

**Mekong River Commission**

**MID-TERM REVIEW OF THE  
MEKONG RIVER COMMISSION STRATEGIC PLAN 2006-2010**

**EXECUTIVE SUMMARY OF THE FINAL  
REPORT**

**January 2009**

## Acronyms and Abbreviations

<b>ADB</b>	Asian Development Bank	
<b>AFD</b>	Agence Française du Développement (French Agency for Development)	
<b>AMBDC</b>	ASEAN-Mekong Development Cooperation	
<b>AIFP</b>	Agriculture, Irrigation and Forestry Programme	
<b>AusAID</b>	Australian Agency for International Development	
<b>BDP</b>	Basin Development Planning – Basin Development Plan	
<b>CNMC</b>	Cambodia National Mekong Committee	
<b>CPWF</b>	Challenge Programme on Water and Food	
<b>CTA</b>	Chief Technical Advisors	
<b>DMP</b>	Drought Management Programme	
<b>DSIMP</b>	Decision Support and Information Management Programme	
<b>DSF</b>	Decision Support Framework	
<b>EIA</b>	Environmental Impact Assessment	
<b>EP</b>	Environment Programme	
<b>FP</b>	Fisheries Programme	
<b>FMMP</b>	Flood Management and Mitigation Programme	
<b>GEF</b>	Global Environment Facility	
<b>GMS</b>	Greater Mekong Sub-Region	
<b>HDS</b>	Hydropower Development Strategy	
<b>HP</b>	Hydropower Programme	
<b>IBFM</b>	Integrated Basin Flow Management	
<b>ICBP</b>	Integrated Capacity Building Programme	
<b>IKMP</b>	Information and Knowledge Management Programme	
<b>IDP</b>	International Development Partner	
<b>IWQM</b>	Integrated water Quality Management	
<b>JC</b>	MRC Joint Committee	
<b>JRP</b>	Junior Riparian Professional	
<b>LMB</b>	Lower Mekong Basin	
<b>LNMC</b>	Lao National Mekong Committee	
<b>MDBC</b>	Murray-Darling Basin Commission	
<b>MDG</b>	UN Millennium Development Goal	
<b>M&amp;E</b>	Monitoring & Evaluation	
<b>MRB</b>	Mekong River Basin	
<b>M-IWRM P</b>	Mekong Integrated Water Resources Management Project	
<b>MRC</b>	Mekong River Commission	
<b>MRCS</b>	Mekong River Commission Secretariat	
<b>MWRPP</b>	Mekong Water Resources Partnership Programme	
<b>NAP</b>	Navigation Programme	
<b>NGO</b>	Non-Government Organisation	
<b>NMC</b>	National Mekong Committee	
<b>OCEO</b>	Office of the Chief Executive Officer	
<b>OEB</b>	Operating Expenses	Budget

<b>PDIES</b>	Procedures for Data and Information Exchange and Sharing
<b>PMFM</b>	Procedures for Maintenance of Flows in the Mainstream
<b>PNPCA</b>	Procedures for Notification, Prior Consultation and Agreement
<b>PWUM</b>	Procedures for Water Use Monitoring
<b>RBO</b>	River Basin Organisation
<b>RFFMC</b>	Regional Flood Management and Mitigation Centre
<b>SEA</b>	Strategic Environmental Assessment
<b>SP</b>	MRC Strategic Plan 2006-2010
<b>TACT</b>	Technical Assistance and Coordination Team
<b>TP</b>	Tourism Programme
<b>TNMC</b>	Thai National Mekong Committee
<b>UNDP</b>	United Nations Development Programme
<b>USAID</b>	United States Agency for International Development
<b>VNMC</b>	Viet Nam National Mekong Committee
<b>WG</b>	Working Group
<b>WMT</b>	WUP Management Team
<b>WRMP</b>	Water Resources Management Programme
<b>WRMP HP</b>	Water Resources Management Programme (Hydropower Component)
<b>WUP</b>	Water Utilisation Programme

## EXECUTIVE SUMMARY

1. The Mekong River Commission (MRC) was established in 1995 by an agreement between the governments of Cambodia, Lao PDR, Thailand and Viet Nam. This established the framework and mechanisms for pursuing a coherent strategy of integrated water resources management (IWRM) on a regional scale. The Strategic Plan 2006-2010 (SP) capitalises on the progress achieved in the two previous planning cycles – particularly the establishment of a procedures framework agreed by Member Countries, a regionally recognised knowledge base and capacity development.

2. Since the SP was adopted, development in the Mekong Basin has been accelerating which is rapidly changing the context of the MRC's activities. In this changing world, the 27<sup>th</sup> Meeting of the MRC Joint Committee (JC) agreed on the need for a mid-term review of the SP. The Review is intended to take stock and provide a snapshot of the progress achieved by the MRC in the implementation of the SP and other pertinent activities, and to make recommendations for any adjustments that are required.

3. In July 2008 the MRC began the mid-term review of the SP. The review was designed to capture and integrate the perspectives of the four MRC Member Countries, the International Development Partners (IDPs), the Secretariat, and other interested parties on the implementation of the SP. The MRC Dialogue Partners PR China and Myanmar also had the opportunity to provide input.

### **Assessment of the implementation of the MRC Strategic Plan – is it on track?**

4. The SP sets out an overall goal for the MRC and 4 specific goals. The objectives and sub-objectives of the four goals are designed to work together cohesively in achieving the overall Goal. Under each specific goal the SP identifies a number of objectives. Annex 1 of the SP identifies key actions and outputs for each objective. The SP states that the main purpose of this list is to provide direction to the MRC Programmes on the nature of the products to be delivered over 2006-2010.

5. A number of the Contributing Papers to the review commented on the difficulties in completing an assessment of the SP as there were no clear benchmarks or indicators set out in the SP to measure success or failure for each of the goals, objectives and outputs/actions - there are no specific deadlines set. To date, a Monitoring & Evaluation (M&E) system, which was due to be established as a matter of priority is not yet established<sup>1</sup>. No update of Annex 1 of the SP has been undertaken.

6. These shortcomings mean that the current SP is not readily able to be monitored in any objective or verifiable way, which makes it difficult to objectively assess the extent to which the MRC is carrying out its mandate and in a timely manner. Therefore, this review can only provide a somewhat subjective assessment built up from an analysis of reported MRC activities over period 2006 to 2008 (from annual Work Plans, Annual Reports and other documents), the views of the member countries, the Secretariat, the IDPs, and others, some of which were not in harmony.

7. It is also important to note the roles of the MRC under the SP which are to focus its efforts on: supporting joint and basin-wide projects and programmes, initially including the four riparian states of the LMB; transboundary projects, or suites of complementary projects, between two or three riparian states; and National projects, or land and water policies, with significant or cumulative basin-wide implications.

---

<sup>1</sup> A consultancy was let in November 2008 to initiate the M&E system. The current planning foresees that the MRC results-based M&E system will be developed into a demonstrable approach by mid 2009

**Goal 1: To promote and support coordinated, sustainable, and pro-poor development**

8. Basin development is an extremely high priority for the Member Countries. While millions of poor people exploit the natural resources of the Basin for their food security and livelihoods, water infrastructure development is limited compared to most other large river basins. Currently, water resources development is being accelerated - over the next 20 years, the Mekong Basin will undergo tremendous social, economic and environmental changes.

9. For a major regional river basin such as the Mekong, the concept of a basin plan is not easy to define and the MRC has taken time to come to terms with this. Nevertheless, significant progress has been made in areas such as generating data and information from Basin sub-areas, technical directions for scenario analysis, preparation of development scenarios, fast-tracking the assessment of hydrological impacts of some BDP scenarios, and an outline of the rolling IWRM-based BDP. Recently, the MRC JC approved the definition of possible water resources development scenarios, including a baseline scenario, a definite future scenario, which includes the planned Chinese dams and ongoing water resources developments in the LMB, a twenty-year LMB plan scenario, alternative development scenarios that explore the basin's potential and limitations, and longer term scenarios that will examine the impacts of climate change and land use changes.

10. The MRC has developed a comprehensive hydropower database that is currently being populated with the relevant physical and operating characteristics from about large 150 hydropower projects. This is being used for an economic screening of projects and as a procedure to calculate reservoir operation guidelines. A similar type of activity is being implemented for the irrigation sector identifying the characteristics of the existing, the planned and the potential irrigation developments in the basin.

11. As well, the project design and formulation of Environmental Considerations of Sustainable Hydropower Development (ECSHD) started in January 2008 using the IHA Sustainability Guidelines and Assessment Protocol. The results will be tested in one or two examples of hydropower development where many projects are in the early stages of planning. The assessment of the cost of blocked fish migration routes caused by dams is also a major activity, including: the identification of spawning sites; the modelling of the impacts of mainstream barriers; fisheries impact assessment, forecasting and mitigation; and the assessment of appropriate mitigation measures, and periodic meetings of world experts on fisheries ecology and hydropower development.

12. An MRC report enables BDP staff to understand, identify and broadly assess flooding impacts and considerations when evaluating water development and infrastructure projects. As well, best practice guidelines are being produced for flood proofing infrastructure and to assess the significance of environmental and ecological impacts of infrastructure.

13. In terms of specific pro-poor development, the activities of the Member Countries are the primary means of providing direct pro-poor development support. MRC basin planning has a role to play in terms of the integration with national planning and in seeking to influence decision making for the sustainability of the river and to maximise pro-poor benefits. Within its defined role, the MRC has provided training to enhance sustainable fisheries production. Documentation of lessons learned from participatory fisheries management on local, provincial and national levels from more than 80 sites is being undertaken. Considerable information on improvements to the irrigation efficiency of paddy fields has also been produced.

14. Progress under this Goal has drawn both support and some criticism in the Contributing Papers<sup>2</sup>. The first phase of BDP (2001-2006) is acknowledged as achieving a great deal in terms of establishing processes and creating a framework for participatory planning. However, the Papers also show frustration that the second phase of the BDP Programme was delayed during the transition period in 2006 and early 2007. Problems occurred with the recruitment of national professional staff. One Paper also expresses concern that under Phase I the portfolio of projects/programmes is in fact not real project/programme proposals and that the MRC could aim at arriving at a “coordinated, sustainable, pro-poor development” package. Another Paper comments that BDP also needs to focus more on the country’s real needs and aspirations, particularly the synergy and the integration of BDP with the national socio economic development planning. BDP needs considerable concentrated efforts to achieve these expectations.

15. One Contributing Papers emphasises the importance of maintaining productive Mekong fisheries, enhancing aquaculture of indigenous species and to increase the capacity of local and national fisheries bodies, technologies for aquaculture of indigenous species and support to line agencies in identification and preparation of priority BDP sustainable fisheries development projects. Another Contributing Paper comments that there are also some planned activities of the SP, as defined in Annex 1, that have not been carried out yet or are late in implementation.

**Goal 2: To enhance effective regional cooperation**

16. Prior to the SP the Procedures for Data and Information Exchange and Sharing had been approved in 2001; the Procedures for Water Use Monitoring had been approved in 2003; and the Procedures for Notification, Prior Consultation and Agreement, had also been approved in 2003. In the term of this SP, the Procedures for Maintenance of Flows on the Mainstream were approved 2006 and the Procedures for Water Quality were also agreed in 2006, but are not yet endorsed by the Cabinet of Thailand. The technical guidelines for implementation of the signed Procedures on Maintenance of Flows on the Mainstream are not yet agreed.

17. The draft Framework for the Guideline for a Transboundary Environmental Assessment System was accepted at a regional meeting in mid-2006 but is not yet agreed. The MRC transboundary framework on conflict management in the LMB is ready for implementation by Member Countries. Priority areas (hot spots) for environmental conflict prevention have been identified with a view to conducting case studies and developing procedures. In 2007 national reports on trans-boundary flood issues identified and prioritised the key issues at the national level to enhance the MRC capacity in addressing trans-boundary issues. A comprehensive legal study of the current navigation regime on the Mekong River between Cambodia and Viet Nam was completed, and the MRC is providing assistance in establishing a similar legal framework between Lao PDR and Thailand.

18. The cooperation with China and Myanmar is also progressing step-by-step through dialogue mechanisms and joint activities relating to hydrological data sharing and navigation.

19. The Organisational Review Report concluded that the MRC has had little engagement with non-governmental organisations and recommended that MRC consider formalise a stakeholder consultative process. A consultancy is now underway to define approaches for stakeholder involvement, which will be integrated to the MRC Communications Strategy, currently at an advanced stage of drafting.

20. The Contributing Papers comment that the ultimate approval and implementation of the entire set of MRC Procedures and their technical guidelines is a critical challenge to the

---

<sup>2</sup> Contributing Papers were received from each Member Country, the IDPs (an integrated single paper), the MRCS, the Government of Myanmar, and comments from other parties.

MRC that is also of interest and concern to all stakeholders. As with other international river basins, the harmonisation of “upstream actions versus downstream effects”, “national interests versus regional benefits”, and “development and conservation” in the Mekong basin can only be properly addressed if supporting documentation is established to give effect to the core aspects of the 1995 Mekong Agreement.

21. The Papers acknowledge that cooperation among the Member States has improved and that there are many outputs achieved to assist in identifying and dealing with transboundary issues and potential conflicts. While the external relationships of the MRC are generally considered good, the Papers note that there is much scope for greater cooperation and for data exchange with the Upper Mekong Countries. One Paper comments that MRC engagement with IDPs has improved and areas for better IDP engagement are being examined as part of the follow-up to the Financial and Institutional Review. As well, the international conference on the MRC held in Hanoi in 2007 expressed strong support for the Initiative. However, the Paper added that the cooperation between the MRC and other initiatives, such as GMS and ASEAN, is not yet effective. MRC engagement with ‘external’ stakeholders has been ad hoc but is improving. Communication systems have improved, but there is still some way to go.

**Goal 3: To strengthen basin-wide environment monitoring and impact assessment**

22. The QA/QC programme for monitoring is bringing the water quality laboratories closer to the international standard ISO 17025. A 2007 review concluded that the programme is suitable and the results reliable. Indicative Mekong River report cards on water quality and ecological health have been prepared for the mainstream, and Technical Papers published describing baseline conditions for environmental contaminants in the lower Mekong River and its tributaries, and providing a comprehensive analysis of status and trends of water quality over the past 20 years. The Ecological Health Monitoring programme completed the first 4-year monitoring cycle in 2008. A synthesis of monitoring data for the LMB will be published. Reports on biomonitoring of the LMB and selected tributaries, and on identification of freshwater invertebrates of the Mekong River and its tributaries, were completed. A sediment monitoring programme is under development.

23. A second phase of the social Impact Monitoring System started in 2007. By the end of 2008, technical guideline for this will be complete and field studies verifying the socio-economic indicators will be underway. Technical guidelines for vulnerability assessment were initiated in June 2008. From 2007, wetland maps and water quality information were accessible over the internet and line agency staff have been trained in wetland mapping techniques. Work on environmental impact of tourism was initiated in 2006. National reports are expected to be completed and approved by the end of 2008.

24. In 2007, specialist reports for the IBFM predictive tool were ready for trial. A technical report on the assessment methodology for environmental flows was ready for testing and further evaluation in 2008. Methodology for assessing environmental flows has been completed and is ready for adoption and use by line agencies. Reports on flows assessment scenarios have continued in 2008 for integration into the BDP. In 2008, work on climate change started and will provide inputs for an assessment of the benefits and costs of water resources development by assessing the consequences of flow changes and climate change in LMB.

25. Contributing Papers are generally of the view that to date, the environmental water quality monitoring system is effective. *State of the Basin* Reports and *Basin Report Cards* have been issued and many training courses on environmental management have also been held. Environmental awareness within the MRC as well as for riparian line agencies, local authorities, etc has been significantly enhanced.

26. However, one Paper notes that there are also several activities in Annex 1 of the SP which are not implemented or which are proving difficult. Another Paper comments that

while it is important for the MRCS to develop these measures, such products also need strong interaction with national practices or guidelines. Instruments such as the basin-wide environmental impact assessment should be considered as guidelines and implemented first on a trial or voluntary basis. Another Paper comments that many of the activities developed by MRCS remain at the MRCS level without further initiatives to develop from the basin wide level to the national level. The challenge for the MRC is to find a reasonable way of “*meeting the needs and keeping the balance*”.

**Goal 4: To strengthen the Integrated Water Resources Management capacity and knowledge base of the MRC bodies, NMCs and line agencies and other stakeholders**

27. There is an array of activities that are contributing this Goal, such as: processing of the hydro-meteorological data collected from Member Countries; MOUs for management and operation of various monitoring arrangements by Member Countries; publishing hydrological data, flood reports and flood probability information; networks, database and data management for flood forecasting; cooperation with China on the provision of hydrological Information; auditing data held; developing standards and guidelines for data and information management; progressive development and enhancement of the Decision Support Framework and modelling; progressive development and enhancement of the MRC-IS Portal, the Document Management System and Electronic Library on Web (ELIB), including for external access; Development of MRC M&E system, starting in 2008; a variety of capacity building activities; gender mainstreaming; and the Junior Riparian Professional Programme.

28. The Contributing Papers acknowledge these main outputs. One comments that some other activities identified in the SP are late or not implemented yet, and some are under question regarding their effectiveness. These include: harmonised project progress reports, regional assessment tools available and promoted for use by NMCS and line agencies, and efficient programme coordination mechanisms. Another Paper comments that the MRC needs to further develop concrete activities for the application of IWRM principles and processes at all levels. In terms of providing on-the-job training for the line agencies, one Paper comments that this has had only limited success as much of the training could not provide the tools and equipment for the various line agencies to practice on. While the Junior Riparian Professional project should be continued, the criteria should be focused on undergraduates who have some experience.

**Performance against key actions/outputs**

29. Annex 1 of the SP sets out action/output and their priority. Appendix B of the this Report provides an assessment of progress against these and an estimate of whether or not the key actions/outputs have been met, or are likely to be met, under this SP. Because of the lack of an M&E system, the assessment is of a subjective nature, based on the progress reported in MRC reports, discussion with all programmes and comments from the country riparian consultants to an initial draft of this Appendix.

30. For the 35 high priority key actions/outputs for Goal 1, 25 (71%) are assessed as being met or are likely to be met before the end of 2010, although some will require considerable and concentrated work to achieve the target. Two of the 35 will not be met and for 8, it is not clear if they are likely to be met through programme activities. For Goal 2, of the 12 high priority projects, 10 (83%) are assessed as being met or are likely to be met before the end of 2010. One is assessed as not likely to be met and for another, it is not clear if it is likely to be met. For Goal 3, of the 12 high priority projects, 10 (83%) are assessed as being met or are likely to be met before the end of 2010. For 2 of the key actions/outputs, it is not clear if they are likely to be met through programme activities. For Goal 4, all of the 10 high priority projects are assessed as being met or are likely to be met before the end of 2010. A comparison of the results also shows that the MRC has concentrated on the high priority actions/outputs first – it is more likely to meet a far greater proportion of the high priority actions/outputs compared to the medium priority actions/outputs.



### **Other SP requirements**

31. Member States noted it was important that the SP result in more tangible results focusing on poverty reduction through sustainable development, strengthened ownership by Member States, and widespread adoption of IWRM.

32. In this respect comments from one Contributing Paper are that the MRC struggles to demonstrate tangible connections between its activities/ outputs and poverty reduction and that MRC activities have been playing 'catch-up' with Member States, who continue to make decisions independently of dialogue within the MRC processes. With respect to hydropower, and other basin development activities, MRC involvement is to mitigate the effects of proposed projects rather than working to establish the demand for projects. The Paper added that there seems little evidence that MRCS tools are being used in national planning and decision processes. Also, there is an absence of evidence on how the MRC (principally via the MRCS and NMCs) are adding value to national processes. Direct evidence that Member States are taking greater ownership of the MRC also seems scarce. At present it is difficult to describe coordinated Mekong water resources development between different scales (eg national and basin), or different sectors (eg hydropower and fisheries). The Paper suggests that greater efforts could be made in relation to coordination across scales and sectors, and more integration/coordination/inter-disciplinarily activity is possible. It adds that the MRC has a role to play to address the coordination and consistency between organisations based on hydrological boundaries and organisations based on administrative boundaries. The process to increase financial ownership of the MRC by Member States is moving slowly.

### **Overall Conclusion – is the SP on track?**

33. The analysis shows that most of the key actions/outputs are being met, or are likely to be met in the term of this SP. This should be a very pleasing result to all involved with the MRC, as it is a unique organisation working in an extremely complex and difficult environment. However, despite this apparent good performance, the striking conclusion from many of the Contributing Papers is not an impression of the MRC as a successful organisation. While acknowledging the successes of the MRC, many comments and issues are fairly consistently raised which reflect a perception of the MRC apparently at odds with the assessment of performance. The most common views can be summarised as:

1. MRC work does not sufficiently result in tangible benefits for the Member Countries, especially in relation to pro-poor development;
2. In issues of development, MRC is reactive rather than proactive;
3. MRC processes take too long and major projects such as BDP suffer from excessive delays which requires them to constantly play catch up;
4. The cessation of WUP has left much unfinished business important to the Member Countries in terms of implementing the 1995 Agreement;
5. There is lack of a sense of real cooperation between the Member Countries;
6. MRC is not making an impact on Country planning and management directions;
7. Member Countries do not always cooperate with MRC initiatives;
8. MRC tends to operate in isolation from other regional activities;
9. MRC is focused too much on its own processes and science, and not sufficiently outward looking to the needs of the countries or its stakeholders, and generally has poor communication; and
10. Programme coordination is weak.

34. While some of these contributing comments may be based on misunderstandings, they reflect a perception of the MRC that needs to be dealt with. There are a number of MRC

initiatives underway that would deal with many of these concerns. Of concern is that the authors of the Contributing Papers would know of these initiatives, yet they still provide many strongly negative comments. Also of concern is that many of the contributing comments come from Member Countries who are in effect the MRC.

35. The MRC should deal with these perceptions head on. The development of the next SP provides the opportunity to do this, and the SP development should be started sooner rather than later, and specifically include processes that tease out and deal with these perceptions.

## **The alignment of MRC programmes**

### ***Alignment with the 1995 Agreement***

36. During the formulation of the current SP, Countries expressed a desire in seeing the MRC move toward a more comprehensive implementation of the Agreement. Although this was one of the direct aims of the SP, the SP does not itself clearly make this link. However, analysis demonstrates that a fairly strong alignment can be established. The SP supports the 1995 Mekong Agreement in three main areas: the overall goal, and the four supporting goals, are closely aligned to the overall intent and outcomes required by the Agreement; the objectives of the SP closely align to the specific provision of the Agreement, which in turn generate actions and outputs; and the management structure of MRC is directly taken from the institutional framework of the Agreement.

37. For some MRC Programmes the relationship with the Agreement is clear. However, not all MRC Programmes have been explicitly designed and implemented with such a strong focus on the Agreement. The recent initiative to re-define the core functions<sup>3</sup> of the MRC, and to focus on some important activities (by BDP, EP, FP) is a critical first step to help shape the Programmes toward a stronger alignment with the implementation of the Agreement.

38. The comprehensive implementation of the Agreement must also be based on the performance of the countries in how they implement the agreed MRC outputs. Lack of cooperation at the Country level on implementation can seriously jeopardise the achievement of outcomes agreed at MRC level. For example, the Secretariat may develop guidelines and tools, but these need to be picked up and used by the Countries if the overall outcome is to be achieved.

39. One Contributing Paper comments that, despite the best efforts of the MRC, there has been only limited success in bringing the two upper riparian countries into the organisation. However, the MRC is now in a different context to 1995 when there was an interest in China's membership to influence decisions on dam planning. Now the issue is at a more technical level in relation to the operation of projects. China has indicated its willingness to participate at this technical level.

### ***Alignment with the Strategic Plan***

40. The integrated programme structure of the MRC at the start of the SP was: FMMP; DMP; AIFP; NP; HP; FP; and TP. This set of programmes is cross-cut by EP, IKMP, ICBP and WUP. Since the SP started, while this overall framework and concept has remained, the programmes have changed. BDP started a second phase in 2007, Phase 2 of EP was revised in 2006, WUP was finalised slowly over 2006 and 2007, and formulation for a new programme, M-IWRM, started in 2008. A new Funding Arrangement was completed in June 2008 to support the Climate Change and Adaptation Initiative for the period 2008-2012 under the EP. The HP finally started in 2007 after being un-funded for a number of years.

---

<sup>3</sup> This work is implementing a recommendation of the Independent Organisational Review which suggested that fundamental functions of the MRC Secretariat need to be identified and maintained in the long term if the organisation is to be sustainable, and is to administer the 1995 Agreement.

Phase 2 of ICBP and FP were revised in 2006. Both the drought management programme and the tourism programme have not been funded and no activities have been undertaken, although a start up programme proposal for the Drought Management Programme has been developed. Most current programme agreements end in 2010, the same time as the conclusion of the SP.

41. Comments from Contributing Papers on the BDP. The Contributing Papers recognise that poverty alleviation remains the main goal of water of water resources development in the MRC context and the effective development of the IWRM strategy is central to this. Due to the delays under the first phase of the BDP, the two main processes of the MRC, WUP and BDP, have not yet been fully synchronised as envisaged under the Agreement. BDP2 must quickly move past the more theoretical exercise of phase I. The Papers recognise the emerging challenge to BDP2 brought about by the feasibility studies recently carried out for many hydropower projects on the mainstream of Mekong River. One Paper comments that these mainstream projects are subject to prior consultation of the JC, as stipulated by Procedures for Notification, Prior Consultation and Agreement. Furthermore, simulation of flows changes (positive or negative) caused by the project (or cascade of projects) should clearly indicate that the project would (or would not) conflict with the “threshold” regulated by the Procedure for Maintenance of Flows on the Mainstream. Observation of the signed procedures by the Member States through the MRC mechanism, is critical for the role of “environmental protector” of the MRC.

42. Comments from Contributing Papers on the EP. The Contributing Papers generally recognise that the EP has achieved many outputs so far, especially in data collection on water quality and ecological conditions, in activities of monitoring and assessment of environment and social impacts in the basin, as well as capacity building through various training activities. However, some Papers comment that gaps have been identified as follows: many good products from MRCS work have not had much interaction with national practices or guidelines; most of the works implemented by MRCS (such as Hydropower development criteria, Strategic Environmental Assessment Framework, etc.) was left in the MRCS - there is no initiative to further develop from basin wide level to the national level; and some outputs have not yet been achieved as planned (eg framework for guidelines of transboundary EIA and of the Technical Guidelines for implementation of Procedure on Water Quality).

43. The Papers are generally positive on the performance of this programme. However, one Paper comments that he monitoring activities could also be expanded to include more parameters e.g. sediment movement<sup>4</sup>. One Paper concludes that the MRC environmental monitoring and impact assessment capabilities remain weak, both at the Secretariat and in Member States; there is no evidence today of a functioning basin-wide water quality monitoring system; and there is limited evidence that MRC is supporting its Member States in planning and implementing development projects with a view to minimise negative environmental impact.

44. Comments from Contributing Papers on the WUP. WUP is recognised in the Papers as producing tangible outputs and moulding the Mekong cooperation for nearly a decade. One of the key outputs of the programme is the set of five procedures that are the critical legal documents to implement the relevant provisions of the Agreement. However, the Procedures and Guidelines developed and approved by MRC Member States under WUP are not being fully implemented within the Member States. Additionally, some Procedures and Guidelines remain unfinished. There is general concern that, given that WUP is now completed, the remaining activities have to be efficiently and effectively transferred to other relevant programmes (BDP2, EP and IKMP) and also ensure that closer coordination and linkage are

---

<sup>4</sup> A sediment monitoring program is under development.

established. An Independent WUP Evaluation concluded that WUP “...has been successful ... but ...that without a follow-up project, the achievements, outputs and long-term value of the WUP...will not be sustainable and have limited impact.”

45. Comments from Contributing Papers on the IKMP. One Paper comments that during 2006, 2007 and first half of 2008, activities were mainly related to recruitment and institution arrangements and that the main tasks on data management including update and expansion of data sets, maintenance of tools, etc have lagged. In particular, implementation progress for components 2 (hydro-meteorological data) and 4 (modelling) has been slower than required. The Paper adds that IKMP has a unique ‘enabling role’ to service both the cross-cutting and thematic Programs of the MRC, particularly for hydrological and other data to produce their outputs. If IKMP is not servicing these needs, this has a cascading effect on the effectiveness of other Programmes.

46. Comments from Contributing Papers on the ICP. One Contributing Paper comments that in 2007 and early 2008, due to limitation of funds, some activities had to be reduced, meaning that expectations were not met. With funds now secured, acceleration of the planned activities is expected. However, a funding gap still exists and activities will remain somewhat limited and specific to the funding source. MRCS should actively approach potential donors for fund raising.

47. Comments from Contributing Papers on the FMMP. The Contributing Papers recognise that FMMP has many activities and achieves many outputs. The regional flood centre in Phnom Penh has been established and other components have also been implemented smoothly. FMMP is generally seen as a strong programme that could significantly reduce flood impacts. Through provision of forecasting and warning information<sup>5</sup>, FMMP contributes significantly to a better life for the poor who live in flood-prone areas. This is where the Programme is expected to concentrate - to produce more products/outputs for practical forecasting and support warning mechanisms and procedures in riparian countries, and for application of appropriate tools that could effectively help to avoid hazards caused by floods.

48. Comments from Contributing Papers on the AIFP. The general comment from the Contributing Papers is that the programme has produced many beneficial outputs. One Paper comments that the general feeling is that AIFP consists of projects and does not have a programme approach, and does not really add value to what is already being done in the basin. The role of the MRC in this programme needs to be improved, especially the increased ownership in execution and implementation. The Paper adds that in line with discussion of the JC, further elaboration on the possible separation of the watershed/forestry component to other programme is needed. However, this debate must recognise that the programme does cover very important basin issues. AIPF should have a more strategic approach more in the “line of sight” of the MRC core goals and this could start being reflected under the current SP.

49. Comments from Contributing Papers on the NP. The Contributing Papers recognise that more active and efficient river transportation has been achieved through increased freedom of navigation to increase social development, international trade and tourism opportunities. Significant products have been achieved benefiting member countries, such as the setting up of legal frameworks for cross-border navigation, traffic safety and environment sustainability. Also under this programme, specific cooperation with China and Myanmar has been agreed. However, one Paper comments that the Programme needs to strengthen the linkage with dam construction on the mainstream, especially in terms of the impacts of possible dams and the application of Article 9 of the Agreement, and requirement for water release.

---

<sup>5</sup> The mandate of the MRC is to provide flood forecasts for the main river. Responsibility for flood warnings is with the Member Counties

50. Comments from Contributing Papers on the HP. Most Papers agree that the rapid development of the hydropower potential of the Mekong River Basin is the most important issue currently facing the MRC. One Paper adds that unless the MRC can demonstrate tangible influence on this issue, serious questions will continue to be asked about its relevance, impact and effectiveness. One Paper emphasises that the Secretariat should urgently proceed with the fast-track activities to MRC abreast with the fast pace of regional hydropower development. The role of the MRC as an independent facilitator on the key issues in the hydropower sector should be appreciated by riparian countries.

51. Another Paper comments that measures to deal with the challenges of hydropower should be developed, endorsed and begin implementation, but not necessarily in the form of a separate program. IDPs welcome the stakeholder consultations undertaken regarding hydropower developments and acknowledge the work being undertaken to 'fast-track' some actions within MRC Programs. Their Paper emphasises the need to maintain and build this momentum to make MRC truly relevant, including through the BDP2 Program. However, IDPs are concerned that the development of a separate Hydropower Program might create duplications and competition with other Programs including BDP2, FP, NP and IKMP. These risks need to be acknowledged and managed.

52. Comments from Contributing Papers on the FP. The Papers recognise that FP has produced a vast array of technical and practical information of benefit to the member countries. Expected outputs under the programme are also achieved as planned. One Paper comments that the impact of the fishery programme actually extends far beyond the internal workings of the MRC, and has impacted attitudes throughout the basin and beyond with respect to the way fisheries are valued and quantified as well as generating for the first time some solid reliable information as to the extent and impact of the role of inland fisheries and fish in the Basin. Another Paper comments that with the future construction of several hydropower dams on the mainstream, fisheries production in the basin, especially migration and spawning of many species of fish will certainly be negatively impacted. One Paper emphasises that the member Countries are seeking greater support for an increase in capacity of local and national fisheries bodies, technologies for aquaculture of indigenous species and support to line agencies in identification and preparation of priority BDP sustainable fisheries development projects.

53. Other Comments from Contributing Papers. Program development and implementation is almost universally slower than expected, particularly for BDP2 during the inception phase, and ICBP. While work is producing strong outputs, chronic and acute delays mean that most MRC Programs cannot contribute to the achievement of the higher SP goals and objectives in a meaningful timeframe. There are also unclear programme outcomes. Some Programs are producing very strong and possibly world-class outputs; but how this work contributes to achieving the goal and objectives of the SP is unclear. This creates an impression that there are areas of operational excellence within the MRC, but limited ability to draw these up to produce higher level impacts, particularly at the national or basin-wide scales.

54. Conclusion. This analysis has shown that the deliverable outputs from the MRC Programmes generally align strongly with the Goals and objectives of the SP. Appendix A also suggests some strong performances against the deliverables. Perhaps the main issue relates to AIFP, which appears to be somewhat in isolation of the main game on the MRC, and heavily project based. Despite this concern, AIFP is dealing with some key issues that have major impacts on water and related resource management. The challenge for the MRC is how to reshape the programme to be more in line with its core activities. Overall, the key conclusion again is the critical comments from the Contributing Papers, despite the apparent achievements against the main deliverables.

#### *Programme institutional management*

55. Consistent with the SP, the progressive MRC evolution is seeing a more harmonised programme cycle management, with the term "programme" being increasingly used in an

internationally accepted project cycle management sense. The MRCS has stressed the role of Programme Steering Committees in improving the rigour of planning, decision-making, implementation, monitoring and on-going and adaptive management. However, a review of the governance of the programmes shows that arrangements are inconsistent, particularly with respect to the linkages with the NMCs and the line agencies. The degree of coordination within the MRCS itself, among the various programmes, or between MRCS and the NMCs and other parties, including line agencies, is still relatively weak. The MRC should review these arrangements across programmes and identify the aspects of each that are particularly successful and use these to strengthen the arrangements for others. More consistency should emerge, rather than a common model, and it will be important not to lose the effectiveness of some current programmes.

56. Comments from Contributing Papers. The MRC has accepted some 38 recommendations of the Report of Independent Organisational, Financial and Institutional Review of the MRC Secretariat and NMCs (January 2007). Arrangements for implementation are underway. To facilitate the implementation of these recommendations, JC has set up a Task Force that closely coordinates the work with the Joint Contact Group including “riparianisation” and the Sub-Committee for Permanent Location. These two issues are very important in the timeframe of the current Strategic Plan.

57. The riparianisation process is a central element of changes in organisational arrangements in the MRCS. The JC approved roadmap would see the Chief of FAS replaced, with a possible one-year extension, by riparian staff in 2008, Chief of ICCS in 2009 and the CEO in 2010. However, riparianisation of MRCS is dependent on the member countries being willing and able to provide highly qualified staff, and to increase their financial contributions to MRC in order to create a sustainable organisation. Part of the riparianisation process will include the creation of a unified salary structure. One Paper comments that the technical and administrative arms of the MRCS must be “neutral” or “impartial” (and must be perceived as such). Therefore, positions of “top management” of the MRCS are crucial to help the JC in undertaking this role. JC needs to elaborate more detailed plans for conducting this task rather than only a general roadmap. Furthermore, JC also needs to strengthen its role in supervising and monitoring the process. As the highest policy body of the MRC, the Council should also pay due attention to institutional issues for steering and facilitating the work of the JC and the MRC Secretariat. The MRC should comprehensively consider all important personnel and institutional issues at the same time.

58. Papers comment that recruitment is another aspect which needs to proceed quicker. The advertising, short listing, selected, and the announcement for some positions takes longer than the time provided by the administration rule and regulation.

### ***Alignment with other Regional Initiatives***

59. The Financial and Institutional Review concluded that the current MRC funding modality presents a major obstacle to organisational and programme sustainability. The fundamental functions need to be maintained in the long term if the organisation is to be sustainable, and is to administer the 1995 Agreement.

60. Most of the IDPs work on a bilateral basis and do not have a regional cooperation and coordination mechanism. All parties agree that the long-term objective should be to provide funding on a budget support basis as this encourages ownership and facilitates flexibility in the use of funds. In the short- to medium-term, however, IDPs have generally provided funds to MRCS by way of project funding, rather than funds for distinct programmes.

61. The project funding from the IDPs dictates MRC priorities. From the MRC viewpoint, the organisation becomes unstable as programmes fundamental to its mandate are progressively developed, possibly funded, and if so then later potentially discontinued when funds cease. This operating mode makes it difficult for the MRCS to prioritise its activities, and makes strategic planning difficult, with uncertain budgets making it almost impossible

to set firm milestones. This also results in monitoring and reporting being dominated by the requirements of the IDPs rather than the MRC<sup>6</sup>.

62. On the other hand, the IDPs state that the absence of an M&E framework makes it difficult to clearly demonstrate positive results from MRC investments. The IDPs are also concerned that there appears to be no clear prioritisation mechanism for the allocation and re-allocation of funds. This is a serious constraint to effective implementation of the SP and hinders many IDPs aspirations to move towards providing budget support for the MRC. The MRC has been seeking to strengthen this through the ICCS's prioritisation process, annual reports and programme process.

63. The MRC has been considering options for a strategy for improving MRC-IDPs cooperation, based on developing and recognising the value-added services that the MRC provides to the basin development process. The options fall into three types:

**1. Options which the MRC can implement unilaterally** – internal changes to better position itself for enhanced cooperation. These options are based on a strong BDP aligned and integrated with the planning processes and project cycles of the IDPs and the Member States. A key goal will be to formalise the concept of the Mekong Water Programme in support of sustainable development of the water and related resources of the Basin. This would provide the main modality for regional cooperation, while the BDP would provide the main mechanism through which this cooperation is achieved and implemented. However, details of this concept and its relationships to other initiatives have not yet been developed.

**2. Options for improved Interagency Cooperation** – which can improve information flows and smooth operational procedures, but do not necessarily lead to more coordinated planning. Inter-agency cooperation options focus on three specific areas: the establishment of common working principles, agreement on the form and frequency of attendance at meetings for information sharing, and agreement on funding modalities.

**3. Options for improved Technical Cooperation** – These are options that lead to improved integration of the MRC and IDPs through their respective planning processes and project cycles. The centrepiece for this cooperation will be the BDP supported by the MRC Programmes. BDP2 would become more consistent with existing planning processes and project cycles. The BDP's role in the Mekong Water Programme and links with the Notification Procedures would be clarified and enhanced. Lines of communication with IDPs would be improved. Principles for working together in partnership would be clarified and formally set out in Agreements.

64. In order for the MRC to move towards "basket funding", the Financial and Institutional Review suggested some practical steps: continue to improve existing reporting formats; discuss with donors how to harmonise donor reporting requirements on existing projects; encourage donors to provide funds on a basket basis for specific programmes; and ensure that continuous dialogue is maintained with donors. To this list should be added the importance of the rapid implementation of a modern M&E system, and the establishment of more transparent processes for funding prioritisation within MRC decision-making. In turn, IDPs will have to show a willingness to co-operate with each other in facilitating the use of basket funding, consistent with the commitment IDPs made at the Hanoi International Conference to harmonise their support to the MRC. If the right combination of donors could be found for BDP2, then this could be used as a pilot project to generate credibility for such funding.

---

<sup>6</sup> This point is being taken up under the result's based M&E framework now under development

65. To assist this the IDPs should also give consideration to preparing, with the MRC, a Mekong version of the Paris Declaration. This was found useful in Viet Nam (the Hanoi Core Statement on Aid Effectiveness, Ownership, Harmonisation, Alignment, Results 2007) in order to focus IDP funding and its modalities.

### ***Regional cooperation***

66. The primary mechanism for interagency cooperation between the MRC and the IDPs has been joint attendance at important meetings. There is now an utmost need for reducing overlaps and duplication between the work of the MRC and other development schemes or entities active in the same thematic areas or with similar geographical footprints. On the other hand, it is equally essential to build synergies and complementary partnerships and forge strategic alliances to leverage or ride on each other's strengths if MRC is to remain viable in the years to come.

67. At the International Conference on the Mekong River Commission (Hanoi, 2007) the importance of stronger relationships between the MRC and the development banks was recognised. The banks acknowledge the MRC and its Secretariat as a knowledge centre on the Mekong and use it for their portfolio development or draw upon MRC data for projects. However, a much closer partnership is required.

68. There are some successes in MRC-GMS cooperation to date. For example, Component 2 of FMMP and the new PPTA on Flood and Drought Management involves MRC and NMCs, and will lead to investments that are directly attributable to the cooperation. Also the Se San, Sre Pok and Sekong River Basins Development Study TA is working closely with BDP and now with EP and HP. However, the need for greater links and cooperation in the Mekong basin was noted in the Mid-Term Review of the GMS Strategic Framework. The review found that there remains a concern that some GMS activities appear to duplicate responsibilities that have been mandated to the MRC, particularly those impinging on Mekong basin development. Moreover, since only four GMS countries in the lower Mekong basin are members of the MRC, closer linkages between the MRC and the GMS Program are necessary, so that a basin-wide view of Mekong development can be made operational. Under the partnership arrangement between ADB and the MRC signed in 2000, both parties agreed to take measures to better and more effectively coordinate activities covering the GMS Program.

69. Recently, with the development of their joint Mekong Water Resources Assistance Strategy (MWRAS), carried forward to the Mekong Water Resources Partnership Programme (MWARP), the World Bank and the ADB have joined forces, and with involvement and support of the MRC, developed comprehensive visions and long-term strategies for basin development to support their operations. MWARP provides an initial framework for enhancing cooperation among the major actors in the Basin, including the MRC, the national agencies, development partners, regional cooperation networks and civil society.

70. Strengthening the MRC to the point where the development banks find it a credible and legitimate partner is urgent, not only in its role as knowledge provider, but also as the appropriate instrument for regional dialogue and cooperation in all phases of major bank-supported water resources developments in the basin. A partnership agreement has been concluded between the MRC and the ADB in 2000, and between the MRC and the World Bank in 2008.

### ***ASEAN initiatives***

71. ASEAN has increased in prominence over the years with its wide array of cooperation among its members as well as with a host of some dozen or more official Dialogue Partners (or the equivalent of Development Partners in the MRC context), plus a series of other development-oriented parties or entities. ASEAN also has its own ASEAN-Mekong Development Cooperation (AMBDC) forum represented at both ministerial and senior



officials' levels, which shares similar objectives to the MRC. AMBDC comprises all 10 ASEAN member states plus China. ASEAN also has a Dialogue Partner relationship with China since 1991 and the areas of cooperation has mushroomed over the years as now reflected under the umbrella joint Plan of Action, 2005 to 2010. This Plan has a section entitled "Mekong Basin Development Cooperation" and covers areas that are of direct interest to MRC.

72. The MRC should proactively explore ways to raise its profile within the context of ASEAN, most likely through increased participation and communication with relevant ASEAN environment and development initiatives. Likewise, ASEAN could be encouraged to adopt resolutions recognising the progress made by the MRC. In the first instance, MRC should take the initiative and approach ASEAN in writing explaining the rationale for establishing closer collaboration between the two organisations. Particular reference should be made to the provisions set out in the *Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity*. This correspondence should be followed up with a meeting between the heads of the two organisations to explore areas and means of greater cooperation. Discussion should also centre on the ASEAN Water Resources Management Working Group and the creation of a new working group on Climate Change. ASEAN representatives should also be invited to attend relevant MRC events on a regular basis. To foster closer interaction and collaboration in some of these areas of common interest, the MRC and ASEAN should formalise such arrangements through a letter of exchange or an MOU.

73. Conclusions. There are emerging initiatives that promise stronger alignment with regional initiatives (M-IWRMP, the BDP process and Sub-area activities). Central to all of these is the key role of the BDP in bringing all ongoing and planned projects into the planning processes, at both the regional level and the national levels, which will provide the basis for clear and close alignment with regional initiatives.

74. At present MRC is a relatively smaller player sandwiched between larger ones in the business of promoting water related sustainable economic growth and development in the Mekong region. The MRC should aim to form a strategic "troika" partnership by leveraging on ADB's and the World Bank's financial capacity, with ASEAN's negotiation and strategic alliances, so as to strengthen its relevance and usefulness to the people and countries that it serves. For this to happen would require a major "paradigm shift" in MRC's *modus operandi* to be on par with the other players in the region and being catalytic in building up and offering its wealth of database and information, its cooperatives network with LMR Countries, as well as expertise in selected technical fields as its marketing tool.

### **MRC's orientation towards UN Millennium Development Goals:**

75. There is an increasing trend internationally to assess the development of countries and regions in terms of progress against the MDGs. The MRC Agreement, its SP and the programme portfolio indicates an orientation to the achievement of the MDGs, with some activities and outputs may make a *contribution* to achieving MDG 1: Eradication of Poverty and Hunger; and, MDG 7: Environmental Sustainability. However, the SP and the programme portfolio were not designed or developed specifically with MDGs in mind. Thus, to assess how they relate to each other may be problematic and it would be rather difficult to attribute in a meaningful, fair and objective manner the extent that MRC activities actually contributed to the achievement of the MDGs at country level. It should also be noted that the implementation of the MDGs require a broad mandate for social and economic planning and management, which the MRC does not have.

76. Both the IDPs and MRC Member States increasingly measure their impact and effectiveness using the MDG framework. This provides an opportunity for the MRC to more directly link to MDG outcomes and related M&E indicators and assist its efforts to *prove* and *improve* its effectiveness and impact. Also, it would position the MRC well to formulate the

next SP with a clearer strategic emphasis on the MDGs. A Mekong specific, region-wide, mutually agreed set of MDGs would provide a better way to assess MRC's orientation towards the MDGs and measure progress and achievements towards this, rather than benchmarking against individual country sets of MDGs, which would have wide variability due to different socio-economic development factors. In this regard, the production of a Mekong MDGs report would be more useful. However, this form of initiative is beyond the mandate of the MRC. It is therefore proposed that the MRC take the initiative to its meetings with the ASEAN counterparts, with firm proposals for the way forward.

### **Prioritisation for the remaining period of the Strategic Plan**

#### ***Ongoing organisational and institutional reform initiatives***

77. It is recommended that the following **internal management** measures/steps be taken up as a matter of priority:

1. MRC should determine the extent to which it needs to **adjust its activities for 2009 and 2010** under the framework of the current SP, based on this mid term review.
2. The MRC should finalise its work on **defining its core functions** as a basis of reconsidering its role and Country funding contributions. Defining the long-term core functions of the secretariat is a crucial step and should be accelerated.
3. The strategic acceleration of the implementation of the other organisational reform measures (from the Financial and Institutional Review).
4. The **M&E system for the MRC should be expedited** and put in place at the earliest opportunity. The M&E consultancy started in November 2008, and by June 2009 the system will be in the form of a demonstrable approach. The lead role of JC in monitoring and supervising outcomes must also be strengthened.
5. The **riparianisation process should be carefully implemented**. The process needs to be carefully orchestrated and executed to ensure a smooth transition and avoid institutional hiccups along the way.
6. In this process increased **ability and capability of NMCs and line agencies staff**, through training and capacity development initiatives, are needed.
7. The **programme coordination functions** of MRCS need to be beefed up to meet the increasing challenges and needs of cross-sectoral interaction and cooperation.
8. The delays in the development and start of key programmes have caused concern to many and the MRC should **review its planning cycle and procedures** to see whether they can be streamlined.
9. Greater efforts should be made to **strengthen the triangle of coordination between the MRCS, the NMCs and the line agencies**. This triangle should form the hub of much of the tangible work of the MRC but has developed in an ad hoc manner and is different between programmes. A much more strategic approach to this is needed – it should not be left to chance. Closer links to line agencies should be particularly considered.
10. Related to this is the recommendation that **the governance arrangements of the programmes be reviewed**. Arrangements across programmes are not consistent and a review should identify the aspects of each that are particularly successful and use these to strengthen the arrangements for others.
11. In the short term the **junior professional programme** should continue to be supported.

12. As part of improving the calibre of its staff, riparian or otherwise, **an open recruitment selection process based solely on merit** should be fully institutionalised and consistently implemented.
  13. As another avenue to facilitate the process of riparianisation, it is proposed that the MRCS quickly **develop and implement a “tracer” program of all the riparian staff**, current and past, who have worked at the Secretariat as well as the NMCs.
78. It is recommended that the following measures/steps for **managing external relations** be taken up as a matter of priority:
1. The IDPs and the MRC should **consider a Mekong Statement on Aid Effectiveness, Ownership, Harmonisation and Alignment** based on the Paris Declaration and commitments made at the 2007 International Conference on the MRC in Hanoi.
  2. The MRC should clarify and **make transparent its prioritisation mechanism** for the allocation of financial resources for the implementation of the SP. This is a serious constraint to effective implementation of the SP and hinders many IDPs aspirations to move towards providing budget support for the MRC.
  3. The IDPs and the MRC should jointly consider how **BDP2 could be used as a pilot project to assess the potential for IDP basket funding**. It is critical that there be progress on this aspect, particularly if there is clear commitment by the MRC to introduce the pre-requisite actions put forward by the IDPs.
  4. MRC must continue to **develop relationships with the upper Mekong Countries**. While a long term goal of having all 6 riparian countries signing an Agreement must always remain, in the immediate future the MRC should build on the successes so far in data exchange and for the development of acceptable transboundary arrangements such as for navigation.
  5. MRC should develop **more substantive links and forge strategic alliances with the major banks on the one hand, ADB and the World Bank, and ASEAN frameworks** on the other, to leverage the strengths found in each entity for achieving synergistic and complementary ends.
  6. MRC should **propose to ASEAN that it lead the development of a Mekong Regional MDGs report** to reflect member country commitments to the MDGs and to set out how all activities are able to contribute.
  7. MRCS should quickly complete its consultancy now underway to come up with general principles and a **policy on stakeholder involvement in MRC Governance Bodies**, and recommendations for implementation. The output of this consultancy will be integrated to the MRC Communications Strategy, currently at an advanced stage of drafting.
  8. **Public participatory processes** should be further encouraged.
  9. MRC should adopt a policy of **more open disclosure and access to information** with regard to its database, reports and other information resources. Programmes should move from being inwardly focused, concentrating hard on the various studies and research, to being more closely related to the external environment and its needs and directions.

#### **Overall programme priorities**

79. It is recommended that the following **priority programme measures/steps** be undertaken:

1. **Measures to deal with the challenges of hydropower should be developed, endorsed and begin implementation as a matter of urgency.** Contributing Papers agree that the rapid development of the hydropower potential of the Mekong River Basin is the most important issue currently facing the MRC.
2. **BDP must become the “engine of the Mekong vehicle”.** The implementation of the BDP2 Program should be given very high priority and its links to other Programs strengthened. Ultimately, the four LMB countries need to provide guidance on which scenario would most likely achieve an acceptable balance between economic, environmental, and social outcomes and would bring mutual benefits to the LMB countries. This “development space” should be elaborated in an IWRM-based Basin Development Strategy that aims at bringing basin perspective into the national planning and vice versa.
3. **Scenarios work and associated modelling, not just hydrological, should be core competencies of the MRC.** Clarifying how its scenario work is framed and undertaken, and improving and expanding the DSF should be given high priority. Building understanding and then routine application of appropriate tools for strategic analysis is an important service the MRC is best placed to provide.
4. The MRC Member States should reaffirm their commitment to successfully implement the notification and/or prior consultation processes of the 1995 Mekong Agreement. In particular, the **timely and sufficiently notification or prior consultation required under the Agreement** on the projects and plans by the member state(s).
5. The **MRC guidelines for EIA, especially Transboundary EIA and supporting documents**, need to be finalised to ensure the provision of open and transparent information on the environmental conditions in the basin and the social and environmental impacts of development projects.
6. Programmes **contributing to the hydropower activities or the BDP should be given higher priority in the remaining period of the SP.** Because knowledge and data, and environmental monitoring and impact assessment, are essential to develop relevant sustainable projects, the MRC has to strengthen these key functions.
7. Efforts to adapt MRC programmes to **the effects of climate change** should be fast-tracked. If hydropower is the immediate and short term key challenge for the MRC, then responding to climate change forms another, medium- to long-term strategic challenge to the MRCs relevance and effectiveness.
8. **Finalise, approve and implement the WUP Procedures and Guidelines.** The MRC should develop a time-bound plan to see the ‘unfinished’ businesses of WUP completed so as to support States in their water utilisation negotiations.
9. A **review of the AIFP** should be undertaken to look at a more strategic approach more in the “line of sight” of the MRC core goals.
10. **Strengthen programme elements that make significant tangible contributions to improved conditions for the people of the River.** While the hydropower aspects and the BDP will take centre stage, the other key programme activities, especially those that more directly benefit the river community, should not be ignored.

### **Preparation of the next Strategic Plan 2011-2015**

80. The MRC should learn from the previous process and mobilise its in-house expertise to assist MRC States in formulating the new SP. If necessary, ICBP could be used to develop capacity in the process. The SP must be prepared by the Member Countries, and a joint

SWOT analysis by them should provide a good context for SP development. As well, the development of the next SP should be taken as the opportunity to deal with the negative perceptions of the MRC. The SP development should be started sooner rather than later and specifically include processes that tease out and deal with these perceptions. Processes for including the Upper Mekong Countries as closely as possible should also be included.

81. The next SP should be based on the agreed core functions of the MRC, and IWRM principles, agreed goals and objectives to draw out the main tasks, and solutions to achieve objectives/goals. The SP will need to focus on pro-poor initiatives, recognising that economic development per se does not necessarily lead to reductions in poverty. Linkages to the MDG should also be made. It should also indicate implementation arrangement including milestones for each major outputs/activities, and specifically, a reasonable number of priority projects/programmes. The development of the M&E system should be at a sufficiently advanced stage to facilitate this.

82. The SP should be devised under a truly consultative process with inclusion of all relevant stakeholders, including IDPs and civil society in the Mekong basin. It should take into account the availability of water and related resources and challenges in the basin, naturally (including climate change) and artificially.

83. Consideration should be given to strengthening the current goals and objectives. This could include:

1. Strengthening Goal 3 to more explicitly embrace an environmental/biodiversity conservation aspect (eg for a coordinated regional approach to wetland management).
2. Strengthening Goal 2 to more explicitly recognise the need for capacity development at all levels, including Country levels, as a key to more effective and efficient cooperation. This could be achieved by moving the IWRM capacity part of Goal 4, and the related objectives, to Goal 2. This would also allow Goal 4 and its objectives to more clearly focus on the knowledge base.

84. As most programmes will be completed or will have completed their current phases at the end of the SP, this presents an opportunity to review and reform the current programme structure with an aim of reducing, consolidating and better integrating the existing MRC Programme portfolio. Specific issues to be considered should include whether or not:

1. The AIFP programme should be split into a watershed component and an AIF component, which could also embrace many of the drought issues related to water production but also embracing the whole spectrum of agricultural production and land use.
2. EP should have an explicit and increasing focus on conservation/biodiversity activities under a revised Goal 3.
3. Elements of drought and its consequences can be dealt with through other programmes (such as BDP, AIF) without the need to create a new programme.
4. The Tourism Program should be deleted, as one the most significant regional issues for the subsector – environmental impacts on the river – is being dealt with under the EP. The other key aspect of tourism development is being effectively covered by GMS and is also being considered by ASEAN.

85. The current SP is based on a number of core “values” emanating from the views of the member Countries on aspects that should drive priorities and how the organisation should behave during the term of the SP. For the next SP, these value statements should be more explicitly included and a methodology prepared under the M&E framework to formally assess how well these values have been met. The values include:

1. The MRC should move toward a more comprehensive implementation of the 1995 Mekong Agreement.
2. More tangible results focusing on poverty reduction through sustainable development so as to make a real effect on the lives of the people within the basin.
3. Strengthening ownership and value-added.
4. Adopting an integrated water resource management approach.
5. Work of the MRC is complementary to and avoids duplication with other development partners.

## **Conclusion**

86. This review paper has highlighted the considerable achievements of the MRC, as well as the challenges that the MRC currently faces and is likely to face in the near future. There are tough decisions that need to be made but the MRC has little choice and time to spare as the Mekong regional developments are moving ahead at a relatively fast pace, and with numerous competing players involved. Now is a critical time in the MRC's history as decisions are being taken which will change the waterscapes of the region. The MRC has an important and unique role to play. But it cannot - and should not - do everything. Without prioritisation and clear focus it will not be perceived as a leading and relevant international river basin organisation.