protecting Mekong livelihoods – the Agriculture, Irrigation and Forestry Programme (AIFP)

In order to provide a sustainable basis for improving the livelihoods of people on the Mekong, the MRC promotes effective watershed management, improved water-use methods in irrigated agriculture, engagement in research on the best methods for monitoring land-use changes and the baseline studies on watershed management, forestry and land-use planning. Emphasis is placed on community participation in devising culturally appropriate and sustainable watershed management plans and practices. There are two components to the MRC's work in this area: the Watershed Management Component and the Irrigation and Agriculture Component.

Under these two components, five projects are currently underway or recently completed:

- The Watershed Management Project (WSMP);
- Demonstration of Multi-functionality on Paddy Fields (DMPF);
- Improvement of Irrigation Efficiency on Paddy Fields (IIEPF);
- Sustainable and Efficient Water-Use in Irrigated Agriculture (SEWU); and
- The Challenge Program on Water and Food (CPWF).

The Watershed Management Project

The Watershed Management Project, executed by GTZ, aims to put individuals and communities in charge of protecting watersheds to ensure clean water. Sometimes, this may involve changing agricultural techniques or sanitation habits which contaminate nearby water sources. The programme works closely with the villagers to find solutions to these issues.

The programme ended its second phase in November 2008 and is in the process of beginning a third. The emphasis will change from capacity development in integrated watershed management skills to supporting the implementation of measures to protect watersheds, demonstrating how the approach can be easily replicated in other watersheds by local people.

Demonstration of Multi-Functionality of Paddy Fields Programme

This project completed all of its planned activities in 2008. A technical report setting out the project's major outputs, which included an analysis of the multiple functions of paddy fields, an assessment of irrigation water-use in the Lower Mekong Basin and the establishment of a



Geographic Information System (GIS) database for rice farming, is being prepared for publication in 2009.

Improvement of Irrigation Efficiency on Paddy Fields (IIEPF)

This project is also in its final stages. After the completion of field observations to collect and analyse data relevant to water balance and water management practices in each Member Country, four country reports have been compiled. The project is preparing a report that will outline guidance for efficient irrigation water-use.

Sustainable and Efficient Water-Use in Irrigated Agriculture (SEWU)

This new project, which began formulation in 2008, takes up where the IIEPF left off. It similarly focuses on water-use efficiency in irrigated agriculture to promote more efficient practices and encourage better management in time of drought.

Challenge Programme on Water and Food (CPWF)

The aim of this research programme was to help Mekong communities and their governments share water equitably and sustainably, using science-based multi-country basin management in order to help achieve a balance between biodiversity conservation and economic progress.

The MRC hosted the programme at the Secretariat in Vientiane and provided managerial assistance.

This phase of the Challenge Programme was effectively completed in 2008. A next phase will be discussed by Member Countries in 2009.

In late 2008, work started on developing an Agricultural Strategy for the MRC to help identify the future role of the organisation in this important sector and to shift from a project to a more programmatic approach.





Understanding Mekong fisheries and improving productivity – the Fisheries Programme (FP)

The Lower Mekong Basin is the world's largest single freshwater fishery, with an estimated yield of 1.5- 2.5 million tonnes per year and a total value of at least US\$ 2 billion. Fisheries products are the primary source of animal protein, calcium and Vitamin A for many people in the Basin. Fish are essential for food security and livelihoods, especially for the majority of the people in the Basin who live in poverty.

The MRC's objective is to coordinate the sustainable development, utilisation, management and conservation of the fisheries of the Mekong under four components:

- Programme Management and Communication;
- Fisheries Ecology, Valuation and Mitigation;
- Fisheries Management and Governance; and
- Aquaculture of Indigenous Mekong Fish Species.

Programme Management and Communication

The major outcome of the Fisheries Programme in 2008 has been the incorporation of fisheries considerations into planning for proposed dam development in the Mekong. The Programme produced technical reports on dams and fisheries, presented information at many meetings and forums, convened at an expert group meeting on dams as barriers to fish migration, developed models examining impacts of dams on fisheries, and actively engaged with other programmes of MRC as well as other agencies

regarding dam development. It is now widely recognised that the primary negative impact of dams is on fisheries production, and that this is an important issue in the Mekong given the dependency of people on fisheries for food security, nutrition and employment. The analysis undertaken by the Programme will provide a significant input into the Strategic Environmental Assessment of proposed hydropower on the Mekong Mainstream being implemented by the MRC in 2009.

During 2008, the Programme continued to publish the results of its work in English and riparian languages. Publications included:

- A book entitled "Field Guide to Fishes of the Mekong Delta";
- Technical papers on rice field fisheries in Cambodia, and socio-economics of fisheries in the Songkhram River Basin in Thailand; and
- Three issues of the regular Mekong fisheries newsletter (now in its 14th year of production) in English, as well as omnibus editions in all riparian languages.

Fisheries Ecology, Valuation and Mitigation

The MRC has fast-tracked several activities to deliver information specifically related to the possible impacts



of the dams on fish migration, spawning and fisheries production. In 2008, a number of activities were undertaken to this end, including modelling the impact of dams on migratory fish and developing a project to identify important spawning grounds in the Mekong. Studies continued on monitoring the trends in selected fisheries and the impact of water management on fisheries production. A project began with the objective of defining the economic and non-economic value of fisheries in the Mekong, as this information is essential for planners in determining how to best use the Mekong's water and related resources.

Also on-going throughout 2008 was the continued refinement of the modelling system to analyse the relationship between the catch of dai fishery in the Tonle Sap system and the hydrology of the system. The analyses clearly show that higher floods result in bigger and more fish. Analyses of other fisheries databases have been initiated. The results of these analyses will provide a solid foundation for evaluating the impact of changes in hydrology on fisheries production.

Fisheries Management and Governance

The Technical Advisory Body for Fisheries Management conducted training events on trans-boundary fisheries management in all MRC Member Countries. These have led to cooperative arrangements for shared fisheries management activities on the Cambodian-Viet Nam border. Work continued with local communities and fisheries agencies to develop co-management practices for fisheries.

Aquaculture of Indigenous Mekong Fish Species

The MRC has continued to run a series of workshops on the breeding and husbandry of selected fish species, with the overall aim of extending fish breeding expertise of indigenous species across the region. Through this training, expertise can spread across all riparian countries. The project is also gathering a database of the genetics of the primary aquaculture species, to assist with planning the ecologically appropriate dispersion of fish, including programmes to restock natural water bodies and rivers.





Getting the bigger picture – the Information and Knowledge Management Programme (IKMP)

As the population of the Mekong Basin continues to grow and development places increasing demands on the river system, it is vital that all riparian planners, both in the public and private sectors, have access to data, information and knowledge that is timely, accurate and comprehensive. The MRC works to generate and make available to the public a wide range of information material and services that support development, environmental protection and watershed planning activities. Often, this data is the direct result of research and new and innovative means must be found to display large quantities of information in a way that is user-friendly and easy to understand.

The IKMP is a cross-cutting programme providing data services to other MRC programmes and Member Countries. It helps to manage data, cross-link it and display it to the public and others in the organisation.

In 2008 the Programme was able to catch up on delays that had been experienced in previous years. A number of major implementation contracts were procured. The Programme is now well-set to realise its long-term objectives in 2009, including the implementation of; near real time hydro-meteorological data for flood forecasting; access to quality assured and metadata attached datasets; modelling services to other programmes; and upgrading of the website portal and knowledge management implementation.

Hydro-Meteorological Data

Hydro-Meteorological Data comes from a range of sources that includes a network of stations providing information about the weather and the level of the river, which is used among other things for predicting the potential likelihood impact of floods and droughts.

Installation of the automated Hydrological Cycle Observation (HYCOS) network, which measures water levels, rainfall and other climate details on Mekong tributaries, started in 2008 and data from stations is being received and tested for accuracy. There have been efforts to integrate this network into the earlier established Appropriate Hydrological Network Improvement Project (AHNIP) network, which carries out the same kind of measurements on the Mekong mainstream – thereby creating one larger Mekong monitoring network. Information from both station networks is fed into the flood forecasting process of the FMMP (see page 14). The data gathered from the monitoring stations has been tested to ensure that it meets quality requirements. A proposal to begin a sediment monitoring project was made in 2008. It is planned that this will be integrated with the present discharge monitoring project and in time, with water quality monitoring.



Geographic Information Systems (GIS) and Databases

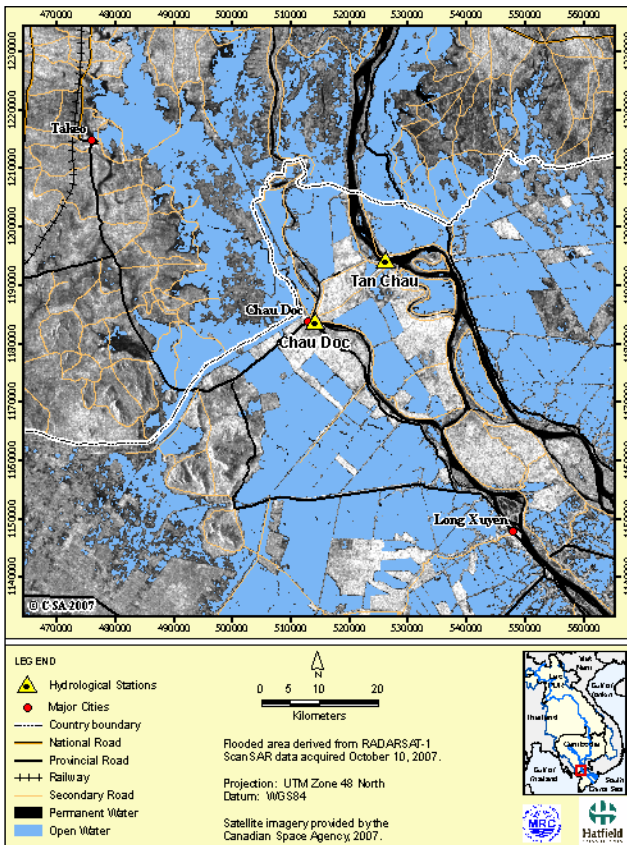
GIS and database work focuses on the acquisition and display of spatial data through a broad range of computer tools. This can be used to map trends and phenomena across the Basin and is important for a wide variety of applications, including understanding socio-economic patterns, flood management, and other geographic trends.

A data and metadata repository constitutes the technical backbone of the IKMP, providing the core services upon which all other components depend. To implement this, in 2008, a “master catalogue” has been set up based on GeoNetwork. This catalogue will contain data and information about the river system that will be accessible by all MRCS staff and other organisations. Work on land-use classification including wetlands has been carried out. Cooperation with the navigation programme was undertaken to produce navigation maps. Modelling of the Kok River in Chiang Rai province of Thailand to strengthen flood management capacity was also completed last year.

Modelling

Computer modelling is used to simulate many natural systems in the river and to observe how different components (such as water flow, erosion, sedimentation) are affected. Different scenarios are engineered and tested to see how the river will react. Computer modelling is one of the most valuable tools that the MRC has for predicting among other things, the impacts of proposed hydropower schemes on the river, heavy rainfall, drought and climate change.

In 2008, information services to support BDP scenarios were finished and further modelling was planned. Preparation of modelling services related to the environment, fisheries, agriculture and navigation programmes took place in 2008. Comprehensive implementation will take place in 2009. Additional “tools” to the “modelling toolbox” will be added in 2009, including computer models of sediment transport, primary production, deep pools in the Mekong mainstream and socio-economic and environmental impact.





Balancing hydropower and environmental costs - the Initiative on Sustainable Hydropower (ISH)

Interest in the Mekong river system as a source of hydropower has been on the rise over recent years. Member Countries see many benefits from the revenue that could flow from such projects; having the potential to stimulate their economies and contribute to the alleviation of poverty. Others see the cross-border trade in carbon-free electricity as an integral part of the future energy mix. Although the global economic crisis has reduced the rate of growth in electricity demand in many countries in the short-term, investment in and approval for hydropower projects has increased dramatically. So too have concerns about impacts on the environment, fisheries and livelihoods of people. The need to develop coordinated and integrated impact assessments, consistent and fair mitigation measures, and sustainable hydropower development strategies and policies is becoming increasingly apparent to the governments, stakeholders and community members of the Lower Mekong Basin.

The MRC is introducing a more holistic approach to the assessment of risks and opportunities of hydropower development in the Mekong region through a number of mechanisms. These include providing independent and impartial advice regarding the effects of hydropower projects - both existing and proposed, facilitating coordination amongst the riparian nations on hydropower research, assessment and strategy development, and encouraging dialogue and communication between

government, the private sector stakeholders, civil society and local communities to improve hydropower decision-making processes.

The MRC's Initiative on Sustainable Hydropower formally began a number of fast-track activities in 2008. Work to determine the final structure of the proposed initiative continued throughout the year. A discussion brief outlining the scope of the programme was endorsed in principle by the Joint Committee in June as a cross-cutting initiative to be integrated with other MRC Programmes.

Components of the Initiative on Sustainable Hydropower are currently planned to include:

- Programme Management and Communication;
- Knowledge Base and Support;
- Regional Planning Support; and
- Hydropower Sustainability Improvement.

Programme Management and Communication

In order to lay foundations for programme implementation, a series of meetings for groups involved in hydropower development and policy making including line agencies, and other interested parties were conducted throughout the latter half of 2008. As part of a push to promote independent and impartial information and advice being



made available to stakeholders and the community regarding hydropower impact, an Expert Group Meeting on “Dams as Barriers to Fish Migration and Possible Mitigation Measures” was organised in collaboration with the Fisheries Programme and held in Vientiane, Lao PDR in September. The findings from that meeting were presented to delegates at the Regional Multi-Stakeholder Consultation on Hydropower; also in September 2008, in Vientiane. The event was attended by around 200 participants representing government agencies, project developers and financiers, MRC’s development partners and dialogue partners, as well as civil society and other groups.

Presentations on the potential environmental and social challenges facing the Mekong as a result of hydropower proposals were made at the Stockholm International Water Week to a number of development partners, as well as at an international conference on the Yangtze and Three Gorges dams, the MRC also participated and made presentations to major civil society meetings in Bangkok and Phnom Penh.

Regional Planning Support

On the 8 December 2008 the MRCS and the Department of Electricity (Ministry of Energy and Mines, Lao PDR) jointly organised a “Briefing Meeting with Developers of Proposed Hydropower Dam Projects on the Mekong in Lao PDR and Thailand,” attended by more than 60 participants, including representatives from seven large private-sector hydropower developers, relevant Lao Government planning agencies and their consultants. Particular emphasis was given to the importance of an integrated basin-wide perspective to ensure that any investment in hydropower projects is well-coordinated, sustainable, of benefit to the poor, and does not cause significant adverse impacts on other uses of the Mekong’s water resources.

The presentations also included an explanation of the role of the MRC and National Mekong Committees and Procedures for Notification, Prior Consultation and Agreement (PNPCA) under the 1995 Mekong Agreement in order to give a better perception of the existing mechanism and protocol for coordination among MRC Member Countries. The developers provided status reports on their respective projects, highlighting key issues to address and aspects where MRC assistance may be appropriate. This was followed by an open session with questions and discussions for developers to receive clarifications from the MRCS on any outstanding issues. A similar meeting is planned in Cambodia for 2009.

Regional strategic environmental assessments, including assessments for proposed mainstream dams, were planned in 2008 and will begin in early 2009.

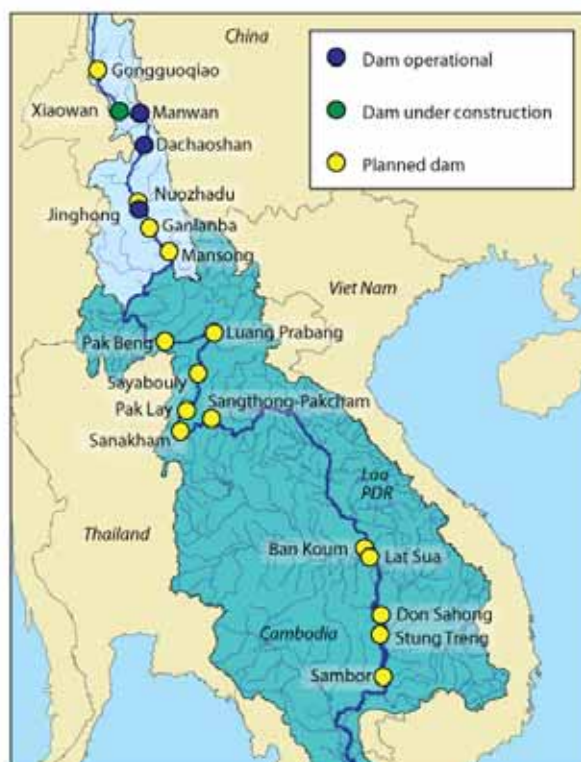
Hydropower Sustainability Improvement

The Environmental Considerations for Sustainable Hydropower Development project was begun in 2008. This is a multi-stakeholder process designed to establish sustainability assessment tools for hydropower. The project has identified opportunities and is cross-referencing these with the Environmental Programme.

The MRC facilitated a process to prepare design guidance for navigation locks in proposed hydropower dams. This will help ensure that if dams are constructed, they will not act as a barrier to trade and free passage - as stipulated in the 1995 Agreement.

Full implementation of the Initiative on Sustainable Hydropower is expected to start in 2009.

Proposed and operational hydropower dams on the mainstream Mekong





Building the skill base to manage the Mekong – the Integrated Capacity Building Programme – (ICBP)

Critical to the long-term sustainable management of Mekong resources is the urgent need in all riparian countries for an improvement in the skill base in environment, water and natural resource management. The MRC Secretariat works to increase the professional skill level of its own staff, as well as staff of the National Mekong Committees, Secretariat and national agencies in Member Countries. The long-term goal is that of “riparianisation” of the organisation, that is, ensuring that it is run by people from the Mekong Basin.

Funding was secured in 2008 for the formulation of a four-year programme and the implementation of a number of priority capacity building activities over the period 2009 - 2013. This means that in addition to other funds secured for the Junior Riparian Professional Project and the Gender Mainstreaming Project, ICBP was able to upscale its activities in 2008 from the previous year.

The objectives of ICBP are to raise the level of competence among staff of the MRC and riparian governments, particularly on cross-cutting issues pertinent to Integrated Water Resources Management (IWRM), and to provide support to MRC training activities in priority areas. The component now includes: (i) the MRC capacity building activities for staff from the Secretariat and agencies in Member Countries and NMCs training activities under the Operating Expenses Budget; (ii) the Junior Riparian

Professional Project; (iii) the Gender Mainstreaming Project; and (iv) the AusAID integrated training project.

Full scale implementation of the ICBP will commence in 2009 once funding is secured. The following capacity building initiatives were undertaken in 2008:

Operational Expenses Budget for Training

In 2008, almost US\$ 60,000 was made available under the operating expenses budget to strengthen the capacity and develop the skills of MRC and NMC staff. A total of 126 staff of MRCS and NMCs benefited from these funds to increase their skill level through official degrees from local universities, Leadership and Management Workshops, Effective Communication and Working Relationship, the National Consultation Workshop for Better Communication and Coordination, the Enhancing Leadership and Management Skill Workshop, English Language Training (General and Writing Skill training), and specific training related to their roles and responsibilities.

MRCS hosted eight interns; four from riparian countries, one from the wider region, and three international interns. The guidelines on interns were also updated to provide small support costs to four interns from Member Countries each year. The application of this new process will begin in 2009.



Junior Riparian Project (JRP)

Targeting up and coming riparian professionals, the first batch of eight Junior Riparian Staff were on board in November 2008. They were trained to improve their skills central to working at the MRC; including MRC Orientation, Integrated River Basin Planning, Strategic Planning and Management, Project Cycle Management and Logical Framework, Gender Mainstreaming in Water Resources Development, and facilitation. From January to October 2009 the Junior Riparian Staff will participate in on-the-job training as part of the MRC programme. The recruitment and training courses of Batch 2 and Batch 3 will take place in 2009. A total of 40 JRPs will take part in training from 2008 – 2011.

Gender Mainstreaming Project

The Gender Mainstreaming Project continued implementation throughout the year and completed Phase II of the project in December. Several activities took place, such as; the formulation of national gender teams and a MRC gender in-house network; the establishment of a coordination mechanism between the MRC and national gender teams; the formulation of national action plans; and introduction of the use of guidelines, checklist and toolkits for integrating gender concerns into the activities. Almost half of MRC programmes have taken initiatives to incorporate gender into their programmes, for example;

- The Watershed Management Project has become more aware of the gaps in their documents and has explored the scope for cooperation with the Gender Project for further gender mainstreaming.
- The Basin Development Plan Programme (BDP) is now incorporating the gender framework into the BDP planning process and will start working with the gender project on this initiative.
- The Flood Management and Mitigation Programme (FMMP) is developing a gender toolkit based on gender issues identified by the FMMP team recently.
- Starting in 1998, the MRC Fisheries Programme has integrated gender across the programme, assigning a staff member to lead gender activities using the fisheries budget, establishing a technical advisory body with the members at the Joint Committee level; and a regional advisory group and national level gender coordinators.

The Integrated Training Project

A two day executive seminar/workshop on leadership and management was hosted for 16 representatives of senior management of the MRC in early October 2008 and received very positive feedback. ICBP responded to a request to address the urgent capacity building needs of the MRCS to enhance the media and presentation skills of 20 selected staff members. The three-day workshop was organised in September 2008.



The International Cooperation and Communication Section (ICCS)

As well as providing support to and facilitating MRC Governance meetings, ICCS is charged with meeting the demand for better coordination, cooperation and communication across the Basin. Stronger links to regional initiatives such as the Greater Mekong Sub-region (GMS), the Association of South East Asian Nations (ASEAN), the Dialogue Partners the People's Republic of China and the Union of Myanmar, and the general donor community are key objectives for the unit.

Stakeholder engagement

The Secretariat prepared a draft proposal to establish and implement a MRC Stakeholder Policy at the governance level. The approach identifies synergies between the BDP Stakeholder process and the Governance Bodies Stakeholder process and aims to result in an initiative that communicates clear and consistent messages to stakeholders.

Subsequently, a regional meeting on MRC stakeholder engagement was held on 25 November 2008 in Vientiane, to exchange information between the MRC and Mekong River Basin stakeholders about how the organisation will increase public understanding of the consultation process. The MRC will continue the process and develop its Stakeholder Policy for consideration by the MRC Council in 2009.

Engagement with Development Partners

The annual MRC Informal Donor Meeting was held on 19-20 June 2008 in Vientiane, Lao PDR. The Agenda covered discussions on the current developments in the Basin and future perspectives and how MRC can address those in the next three years.

The Meeting discussed increased donor harmonisation and considered indicators of success for the MRC for the next three years which include:

- Bringing the principles and concepts of IWRM into practice;
- Defining long-term management functions;
- Continuing to implement riparianisation;
- Reducing technical gaps and making information accessible to decision makers and the public; and
- Developing an open and transparent working culture at the MRC.



The Development Partners acknowledged MRCS efforts in response to current challenges and requested the MRC and NMCs to focus on; hydropower and water diversions; continued MRC reform; MRC ownership by Member Countries and donor harmonisation.

The second session of the Fifteenth Meeting of the Mekong River Commission (MRC) Council was jointly held with the Thirteenth Meeting of the Donor Consultative Group (DCG) on 7 November 2008 in Vientiane.

The meeting discussed the progress of the BDP and ways that it can be more fully integrated with national relevant line agencies; cooperation between the MRC, the People's Republic of China and the Union of Myanmar, as well as increased cooperation with the Greater Mekong Sub-region initiative (GMS) and the Association of Southeast Asian Nations (ASEAN).

The Joint Contact Group of Development Partners and Member Country representatives met three times during the year and discussed, among other things; the Permanent Location of the MRC Secretariat; MRCS Organisational Structure; the draft MRC Communication Strategy and Disclosure Policy; the MRC Management and Administration Fee; MRC's regional partnership with financial institutions; MRCS, NMC and NMCS functional descriptions; MRC's Monitoring and Evaluation System; and Donor Harmonisation.

Communication Strategy and Disclosure Policy

The MRC Secretariat has prepared a draft communication strategy for the MRC to guide its communication work for the coming years. This is pursuant to the MRC



Strategic Plan 2006-2010, which refers to “an updated communication strategy [that] should be developed to increase understanding and recognition of the MRC in the Basin and internationally”.

The original draft of the strategy was written following interviews with MRCS staff, and the representatives of various development partners and stakeholders. Separate consultations were arranged with each National Mekong Committee, and development partners and stakeholders in Bangkok and in Hanoi.

It aims to identify the core clients and target groups of present and future MRC communication and recommend how the MRCS can work towards using communications to accomplishing its aims in cooperation with Member States and stakeholders.

This draft strategy includes a disclosure policy. Both documents are expected to be approved in 2009.

Media and External relations

The Communication Unit serves as the Secretariat’s focal point for regional and international media liaison, arranging interviews, supplying information to media and other interested bodies and promoting the MRC and its mission through the production of information materials and support for national and international events. In 2008 the unit arranged interviews with journalists on several occasions, including:

- Viet Nam Television on the 27th Joint Committee meeting;
- Development Today (Norway), Watershed Magazine (TERRA), Inter Press Service (Phnom Penh) on the views of the new CEO;
- Le Monde Diplomatique (Paris) on the MRC role in regional transport;
- A group of journalists from Finland and ARD German Radio (Singapore) on the MRC role in general;
- Bloomberg News (Ho Chi Minh City), Lao National Television and Radio on the August floods;
- Inter Press Service (Bangkok) on the August floods and Hydropower programme;
- Radio Free Asia (Bangkok) on the Hydropower programme; and
- Two press conferences at the Regional Hydropower Consultation.

Website work

In 2008 the Communication Unit instigated a review of the MRC website and defined a terms of reference for a redesign process. Daily flood forecast updates were provided from July to mid-October, and covered the period of intense floods in Lao PDR and Thailand.

Finance, Administration and Human Resources



The MRC has continued to implement stringent budgeting rules. This allowed the surplus in the operating expenses budget to further increase over the year. At the same time, repayments of the relocation loan were also increased. With both the overall expenditure rate of the MRC and the number of staff at the Secretariat rising (by around eight percent) over the year, the workload on the Finance and Administration Section increased, but the section was able to cope without any major expansion required. Notable events occurring during 2008 included the arrival of the Chief of the Human Resources Development Section (HRS) and the integration of both the HRS and Personnel Section. This is eventually expected to result in a reduction of workload on staff as streamlining of procedures comes into place and duplication of activities is reduced.

With the impact of the global crisis reaching the Mekong region, the MRC introduced new entitlements for the general support and riparian professional staff to allow for the impact of any significant devaluation of the US dollar and inflation.

Regular orientation and information sessions for staff were organised at both the MRCS in Vientiane and the Regional

	Staff Category	Number	Percentage
1	International Staff	17	10.97%
2	Riparian Professional Staff	51	32.90%
3	General Support Staff	73	47.10%
4	Seconded International Expert	3	1.94%
5	Junior Riparian Professional	8	5.15%
6	Associate Modeller	4	1.94%
	Total	155	100%

Flood Mitigation and Management Centre in Phnom Penh. Orientation sessions are designed to familiarise staff with MRC and MRCS procedures.

Workforce at a Glance:

There were 155 staff members working for the Secretariat as of 1 January 2009. The figures above provide an overview of the staffing situation per category.

Income and Expenditure in 2008

	2008	2007
	USD	USD
Contributions		
Development Partners	15,664,900	20,022,300
Riparian governments	956,000	1,627,600
	16,620,900	21,649,900
Revenue		
Interest	36,000	34,600
Miscellaneous	5,350	15,700
	41,350	50,300
Total Income	16,662,250	21,700,200
Expenditure		
Project expenditure		
Personnel services	9,124,900	6,909,200
Sub-contracts	1,454,300	1,855,500
Training	1,771,500	1,060,300
Equipment	706,900	699,800
Miscellaneous expenses	660,600	550,300
Water Utilisation Programme ("WUP")	525,460	1,220,000
	14,243,660	12,295,100
Administrative expenditure		
Staff salary and fees	834,700	743,100
Common staff costs	546,900	403,400
Travel	23,200	17,000
Contractual services	96,700	93,700
General operating expenses	181,200	170,000
Supplies	26,700	23,200
Furniture and equipment	90,100	74,100
MRC meeting expenses	201,700	262,500
Support to National Mekong Committees	50,400	42,900
WUP management support	-2,500	39,900
Repayment of relocation project loan	100,000	60,000
	2,149,100	1,929,800
Total Expenditure	16,392,760	14,224,900
Foreign exchange (loss)/gain	-45,000	147,600

Resources and Funding agreed in 2008

Development Partners	Programme/Project
Australia	(1) Agreement between MRC and Australia on support to the MRC Technical Coordination Function signed on 19 February 2008
	(2) Agreement between MRC and Australia on support to the MRC Basin Development Plan Programme signed on 19 February 2008
	(3) Agreement between MRC and Australia on support to the MRC Navigation Programme signed on 16 May 2008
	(4) Agreement between MRC and Australia on support to the MRC Monitoring and Evaluation System signed on 30 May 2008
	(5) Agreement between MRC and Australia on support to the MRC Integrated Capacity Building Programme signed on 6 June 2008
	(6) Agreement between MRC and Australia on support to the MRC Climate Change and Adaptation Initiative signed on 6 June 2008
	(7) Agreement between MRC and Australia on support to the preparation of Water Utilisation Programme Follow-up signed on 6 June 2008
CPWF	Provision of funds from the Challenge Program for the implementation of the activity titled Benchmark Basin Coordinator: Mekong to be carried out under the auspices of the CPWF Consortium signed on 24 October 2008
CSIRO	Agreement between MRC and the Commonwealth Scientific and Industrial Research Organisation on subcontract to provide services to CSIRO signed on 21 February 2008
Denmark	Agreement between the Government of the Kingdom of Denmark and the MRC on the funding of the MRC Fisheries Programme Phase 2 signed on 7 November 2008
EC	Agreement to Strengthen Implementation of the Flood Preparedness Program at Provincial, District and Commune Levels in the Lower Mekong Basin (Cambodia, Lao PDR and Viet Nam) signed on 16 December 2008
Finland	(1) Funding agreement with the Ministry of Foreign Affairs for Finnish support to the Position of Senior Modelling Advisor-Extended from 14 June 2008 to 13 June 2009 signed on 29 May 2008.
	(2) Agreement between the Ministry of Foreign Affairs of Finland and the Mekong River Commission concerning the Finnish support to the MRC IKMP on the position of Senior Modelling Advisor signed on 19 December 2008
Germany/GTZ	Government arrangement concerning the support to the MRC FMMP Component 4 and 5 "Disaster Prevention and Flood Protection, Phase II" amount of Euro 3,000,000 (US\$ 4,200,000). Sub-agreement with GTZ was signed on 5 August 2008 for financial support to MRC amount of Euro 270,000
Japan	Agreement between MRC and the Ministry of Agriculture, Forestry and Fisheries of Japan on support to Study on Analysis of Sustainable Water Resources Use signed on 17 April 2008
New Zealand	Amendment 3 to Agreement between NZAID and the Mekong River Commission concerning the contribution to Gender Mainstreaming in Water and Related Resources Development in the Lower Mekong Basin extend the period of validity from December 2004 to 31 August 2009 with additional support for bridging phase signed on 29 December 2008
Sweden	Amendment to the Agreement between MRC and Sweden MK 2007/03 on additional support a consultancy regarding aid effectiveness to the MRC signed on 24 July 2008



Mekong River Commission

P.O.Box 6101, 184 Fa Ngoum Road, Unit 18, Ban Sithane Neua,
Sikhottabong District, Vientiane, Lao PDR

Telephone: (856) 21 263 263 Facsimile: (856) 21 263 264

E-mail: mrcs@mrcmekong.org

Website: www.mrcmekong.org