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**REVIEW OF ISSUES PERTINENT TO THE SUBSIDIARY STRUCTURE OF  
THE COMMISSION, INCLUDING THE PROGRAMME PERFORMANCE  
REPORT FOR THE BIENNIUM 2008-2009 AND THE WORK OF THE ESCAP  
REGIONAL INSTITUTIONS: ENVIRONMENT AND DEVELOPMENT**

(Item 3 (d) of the provisional agenda)

**REPORT OF THE MEKONG RIVER COMMISSION\***

*Note by the secretariat*

The secretariat transmits to the Commission the report submitted by the Mekong River Commission for information.

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## *Mekong River Commission*

# **REPORT OF ACTIVITIES FOR 2009 OF MEKONG RIVER COMMISSION (MRC)**

MRC Secretariat  
Vientiane, Lao PDR

## REPORT

1. The Heads of the Government of the Kingdom of Cambodia, the Lao People's Democratic Republic, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, met in Hua Hin, Thailand, for the First MRC Summit on 5 April 2010 on the occasion of its 15th Anniversary. The Heads of Government adopted the MRC Hua Hin Declaration and its priority areas of action. The Heads of Government committed to cooperate further to tackle the challenges through MRC's Strategic Plan for 2011-2015 and noted that significant opportunities exist to intensify existing international and regional partnerships. In terms of priority areas of action, it was highlighted that further cooperation over the coming years will be required to optimize multiple-use of water resources and mutual benefits for all riparian countries and to protect the immense value of the Basin's natural ecosystems. The MRC will, therefore, further integrate climate change adaptation into its work and expand cooperation with Dialogue Partners, Development Partners and other stakeholders. For the way ahead, the Prime Ministers reaffirmed the solidarity and the highest level of political commitment to the implementation of the Mekong Agreement. Furthermore, Member Countries are committed to working together for sustainable development, economic growth and improvement of livelihoods.

2. The MRC Council at its Sixteenth Meeting in November 2009 reviewed the progress MRC had made during the year 2009 with respect to programme implementation, donor support and cooperation with upstream countries and other partners. The Council made a final decision on the permanent co-hosted location of the MRC Secretariat and also reviewed the progress of the implementation of the Independent Organisational, Financial, and Institutional Review of the MRC Secretariat and the NMCs Review recommendations for organizational reform of the MRC. The following report provides a brief account of activities of the MRC in 2009.

### **I. The MRC Core Functions and the Preparation for the next MRC Strategic Plan 2011-2015**

3. In July 2009, the MRC Joint Committee agreed to further define the MRC River Basin Management Functions within the formulation process of the MRC Strategic Plan 2011-2015. A framework of the four categories of MRC Core Functions was endorsed at the Meeting. River Basin Management Functions were one of these categories and were further divided into seven distinct functions.

4. With regard to the initial strategic directions, the strategic goals for the next Plan has been a re-orientation at the level of goal towards more effective use of the Mekong water and related resources for poverty alleviation while protecting the environment. It was agreed that the emerging directions for Integrated Water Resources Management (IWRM) through the Basin Development Plan (BDP) Programme and on-going discussions on MRC core functions will inform the Strategic Plan 2011-2015 and will strengthen its strategic orientation.

5. National Consultations on the formulation of the Strategic Plan 2011-2015 were organized between December 2009 and January 2010. The first Regional Meeting was held in mid March 2010 and the second meeting to further refine the strategic directions for MRC is planned for June 2010. The revised timeline for the formulation process of the MRC Strategic Plan for 2011-2015 was approved by the MRC Joint Committee at its Thirty-first Meeting in March 2010. The first draft of the Strategic Plan is expected in June 2010 to discuss and redefine with Development Partners whilst the endorsement of

the second draft of the Strategic Plan by the MRC Joint Committee is expected in August 2010.

## **II. The Independent Organisational Review**

6. Following the implementation of Independent Organisational Review recommendations, the MRC Council has approved its Communication and Disclosure Policy, enhanced stakeholder engagement on hydropower related issues, climate change and basin development plans; and, resolved the long-standing question of the location of the MRC Secretariat. These and other achievements all point to a stronger organisation better prepared to serve the needs of people in the Mekong region. These achievements were acknowledged and welcomed by the Development Partners at the last Fourteenth Donor Consultative Group Meeting in November 2009. The Council made decisions on the permanent co-hosted location of the MRC Secretariat (MRCS). MRCS Task Forces and sub-groups for the implementation of the MRC Council decision on the permanent co-hosted location were appointed, namely for Administrative and Logistics, and for Personnel matters. The work of the Task Forces are on-going as planned.

## **III. Programme Implementation**

### **A. Basin Development Plan (BDP)**

7. In line with the MRC mission, the BDP Programme Phase 2 (BDP2) supports the overall goal to manage and develop the water resources of the Mekong River Basin in an integrated, sustainable manner for the mutual benefit of the riparian countries. The BDP2 main objective is to prepare a Basin Development Plan based on Integrated Water Resources Management (IWRM) principles, building upon the participatory planning process, established in Phase 1. Supporting objectives are to update the knowledge base, upgrade assessment tools, and strengthen IWRM planning capacity of MRCS, NMCs and line agencies.

8. The IWRM-based Basin Development Strategy will be a very important part of the future direction of the MRC. There has been increasing demand from both riparian countries and project developers for the provision of an integrated basin perspective against which national plans and proposed projects can be assessed to ensure an acceptable balance between economic, environmental and social outcomes, and mutual benefits to the countries.

9. The Second BDP Stakeholder Consultation, organized in October 2009, built a common understanding and facilitated dialogues amongst diverse Stakeholder groups on appropriate water resources development options for the Lower Mekong Basin and their impacts (hydrological, environmental, social and economic).

### **B. Environment Programme (EP)**

10. The Environment Programme aims to assist the countries to fulfill the articles in the 1995 Agreement that relate to the protection of the environment and prevention and cessation of harmful effects. The programme also supports the other programmes through cross-cutting initiatives such as the provision of environmental data and development of tools for environmental planning and management.

11. The work under the Quality Assurance/Quality Control (QA/QC) system for water quality sampling and analysis of the four riparian countries was completed in 2009. The work included technical support to Member Countries' laboratories to further develop techniques and procedures for environmental analysis and monitoring. The programme further revised the draft Framework/Guidelines for Transboundary Environmental Impact Assessment (TbEIA) for the Lower Mekong Basin. Furthermore, the second Report Card describing water quality of the Lower Mekong Basin was published in 2009 and the MRC State of the Basin Report, a key document of the MRC providing an overview of the Basin condition, was completed in late 2009 and launched during the Pre-Summit International Conference in April 2010.

12. The Environmental Considerations for Sustainable Hydropower Development (ECSHD) project under EP aimed at producing sustainability assessment tool and the testing of possible methodologies was undertaken in collaboration with the ADB. Regarding the Strategic Environmental Assessment (SEA), EP has closely collaborated with relevant MRC programmes and contributed data, information and expertise.

### **C. Climate Change and Adaptation Initiative (CCAI)**

13. The MRC Climate Change Initiative started its implementation in October 2009. The Initiative will assist the Member Countries to collectively plan adaptation strategies to deal with changes in weather patterns that are expected over coming decades in the basin.

14. The immediate objective, climate change adaptation planning and implementation guided by improved strategies and plans at various levels and in priority locations throughout the Lower Mekong Basin, shows how the goal may be achieved by using the climate change adaptation planning process to improve strategies and builds the necessary capacities. CCAI also aims, in its first Phase, to respond to climate risks and establish the basis and methodology for the first 5 year-phase of the Initiative to be integrated with the next Strategic Plan cycle 2011-2015.

15. The activities during 2009 focused on internal arrangements, establishment of cooperation mechanisms, various tools and plans to facilitate the implementation such as the monitoring and evaluation system, stakeholder engagement plan, and capacity building plan. The Initiative also continued some activities related to climate change impact assessment mainly focusing on hydrological changes.

### **D. Information and Knowledge Management Programme (IKMP)**

16. The overall development objective of the IKMP was to build a solid foundation of data, information and knowledge products, systems and services that supports the goal of the MRC. IKMP provides fundamental data and information services and integrated information and knowledge products, services, systems and tools. Access to and use of the data, information and decision support tools are necessary to promote and co-ordinate sustainable development of water and related resources in the Mekong Basin.

17. Regarding the Appropriate Hydrological Network Improvement Project (AHNIP), the implementation of the project has been completed with the improvement of 17 hydrological stations along the mainstream of the Lancang/Mekong River that are able to report near real time data to the MRCS and the MRC member countries. These mainstream stations are operational and maintained by MRC member countries. In

addition, the remaining 22 (out of a total of 33) hydrological stations under the Mekong HYCOS project have been installed and commissioned by MRCS.

18. At the end of 2009, IKMP completed the business plan for the Knowledge Hub for Transboundary Water Resources Management and the launch of the Knowledge Hub was organized during the MRC Summit in April 2010.

#### **E. Integrated Capacity Building Programme (ICBP)**

19. The overall objective of the ICBP is to improve the capacity of the MRC to implement its mission, play the leading role in coordinating the development and use of the basin's water resources to meet stakeholder expectations.

20. In 2009, ICBP continued to address capacity needs that involve a regional process with training plans tailor-made to the needs of the MRCS, the NMCs and line agencies in the four MRC Member Countries. The key features of the ICBP include: (i) Institutional development activities, which underpin the riparianisation process of the MRC Secretariat; (ii) The Junior Riparian Professional (JRP) Project, which provides a unique professional working experience in Integrated Water Resources Management and a sense of regional integration, and has recruited the third batch of JRP; (iii) The Gender Mainstreaming Project (GMP) which has completed the project's final report for Phase II and a bridging phase was successfully negotiated to cover the period for development of the new proposal as part of the ICBP development.

21. In addition, ICBP also supported the formulation of the next Strategic Plan 2011-2015 and created the organisational culture and supportive environment to establish a true learning organisation.

#### **F. Mekong Integrated Water Resources Management Project (M-IWRM-P)**

22. The Mekong Integrated Water Resources Management Project (M-IWRM-P) aims to strengthen the enabling framework and capacity for IWRM in the Lower Mekong Basin, and strengthen MRC's role as a facilitator of significant water resources development projects, guided by IWRM principles. In 2009, M\_IWRM-P undertook internal arrangements such as the approval of the Regional component, the establishment of the Regional Oversight Committee, preparation of the project document, etc.

23. Regarding the National Component, detailed descriptions for each subcomponent was prepared including individual Programme Implementation Plan (PIP) of national activities in each of the Member Countries. The National Implementation Line Agencies were identified to guide the project preparation in each Member Country. Detailed descriptions for each subcomponent under the Transboundary Component including feasibility studies of infrastructure sub-components were prepared. The activities of the project for the next period will be finalized upon the formulation of the two remaining components by the World Bank.

#### **G. Flood Management and Mitigation Programme (FMMP)**

24. The objective of the FMMP is to prevent, minimize or mitigate people's suffering and economic losses due to floods, while preserving the environmental benefits of flood. The 7th Annual Mekong Flood Forum on Integrated Flood Risk Management in the Mekong River Basin was successfully conducted with 120 participants in May 2009.

The draft Annual Mekong Flood Report 2008 with a special theme on Benefits and Costs of Floods was also presented and then finalized for publication.

25. FMMP has steadily improved its forecasting system for the mainstream and is testing an innovative flash flood guidance system. When it is operational and on line in 2010, the system will strengthen flash flood forecasting ability of National Forecast Centres, which will continue to have the ultimate responsibility for issuing warnings. The new flood forecasting system in the mainstream was operational in the flood season of 2009 with considerably better results and is expected to officially replace the old system from 2010 and onwards. The mid-term review recommended maintaining the FMMP as a core function of the MRC.

#### **H. Drought Management Start-up Project (DMP)**

26. The objective of the Project is to establish effective drought planning and management mechanisms in the Lower Mekong Basin supported by the best available tools and technical expertise and facilitate the implementation of high priority national and regional programmes and multi-purposes projects.

27. The recent attention on drought originated from the regional drought of 2004 to 2005 where unusually low flows in the Mekong River and seasonal deficiencies in regional rainfall led to severe agricultural losses in Northeast Thailand and Cambodia and critical levels of saline intrusion in the Delta. These impacts resulted in calls at the highest political levels for national and regional action. At present, a Drought Management Start-up Project (DMP) is proposed for immediate implementation applying more limited human and financial resources through coordinating and supplementing existing MRC programmes. The Start-up Project may be considered as an initial phase leading towards implementation of a full DMP and is being implemented by IKMP.

28. For the implementation of the DMP, a regional expert on drought management is being recruited, an expert on GIS and Remote Sensing is mobilized to support finalization of the LMB land cover and wetland map with additional tasks of image processing and flood mapping when needed.

#### **I. Agriculture, Irrigation, and Forestry Programme (AIFP)**

29. A Strategy Review of the MRC's role in agriculture was conducted in December 2008 and the Paper on MRC's Role in Agriculture and Agricultural Water Management was developed in May 2009.

30. In accordance with the strategy and country priorities, the next step of formulating an umbrella agricultural programme at MRC would embrace a period of consultation and development to better refine the focus, specific tasks and staffing, expertise, costs and institutional requirements, and create strategic partnerships with other agencies in the short and medium term. The importance of ground water will also be incorporated to reflect direction given by the Joint Committee for MRC to proactively undertake ground water issues in its work. Further consultation on member countries' needs will now be required.

*I.i Watershed Management Project (WSMP)*

31. During a regional consultation meeting at the end of phase 2 in November 2009, more than 60 participants from the Lower Mekong basin countries discussed the plans of actions developed in the pilot areas in the broader context of institutional, but also socio-economic development for watershed management.

32. In March 2009, the Watershed Committees of the pilot watersheds in Cambodia, Lao PDR and Viet Nam approved their plans of action, which now specify clear mandates, tasks, responsibilities and timelines to improve the situation of a number of prioritized watershed management issues, thereby contributing to the MRC Strategic Goal 1. It is now planned to implement this plan of action and to closely monitor the improvement of prioritized issues.

*I.ii Improvement of Irrigation Efficiency on Paddy Fields (IIEPF)*

33. The Sustainable and Efficient Water Use in Irrigated Agriculture in the LMB Project Document was finalised in April 2009 and submitted to Development Partners for approval. Data and information on national irrigation and drought management policies and projects were collected and reviewed. One pilot site for each member country was selected and field survey on operation and maintenance, drought management practice, water use efficiency, socio-economic condition and other factors are being conducted.

*I.iii Challenge Programme for Water and Food (CPWF)*

34. In preparation for its second phase, the programme is aiming to increase the focus of its research work and better articulate the ways in which its research results can have developmental impact. Basin impact challenges have been identified for each of its river basins that the CPWF research work will address. To ensure that the benefits of these can be seen, and to facilitate partnership development, the CPWF seeks to tighten the focus of the basin impact challenges by describing their plausible impact pathways with key stakeholder representatives in the basins; and to obtain endorsement for the impact challenges from these representatives. For that, the Basin Development Challenge (BDC) was held in May 2009.

**J. Navigation Programme (NAP)**

35. The NAP's objectives are to promote freedom of navigation and increase international trade opportunities for the MRC Member Countries' mutual benefit, and to assist in coordination and cooperation in developing effective and safe waterborne transport in a sustainable and protective manner for the waterway environment. Broadly speaking, the NAP focuses on three main areas: navigation safety and efficiency, legal framework for cross-border transport (trade facilitation), and environmental sustainability.

36. In April, the MRC took delivery of speed boats and hundreds of navigation buoys and beacons to the Member Countries to survey dangerous waters and to mark navigation channels in the rivers. New buoys and aids to navigation, part of a broader package of activities to improve navigation safety on the Mekong, were also set in place in a range of other locations on the mainstream Mekong.

37. Condition Surveys of Dangerous Areas for Navigation Improvement between Cambodia-Viet Nam, Lao PDR-Thailand, were successfully completed. Operational Aids to Navigation system on prioritized stretches and hot spots including commissioning and training maintenance staff is fully completed. A system to electronically keep track of shipping, locate and direct vessels in emergencies will also help increase the volume of trade being transported by making boat passages safer and more efficient. The MRC boats had a further unexpected use in October, when they were sent to assist the relief agencies in Kethsana-affected areas for humanitarian assistance.

#### **K. Initiative on Sustainable Hydropower (ISH)**

38. MRC's new Initiative on Sustainable Hydropower (ISH) build on and share knowledge, making available the vast array of experience already gained around the world by integrating improved governance, social and environmental aspects into hydropower development.

39. A series of meetings with hydropower developers in Member Countries was organized in May 2009. This brought developers and line agencies together for a briefing and dialogue on the ISH, the work of the relevant MRC Programmes, and the Procedures for Notification, Prior Consultation and Agreement (PNPCA). This allows for timely input to developers preparing proposals and clarifies for developers and others the existing mechanism and protocol for cooperation among MRC Member States.

40. The ISH released preliminary design guidance for hydropower developers in October 2009 based on feedback from a Technical Review Group of the Member Countries. The guidance offers performance targets, design and operating principles for mitigation measures, as well as measures for compliance monitoring and adaptive management. The initial scoping stage of the Strategic Environment Assessment (SEA) of proposed mainstream dams was completed and a methodology to test a Hydropower Sustainability Assessment tool was prepared through the ECSHD and in collaboration with the ADB and WWF.

#### **L. Fisheries Programme (FP)**

41. The Fisheries Programme Phase 2 has built-in flexibility to enable it to adapt to emerging issues. The FP2 initiated several new activities in 2008 in accordance with the renewed emphasis on hydropower development in the LMB and the associated risks to the existing fisheries industry. A concept note for FP Phase 3, covering the period 2011-2015, is being prepared.

42. The FP is focusing considerable effort on providing information on the impacts of dams on fisheries resources in the basin, as well as options for mitigation. Several articles on this topic have been published over the year 2009 in the FP newsletter, Catch and Culture. Technical reports on modeling the impacts of dams as barriers on fish migration and on dam impact forecasting and mitigation are in the final stages of preparation.

43. A regional symposium was held in the second half of 2009 on mechanisms for sustaining co-management initiatives in the Mekong basin. This is being complemented by further field activities in the MRC Member Countries aimed at strengthening and expanding co-management processes and mechanisms already developed. FP also organised a regional forum on reservoir fisheries management, to complement the work

of FP2 in addressing hydropower development information requirements in the Mekong basin.

**M. Tourism Programme (TP)**

44. The objective of the Tourism Programme is to promote tourism within the Mekong River Basin in a balanced manner, which also ensures necessary protection of the environment against adverse effects of tourism. The formulation of the Tourism Programme was ongoing and subject to the availability of funding.

**IV. Donor Support**

45. Development Partners' support to MRC remains strong. In 2009, the MRC received a number of funding pledges made available for the realization of its activities beyond the current Strategic Plan period. Since the last MRC report to the UNESCAP, MRC has raised close to US\$ 27 million compared to about US\$ 10 million last year. As of October 2009, Development Partners have formally indicated their multi-year pledge and commitment of support for the MRC in the sum of US\$ 66.01 million. Notable pledges in 2009 were made by Australia, Belgium, Finland, France, Japan, New Zealand, and Sweden.

**V. Cooperation with Dialogue Partners**

46. The MRC has significantly increased the level of regional cooperation between the MRC and the Dialogue Partners China and Myanmar since last year. Since the extension of the agreement to share hydro-meteorological data with the People's Republic of China in August 2008, real time hydro-meteorological data has continued to be provided on a daily basis by China to MRCS during the flood seasons and they have agreed to share additional historic data. An assessment report of this cooperation has been prepared and is expected to lead to discussions on possibly expanding the data sharing agreement, thus information may be shared all year round. Similarly, the MRC also discussed the possibility of improving hydro-meteorological coverage in Myanmar by upgrading an existing hydrographic station there.

47. During the Fourteenth Dialogue Meeting in July 2009 China has made a firm commitment to formally support MRC's Strategic Environmental Assessment of the Proposed Mainstream Dams in the Lower Mekong Basin and nominated the Ecosystem Study Commission for International Rivers (ESCIR) as the focal point for this. In October 2009, an MRC delegation comprising representatives from the Member Countries visited the Flood Control Office of the Yangtze River Water Resources Commission and the Department of Water Resources in Hubei and Hunan Provinces. China and Myanmar made significant contributions to the MRC Forums in 2009 and participated at the ministerial level at the First MRC Summit in Hua Hin.

**VI. Communications and Cooperation with Other Partners**

48. MRCS enjoyed increased cooperation with other regional development partners. Similarly, the trend towards increasing dialogue and engagement with Non-Governmental Organizations, the academic world and civil society has been maintained.

49. The MRC signed MOUs with the Japanese Institute of Irrigation and Drainage on the cooperation for sharing information, knowledge and studies on climate change and

adaptation in November 2009, and with the Asian Institute of Technology on the cooperation on CCAI, ICBP and IKMP for sharing information, knowledge and studies in March 2010. The MRC Secretariat also increased cooperation and commitment with the ASEAN Secretariat. The official signing ceremony of the MOU was held on 4 April 2010 during the MRC Summit. The MOU between the Mekong River Commission and the Mississippi River Commission is under consideration by the Member Countries.

50. MRC has also been actively involved in major international and regional events, such as ADB GMS 3rd Meeting of the Sub-regional Energy Forum in August in Phnom Penh, Cambodia; the 10th UNEP Annual Collaborative Action Network in October 2009 in Bangkok, Thailand; the Consensus Building in Asia: Multi-stakeholder Process and Water Governance in Asia in January 2010 in Singapore. The representatives from Member Countries and MRC Secretariat also attended the Stockholm International Water Week on August 2009. A representative from an MRC Member Country, Lao PDR, also attended the International River Symposium during 21-24 September 2009 in Brisbane, Australia.

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