

Mid-term Review of the MRC Strategic Plan 2006 - 2010

## **Appendix K**

Mid-term Review, Development Partner's Paper

## APPENDIX K

**Development Partners' Paper for the Mid-Term Review of the  
MRC Strategic Plan 2006-2010**

This Review Paper is endorsed by the following donor Development Partners: Denmark, France, Sweden, Germany, Finland, USA and ADB.

---

**1. Introduction**

As significant and long-term supporters of the Mekong River Commission (MRC), donor Development Partners (DPs) welcome the opportunity to contribute to the Mid Term Review (MTR) of the MRC's Strategic Plan 2006-10 (SP). In particular, we are keen to share our collective view on:

- Progress to date on implementing the SP;
- Areas for potential mid-term adjustments and prioritisation;
- Gaps and major risks that could face the MRC in the second half of the SP implementation period; and,
- Priority issues for consideration in the formulation of the MRC's Strategic Plan 2011 – 2015.

The purpose of this Paper is to provide signatory DP perspectives on progress and effectiveness of SP implementation. Our departure point is to focus on three questions:

1. How aligned are the Programs and activities of the MRC with the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin ('the 1995 Agreement')?
2. How responsive – within its mandate – is the MRC to current and emerging development challenges in the Mekong Region?
3. How can the MRC better prove and *improve* its effectiveness? This is the challenge of better systems for the Monitoring and Evaluation (M&E) of the MRC's activities, Programs and overall performance.

We view the SP MTR as an opportunity for the MRC to not only get an external assessment of progress with regard to implementation of the SP but also to explore how valid the assumptions upon which the SP was based are today. It will also provide an opportunity for the MRC to review how to *respond* proactively to the new challenges facing water resource management in a rapidly developed Mekong Region. By developing and demonstrating a greater capacity to respond to these challenges, we believe MRC will deepen its relevance to the declared needs of the MRC Member States. In doing so it will continue to build the confidence and support of DPs and other stakeholders.

In this regard, we welcome the inclusion of the section 'Recent changes in the development context' in the Terms of Reference (ToR) for the MTR (paragraphs 10 refers).

As is well known, accelerating development will not automatically secure sustainable, economic growth or poverty alleviation. The developments underway or proposed – including dams and

diversions, irrigation expansion and large-scale land use change, with associated changes to the natural flow regime – can also bring high risks to the production and livelihoods derived from the environment and its natural resources base. Comprehensive assessment and evaluation of development options is required. The MRC should play an important role in assisting Member Countries engage in constructive, informed negotiations that lead to sound decisions.

As a general comment, DP inputs below attempt to focus on strategic level considerations based on a strong belief that the commitment by MRC Member States is paramount to the future of the MRC. In the context of accelerated economic growth, the ability of the MRC to effectively contribute to the sustainable development of water and related resources in the Mekong River Basin is considered of strategic importance by DPs.

## 2. Process for the Review

Consultation with DPs regarding the ToR for this MTR was brief at best. DPs were given the ToR in draft form on 8 July 2008, with a deadline for comments of 10 July. Given this timeframe no DP were able to make comments on the draft ToR.

We expect the process for development of the MRC SP 2011-2015 will ensure inclusion of DPs at a much earlier stage.

This review paper was developed and agreed among the following Development Partners: Denmark, France, Sweden, Germany, Finland, USA and ADB.

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

DPs acknowledge that there is some positive progress on many elements of the SP.

However, progress in many programme areas appears slower than envisaged. One difficulty is that the MRC does not have a systematic method for gathering and sharing information on the results, performance, outcomes and impacts of its activities and Programs. Rather, reporting is often only narrative activity-based reports, with progress measured by budget expenditure, without any assessment of the achievement of tangible outcomes. Without an effective M&E system in place (with clear impact oriented indicators and result chains), DPs and other stakeholders find it difficult (or impossible) to make evidence-based and therefore objective judgements on 'how well the SP has been implemented so far (from 2006 to now) and whether the intent is likely to be achieved.'

This lack of performance management framework is inhibiting further donor investment. In the absence of such a framework and a systematic approach to M&E, DPs have been challenged to demonstrate results to their governments from their MRC investments. A modern and effective M&E system that provides important feedback on achievements and impacts to stakeholders would be another element of improved MRC communication.

Given this situation, DPs can only make comments on some of MRC's *outputs* (rather than *outcomes*). However, this will not be comprehensive and tends towards the *anecdotal* and *operational* rather than the *strategic*. When examining the outputs of the MRC, we would make the following overall observations:

**Some Programs are producing very strong and possibly world-class outputs; how this work contributes to achieving the goal and objectives of the SP is unclear.** Some MRC Programs, the

Fisheries Program for example, are producing excellent outputs. However, there is no 'line-of-sight' between these high-quality outputs at the activity/ Program level and the achievement of the SP Goals and Objectives. 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.

**MRC engagement with Development Partners has improved.** The collaboration between DP and MRC States, NMCs and the MRCS has improved during the course of the last two years. The quality of the half-yearly meetings with DPs has improved in terms of strategic approach and substance. Early involvement and consultation with DPs on significant issues is more effective, including through the Joint Contact Group mechanism. Other areas that could contribute to better DP engagement are being examined as part of the follow-up to the Organisational Review. This includes the current practice of only inviting some DPs (WB, ADB) and INGOs (WWF, IUCN) to MRC governance meetings (such as JC and Council meetings).

**MRC engagement with 'external' stakeholders (NGOs/CSOs, academia, media, private sector) has been haphazard but is improving.** The way in which stakeholders are defined and are able to engage in MRC processes remains unclear. The SP (p.5) states that 'stakeholder participation is a key interest of the Member States.' However, systematising and embedding participatory (and deliberative) processes is proving to be slow. We recognise that efforts are being made by MRCS to progress this issue at different levels. An example is plans to develop new (and hopefully more proactive) Communications, Disclosure and Stakeholder policies. At the Program level, efforts by the Fisheries Program (and more recently by BDP) to involve stakeholders are promising. This is a good sign which will hopefully alter perceptions that MRC is a cautious and guarded organisation with an extremely reactive approach to external communication.

**Communication systems have improved, but with some way to go.** The recent floods (August 2008) provided a good case study on the strengths and weaknesses in the MRC communication approach. At the time the floods were peaking, the MRC was criticised for not having an adequate warning system in operation. Afterwards the MRC acted to address what it saw as substantial misinformation on the flood, and particularly the role of 'China dams.' An honestly written and rapidly produced report on the flood (produce in early September 2008) was a good public response and points to how MRC might function better in the future.

**With a few exceptions, program development and implementation is almost universally slower than expected.** Here we would cite the following Programs: Basin Development Plan Program 2 (BDP 2), especially during the inception phase; and, the Integrated Capacity Building Program (ICBP). While work is on-going in all these and other initiatives, at times producing strong outputs, chronic and acute delays mean that most MRC Programs can not contribute to the achievement of the higher SP goals and objectives in the timeframe outlined in the SP.

Of particular concern is the poor performance of the Integrated Knowledge Management Program (IKMP). IKMP has a unique 'enabling role' to service both the cross-cutting and thematic Programs of the MRC. MRC Programs rely on hydrological and other data to produce their outputs. If IKMP is not servicing these needs, this has a cascading effect on the outputs and ultimately effectiveness of other MRC Programs. Progress across all the components of IKMP is slow; in some cases no tangible progress is being made.

**The 'unfinished business' of the Water Utilisation Program means higher strategic goals can not be achieved.** Like the Programs cited above, the Water Utilisation Program (WUP) produced some strong outputs. 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. Given the central and mandatory role the WUP Procedures and Guidelines are intended to play in the implementation of the 1995 Agreement, this is a major problem that must be given higher priority under the current implementation of the SP.

**MRC environmental monitoring and impact assessment capabilities remain weak, both at the Secretariat and in Member States.** Goal 3 of the Strategic Plan states that the MRC will strengthen basin wide environmental monitoring and impact assessment. However, we see little evidence today of a functioning basin-wide water quality monitoring system and have limited evidence that MRC is supporting its Member States in planning and implementing development projects with a view to minimize negative environmental impact.

The ToR for this MTR asks reviewers to pay particular attention to broad issues noted as important (p 4-5 SP) by MRC Member States and their expectations for the MRC (p 9-10 SP).

Member States noted it was important that the SP result in:

- more tangible results focusing on poverty reduction through sustainable development, with MRC taking the lead in developing water and related resources with the overall basin development process;
- strengthened ownership by Member States, with increased national cooperation with MRC, and use being made of MRC tools in national planning and decision processes; with a 'value-added' by MRC clearly demonstrated; and,
- widespread adoption of an Integrated Water Resources Management (IWRM) approach.

In this respect, again based on direct observations rather than on a rigorous M&E approach, DPs believe that:

- The MRC struggles to demonstrate any tangible connections between its activities/ outputs and poverty reduction in the Mekong River Basin.
- Rather than taking the lead, the MRC has been playing 'catch-up' with Member States who continue to make water resources development planning and decisions independently of dialogue within the MRC processes.
- There seems little evidence that MRCS tools are being used in national planning and decision processes. This may be the result of continued marginalisation of NMCs from national water resources policy making. 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 seems scarce; it may be happening but there is a lack of evidence upon which to reach this conclusion.
- IWRM1 is now a dominant conceptual base for water resources development in the MRC, including MRCS and NMCs, and some key line agencies in each country. However, it is

---

<sup>1</sup> The most common definition: IWRM is a process which promotes the coordinated development and management of water, land and related resources, in order to maximise the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems" (GWP, 2000).

hard to see many links yet between national IWRM processes (the domain of one or more key line agencies) and basin IWRM processes (the domain of MRCS and NMCs).

- A key notion in IWRM is 'coordinated development' endeavouring not to compromise the 'sustainability of vital ecosystems.' At present it is difficult to describe coordinated Mekong water resources development between different scales, e.g. national and basin, or different sectors, e.g. hydropower and fisheries. Understandably, and as stated in the SP (p.5) it '... will take many years to fully achieve IWRM within the Mekong River Basin's context.' However, greater efforts could be made in relation to coordination across scales and sectors and that more integration/ coordination/ inter-disciplinarily is possible.
- There appears to be insufficient thinking about the coordination and consistency between two groups: organisations based on hydrological boundaries (River Basin Organisations, Watershed organisations) and organisations based on administrative boundaries (province, district and village level). There is a strong need for respective institutional development to grapple with this issue as part of the overall capacity development efforts. MRC has a role to play to address this issue in order to support the implementation of IWRM principles.
- The process to increase financial ownership of the MRC by Member States is moving slowly. The agreement struck by the MRC States towards increase of riparian funding foresees a slow and marginal increase in riparian funding of the MRC. The recommendations of the Organisation Review included recommendations towards full OEB funding by Member States by 2014. However, Member States are far from this goal with DPs still expected to continue to fund the bulk of these core costs via the Management and Administration Fee.
- At a time when the strengthening of the functioning of the MRC, its Secretariat and NMCs is at the forefront of discussions, political considerations rather than institutional efficiency concerns might result in a less than optimal solution to the issue of the permanent location of the Secretariat. DPs remain concerned that the disruption that would result from a further move of the MRCS HQ and programs will have significant impacts on the credibility of the MRC and could have an adverse impact on future donor funding. This would be extremely unfortunate and would have consequences for the MRC, both in terms of a weakening of the MRCS and the MRC's relations with DP.
- With respect to hydropower, and other basin development activities, planning generally starts from mitigating proposed projects rather than establishing project demand and alternatives. This observation is particularly important to the MRC's adoption of an IWRM approach as well as achieving a balance of development interests with social stability and food security in the basin.

## **4. The alignment of MRC Programs**

### ***a. Alignment with the 1995 Agreement***

The MRC has often been silent in the public domain about major water resources development in the Mekong River Basin however the mandate in the 1995 Agreement assigns the MRC a key role.

With rapid (some would say unprecedented) plans to further develop the water resources of the Mekong Basin (e.g. hydropower on the mainstream, irrigation plans) it is critical for the MRC to realise and release the potential of the provisions contained in the 1995 Agreement. To contribute to sustainable and rational planning for water resource development, all MRC Procedures and Guidelines for water utilisation between the Member States need to be finalised, approved and implemented.

However, as outlined above, the unfinished business of WUP means that water resource developments that will have clear and potentially serious trans-boundary effects are being prepared for implementation without the MRC and the 1995 Agreements playing any significant role. The result: a perception – and supporting evidence – that the MRC is indeed a ‘paper tiger’ without any working mechanism to inform and influence the planning and development efforts of its Member States.

In this regard, DPs believe the implementation of the SP is not acting to effectively realise and release the potential benefits of the 1995 Agreement.

### ***b. Alignment with the Strategic Plan***

MRC activity is within the boundaries of that laid out in the SP. However, the issues are progress, prioritisation and political engagement.

DPs note that there appears to be no rational 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. This situation hinders many DPs aspirations to move towards providing budget support for the MRC.

A lack of communication and coordination between ‘Program silos’ has undermined alignment with the SP. A past example is the lack of logical sequencing and complementary interaction between the BDP 1 and the WUP. Each Program worked independently on outputs that should have been mutually beneficial, especially if these Program level outputs were sequenced to be supportive of the ‘partner Program.’ The opportunity to create great synergies and contribute to greater Program effectiveness, and ultimately to the achievement of higher-level MRC objectives, was lost. Instead WUP and BDP 1 appeared to be on independent, parallel paths attempting to ‘go it alone.’ This appears to have contributed to the short comings and failures within each of these Programs.

It is hoped that there can be much clearer linkages between, for example, the BDP 2, Fisheries Program, and the follow-up to WUP1, which should be clearly integrated in the BDP2 programme framework.

DPs find that this MTR provides a good opportunity for the MRC to reassess its Program portfolio and how it relates to its ‘core business.’ This should lead to decisions to streamline Programs where this is possible and even discontinue those which are far removed from this core business, e.g. the

Tourism Program. The necessity to create a new program to address hydropower should be re-examined in light of recent improvements in coordination and synchronization of existing programs. Such an approach could be expected to achieve cost savings as well as further improvement of coordination by rallying the MRC around core development issues where the technical expertise of the secretariat will have substantial added-value to offer the member countries, developers and promoters.

### ***c. Alignment with other Regional Initiatives***

The unique mandate of the MRC means that perfect alignment with other regional initiatives is not always feasible. However, there is a strong perception that MRC does not see the value of synergies with other regional initiatives. We believe that the MRC can do more to better align itself with major regional initiatives.

A recent example is the MRCS' formulation of a new Climate Change Initiative (CCI) under its Environment Program. There is the perception that the MRC is attempting to 'go-it-alone', not reaching out to logical partners in MRC States, nor other organisations, DP and institutions. This could have a negative effect on DP willingness to consider potential funding for the initiative. The MRC should not work in isolation, either in its role as a knowledge-based organisation or as an inter-governmental body and strive better to use opportunities to form alliances and partnerships with the significant regional initiatives dealing with water and development in the Mekong.

If this situation continues, perceptions that the MRC is a marginal player in regional cooperation and development will continue and deepen.

## **5. MRC's orientation towards UN Millennium Development Goals**

While the SP mentions the MDGs (p. 21), we see no attempt by the MRC or Member States to demonstrate how the work of the MRC contributes to achieving the MDGs. The reference in the SP is merely descriptive, and offers no linkages between the goals and objectives of the SP and MDGs.

Clearly the Goals and Objectives of the SP are aligned with particular MDGs; some MRC Program activities and outputs may make a *contribution* to achieving MDG 1: Eradication of Poverty and Hunger; and, MDG 7: Environmental Sustainability. However, the MRC lacks an M&E framework that would enable an objective judgement about either *contribution* or *attribution* of MDG progress or achievement to the MRC.

Both DPs and MRC Member States increasingly measure their impact and effectiveness using the MDG paradigm. This provides an opportunity for the MRC: during the second half of the SP 2006-10 the MRC should consider how to measure its achievements both in terms of the outcome of its projects and Programs but also against the backdrop of the MDGs. This would position the MRC to place MDG outcomes and related M&E indicators at the heart of 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.

## **6. Prioritisation of the remaining period of the Strategic Plan**

MRC cannot do everything, and so prioritisation is very important. Concentrating on core business and strengthening the MRCS should be the overall guiding principle for the remaining SP period.



As noted above, we view the SP MTR as a vital opportunity for the MRC to determine how it will *respond* proactively (rather than *react*) to the development challenges facing water resource management in the Mekong Region. In this section DPs suggest the following issues should be prioritised for the remaining period of the SP.

**Ongoing organisational and institutional reform initiatives must continue and be given priority.** The process of reform launched in the wake of the Organisational Review must continue and implementation accelerated. DPs welcome the work done so far by the MRC States and MRCS to tackle key reform issues. This work must continue, with key decisions taken in order to ensure that the MRCS is strengthened. This includes enhancement of the MRC role in opening and supporting channels for regional cooperation and developing more robust internal and external communications systems. This also entails preparing the MRC for riparianisation, including a riparian CEO from 2011.

**The implementation of the BDP2 Program should be given high priority and its links to other relevant Programs further developed.** The BDP 2 Program is at the core of the MRC's mandate, with very strong linkages to a number of other core Programs. The recent review of the BDP 2 made a number key recommendation to the MRC in terms of ensuring that the BD P2 plays its intended role and on how it may be used as a platform for assisting MRC decision makers in taking informed decisions on current developments in the Basin, including in regard to hydropower.

While its start-up was delayed, now is the time to ensure implementation occurs smoothly and in a timely manner so key tools and instruments can be finalised and used, including with an emphasis on application to potential investments in hydropower.

**Measures to deal with the challenges of hydropower should be developed, endorsed and begin implementation in record time, but not necessarily in the form of a separate program.** Most observers, including the DPs who endorse this Paper, agree that the rapid development of the hydropower potential of the Mekong River Basin is the most important issue currently facing the MRC. Unless the MRC can demonstrate tangible influence on this issue, serious questions will continue to be asked about its relevance, impact and effectiveness.

DPs welcome the stakeholder consultations undertaken regarding hydropower developments and acknowledge the work being undertaken to 'fast-track' some actions within MRC Programs that have hydropower relevance. We cannot stress enough the need to maintain and build this momentum to make MRC truly relevant to the hydropower challenges facing the basin, including through the BDP 2 Program. However, DPs are concerned that the development of a separate Hydro Power Program might create duplications and competition with other Programs including BDP 2, FP, NP and IKMP. These risks need to be acknowledged and managed.

The MTR should reconsider the need for a separate hydropower program when reviewing the program structure of the MRC. DPs do not doubt the need for new resources and skills in MRCS to service the analysis of hydropower; but do question the need for a separate program.

**Scenarios work and associated modelling, not just hydrological, should be core competencies of the MRC.** Clarifying how its scenarios work is framed and undertaken, and improving and expanding the Decision Support Framework (DSF) should be given high priority. Building understanding and then routine application of appropriate tools is an important service the MRC can provide. Scenarios and CIA are thus far largely focused on hydrological considerations. The WUP created an expectation that social, economic, environmental and trans-boundary impact analysis would also be undertaken by MRC. This is once again scheduled for the future, BDP 2 in

2009+ but remains a current priority. If MRC is not going to do this work, other actors will take the space.

**Programs such as IKMP and EP should be given higher priority in the remaining period of the Strategic Plan.** Knowledge management and provision of data and expertise is core to the MRC. Knowledge and data is essential to develop relevant sustainable development policy and to set up adequate monitoring of its implementation. Because environmental monitoring and impact assessment are becoming even more critical in a context of rapid economic development, the MRC has to strengthen these key functions.

**Efforts to adapt MRC programs to current and future 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.

The MRC should seek to fast-track a selection of key, demand-driven, rather than donor driven, climate adaptation activities which should be integrated and mainstreamed under its existing MRC Programs. Any initiative in this area should be integral parts of the EP and climate proofing of other relevant programs should be carried out to allow them to adapt activities to current and future effects of climate change. The MRC should ensure that ownership of climate change initiatives is firmly anchored within the MRC States, including in national efforts currently under way or planned. Also, it is vital that DPs are taken on board and consulted in the process and that the finalisation of any initiatives is made through a participatory process involving all stakeholders; member States, development partners, the NGO community etc.

**Finalise, approve and implement the WUP Procedures and Guidelines.** As mandated by the 1995 Agreement and outlined in the SP, the MRC has a responsibility to see that Procedures and Guidelines developed under WUP are used in an authentic way to inform and influence water resource development and management in the Basin. With the completion of WUP (first phase), some of these Procedures and Guidelines have been handed to existing MRC Programs for refinement and implementation; some will be subject to further work under the proposed WUP follow-up activity (second phase). The MRC should develop a time-bound plan to see the 'unfinished' businesses of WUP finally finished supporting States in their water utilisation negotiations.

**Program rationalisation may be necessary.** Given these above priorities, there are strong arguments that some existing MRC Programs should be cut completely. The two obvious candidates are the Tourism Program and the Drought Program which are currently only Program sketches without any tangible funding commitments, from either MRC States or DPs. The number of MRC Programs could be reduced by some consolidation and better integration in existing MRC Programs.

**Development of systems to prove and improve MRC's performance and effectiveness.** The process of making these comments illustrates for DPs that the lack of an M&E framework is an acute weakness of the MRC. Scoping, trialling and full implementation of a rigorous M&E system, should be a corporate priority for the remaining SP period.

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

The completion of this MTR process should be the departure point for designing the process for preparing and negotiating the SP 2011-2015.

A key problem in the formulation of the current SP was the lack of in-house capacity and the over-reliance of external consultants to formulate the draft Strategic Plan. Also, late involvement of DPs lead to a painstaking process of reformulation, even after the SP was approved by the MRC Council.

The MRC should learn the lessons from this previous process and ensure that it is not repeated with the next SP. It should mobilise its in-house expertise to assist MRC States in formulating the new SP and rely much less on external experts to give the MRC the answers. It should devise a truly consultative process with inclusion of all relevant stakeholders, including DPs and civil society in the Mekong basin.

## **8. Conclusion**

The DPs welcome this MTR as an opportunity for the MRC to prioritise its forward activities, taking full account of the changed, and still changing, Mekong River Basin context.

The DPs also welcome the structure of the approach being taken in this MTR, but we are disappointed with the limited time available to provide inputs.

We observe that Program development and implementation is almost universally slower than contracted and expected. We consider the 'unfinished business' of the Water Utilisation Program means strategic goals and objectives cannot be achieved. We acknowledge that some Programs are producing very strong and possibly world-class outputs; but how this work contributes to achieving the Goals and Objectives ('line-of-sight') of the SP is unclear. The communication of MRC achievements is weak.

MRC engagement with 'external' stakeholders (DPs, IFIs, IOs, NGOs/CSOs, academia, media, private sector etc.) remains haphazard but is improving. We welcome new steps to consolidate more systematic stakeholder involvement.

Importantly, it seems that MRC continues to play 'catch-up': Member States continue to undertake water resources development planning and make decisions independent of dialogue with MRC processes. It is because of this that MRC activities are often judged of being marginal to Member States needs and development aspirations.

The challenges for basin-wide water resources development are great. 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 can not - and should not - do everything. Without prioritisation it will continue to be perceived as a weak and marginal organisation.

Within this changing context, DPs suggest the following priorities:

1. Acceleration of the implementation of reform measures (from the Organisational Review).
2. Implementation of the BDP 2, as the MRC's core program, be given priority and its links with other relevant Programs like the EP, FMMP and FP strengthened.
3. A stronger focus given to hydro power in the work of the relevant MRC Programs including BDP2, FP, EP and IKMP.

4. Fast-track climate change activities and mainstream climate change issues in existing programs.
5. Further strengthen scenarios work and associated modelling to become core competencies of the MRC.
6. Urgent finalisation, approval and implementation of the WUP Procedures and Guidelines.
7. Rationalisation of programs; the continuation of the Tourism and Drought Programs merits critical review.
8. Development, trial and implementation of M&E systems to prove and improve MRC's performance and effectiveness.
9. Reinforce IKMP and EP capacity for the MRC to fulfil its role in knowledge management, environmental monitoring and protection, plus as critical inputs to monitoring of implementation of MRC SP.

Mid-term Review of the MRC Strategic Plan 2006 - 2010

**Appendix L**

Mid-term Review, MRC Secretariat Paper

## APPENDIX L

## Mid-Term Review of the MRC Strategic Plan 2006-2010

### MRC Secretariat Paper

21 November 2008

---

#### Introduction

In July 2008 the MRC began a mid-term review of its 2006-2010 Strategic Plan. The review has been designed to capture and integrate the perspectives of the four MRC Member Countries, the International Development Partners, the MRC Secretariat, and other interested parties on the implementation of the Strategic Plan. The MRC Dialogue Partners PR China and Myanmar were also invited to provide inputs.

This paper presents a compilation of views of MRC Secretariat staff, based on a series of structured interviews and written inputs provided as part of the process of developing the consolidated Mid-term Review Report. As with the other contributing papers, it aims to assess how well the Strategic Plan (SP) is being implemented: progress against Plan outcomes, how well the work of the Secretariat is aligned to achieve these outcomes, suggestions for the prioritisation of work activities for the remaining period of the SP and comments on the process to prepare the next SP 2011-2015.

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

The detailed progress of implementation of the MRC Programmes against planned outputs is set out in the MRC Work Programmes 2007, 2008 and 2009. A summary assessment of MRC Programmes' activities and achievements, and impediments currently being experienced, is presented in Appendix A.

The analysis of implementation of the Strategic Plan focuses on the overall progress of the MRC programme portfolio against strategic targets and its responsiveness to current water resources developments in the Mekong Basin. In this respect, the Secretariat considers that the SP broadly provides the right direction for the MRC and that the integrated MRC programme structure, oriented towards its basin-wide planning function, provides a practical and functional framework.

Elaboration of the enabling framework provided by the 1995 Mekong Agreement has mostly been established under the Water Utilisation Programme (WUP) with some gaps still remaining such as the Technical Guidelines for Water Quality. Most importantly, the Procedures for Notification, Prior Consultation and Agreement (PNPCA) have been agreed. So far they have been implemented for tributary projects only. The Procedures covering prior consultation 'with a view to reaching agreement' will shortly be tested for the first time for

proposed mainstream dams.

Building on the results but also in recognition of the “unfinished business” of WUP, a follow-up project, entitled Mekong Integrated Water Resources Management Project (M-IWRM-P) is currently developed. The project concept foresees complementary actions, including strengthening of the enabling framework at the regional level and demonstrating mechanisms for the funding and joint implementation of projects identified through the BDP process at trans-boundary and national levels.

Due to the delays in the building-up of the basin planning function under the first phase of the Basin Development Plan Programme (BDP), the two main processes of the MRC, WUP and BDP have not yet been fully synchronised as envisaged under the Agreement. Delays with the BDP are acknowledged. During the first half of 2007, BDP operated at a reduced level of activity, due to the need to recruit an entirely new regional BDP team at the MRCS. However a donor review has found that the Programme is now on track.

During the last few years, the role of the MRC has been criticized by international NGOs and others on the grounds that the organization: (i) does not make sufficient efforts to engage the stakeholders and beneficiaries of the Basin’s natural resources in its work and learn about their needs and interests and (ii) does not seem to play an active role in influencing national planning and decision-making on water and related resources. Some have questioned the relevance and purpose of the MRC.

At the start of the Basin Development Plan Programme Phase 2 (BDP2, 2007-2010), the MRC has taken Article 2 as an entry point to define and increase its role in the actual national planning and monitoring of basin developments. The BDP2 does not see the Basin Development Plan as a separate plan over and above the national plans. Therefore, it is designed to bring all existing and planned water and related resources development projects in the basin planning process, through a combination of participatory sub-basin and sector activities and a basin-wide integrated assessment framework. This would offer an integrative platform for the MRC to engage in transboundary assessment and multi-stakeholder consultation to facilitate a broad and informed dialogue on sustainable water resources development and management.

The resulting basin perspectives would be brought back into the national planning through sector and sub-area activities to help ensure that large structural projects would not create transboundary conflict. Some aspects of how this vision is being implemented are described in the next sections.

MRC’s modelling capacity has been established with the Decision Support Framework (DSF) and associated models through WUP. The work of supporting their application in the BDP process, building capacity for their use within the Secretariat and member countries, and periodic upgrading and support is being accelerated under the Information and Knowledge Management Programme (IKMP).

The broad orientation of other cross-cutting and thematic programmes, and delivery toward the Strategic Plan is considered relatively strong. Implementation gaps and delays mainly exist where staff resources have been limited or weak, or a lack of funding has impeded a timely start in parallel with the SP. Recent initiatives such as in critical areas covered by the Hydropower Programme (HP) and Integrated Capacity Building Programme (ICBP) are now partly funded and are gearing up. Other more established programmes such as the

Environment Programme (EP) and Fisheries Programme (FP) have produced considerable outputs, but some of these remain either unpublished and others require publication in a form accessible by policy-makers.

The Flood Management and Mitigation Programme (FMMP) has gained ground after a delayed start. The floods in August 2008 in northern Laos and Thailand provided a major test of its forecasting capacity. In general, the forecasting was reasonably effective, but a number of shortcomings were identified and these are being acted upon. This is all part of the development process of MRC's capability and it is clear that performance will meet expectations in this area provided that more data for model calibration is made available, and the link with contacts in line agencies responsible for national warnings is strengthened.

The Navigation Programme (NAP) continues to produce survey data and coordinate the installation of navigation aids, including for 24 hour navigation, as part of its aim to improve navigation in the Mekong. NAP is working with the HP to ensure that Article 9 of the Mekong Agreement on freedom of navigation is upheld, and also to strengthen areas of cooperation with China and Myanmar.

Principles of sustainable watershed management are provided through policy advice, data and information and capacity building through the GTZ supported Watershed Management Project (WSMP) of the Agriculture, Irrigation and Forestry Programme (AIFP). Consideration is being given on how future emphasis can also be targeted towards sustainability of the watersheds of hydropower reservoirs as well as ensuring that the extensive mining operations work within a comprehensive land use management framework. The other component of AIFP focuses on the multi-functionality of rice paddy irrigation and improving water use efficiencies. Further work is needed to re-define MRC's role in the agriculture and irrigation sector.

Two programmes have not yet been funded, Tourism Programme (TP) and Drought Management Programme (DMP). Although some activities such as carrying out environmental studies of tourism have been initiated (under the EP), there is a question about whether MRC can add value to existing initiatives, such as GMS, in continuing with the TP. It is likely that the main aspects of direct relevance to the 1995 Agreement could be covered by other MRC programmes, such as BDP, NAP and EP. Similarly for the DMP, other programmes, mainly BDP, FMMP and AIFP, may be able to incorporate the main activities planned.

The accelerating pace of development in the Mekong Region has to some extent set new priorities. These emerging challenges, in particular around hydropower development, have been taken up by fast tracking activities, mainly in BDP, FP, HP and EP. A recent focus in that regard is MRC's engagement with private sector developers.

## Alignment of MRC Programmes

### *Alignment to the 1995 Agreement*

MRC's integrated programme structure reflects the IWRM principle inherent in the 1995 Mekong Agreement and the Strategic Plan. The current programme portfolio covers all areas of water use set out in the 1995 Mekong Agreement, although some elements are not funded or active.



Not all MRC Programmes have been explicitly designed and implemented with a strong alignment with the 1995 Mekong Agreement. Nevertheless, for some programmes the relationship with the Agreement is clear. For example, BDP2 is implementing Article 2 of the Agreement (formulation of basin development plan), which will support the implementation of Article 3 (environmental protection), as well as the water utilization rules/procedures (Article 4, 5, 6 and 26).

As another example, the EP is very well aligned with the 1995 Agreement. The key links are to Article 3 on protection of the ecological environment and ecological balance of the LMB. However, EP also contributes to Article 1 by developing tools to assess environmental impacts of development activities and to Article 2 by assisting the BDP in scenario assessment and assessment of impacts of projects and programmes. EP is also contributing to Articles 5 and 26 related to Rules for Water Utilisation (Rules for Water Quality) and prevention of harmful effects providing monitoring results and tools for impact assessment of water resources developments. Article 10 on Emergency Situations is addressed by EP through the Rules for Water Quality, which includes a section on management of emergencies.

The activities and components of the NAP are also directly consistent with the objectives of the Agreement. Specifically, Article 9 on Freedom of Navigation gives the MRC the mandate to promote and coordinate water-based transportation and to encourage freedom of navigation in the Lower Mekong region. NAP activities are designed to contribute to Article 1 by working to sustainably develop navigation across the basin in a manner that maximises the mutual benefit of all riparian states, whilst minimising the potential environmental impacts. NAP projects are further aligned with Article 2 of the Agreement, as the programme plays a key role in promoting, supporting, cooperating and coordinating sustainable navigation throughout the region. All NAP projects also maintain alignment with Article 3 of the agreement, by ensuring the development of navigation in a manner that minimises the impact of pollution and morphological changes on the river.

The NAP also has strong links with Article 6, on maintenance of flows in its work to maintain bathymetric surveys and prepare maps, to monitor the least available depths, and to undertake surveys to determine the minimum flows required to support navigation on the river. The programme is also working on issues related to Article 10 on emergency situations, through its environmental objective of developing contingency plans to deal with emergencies and accidents in river ports and on waterways, however a lack of available funding continues to hamper further work in this area.

### ***Alignment to the SP***

The alignment of the MRC programme portfolio with the SP is presented in the SP document. The integrated programme structure set forth in the Strategic Plan includes: Flood Management and Mitigation; Drought Management; Agriculture, Irrigation, and Forestry; Navigation; Hydropower; Fisheries; and Tourism. This cohesive set of programmes is cross-cut by four programmes in Environment, Information and Knowledge Management, Integrated Capacity Building and Water Utilization. Within this structure, the basin planning function - through the BDP - uses acquired knowledge and services of other programmes to build a basin-wide perspective of sustainable development options, and also to identify where the “pertinent knowledge gaps” exist. This will eventually set the agenda for the MRC programmes.

Through the time 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 in 2006 and 2007, and the follow up programme, M-IWRM, is under preparation 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. HP finally started in 2007 after being un-funded for a number of years. Phase 2 FP was revised in 2006. Both the DMP and the TP have not been funded and no activities have been undertaken, although a start up proposal for drought management has been developed.

The SP clarifies the hierarchy of goals, objectives, and strategic outputs. In turn, the outputs direct MRC programmes on the nature of services and products to be delivered. Programme documents link MRC programmes back to the SP by connecting programmes’ contribution to SP objectives and expected results. However, some inconsistencies exist, as several programme documents predate the current SP.

To better respond to the SP and to emerging challenges of the development context, re-alignment of programmes is an ongoing process and reflected in the Annual Work Programmes. Progress has been achieved in aligning and synchronising programme planning cycles to the SP planning cycle as well as to respond to emerging issues. Recent examples at programme level include modification of EP, taking up climate change issues, and FP, re-prioritising and fast-tracking activities supporting hydropower sustainability. A re-programming of AIFP has been proposed.

At the SP level the initiative to develop and implement a MRC results-based M&E system will further clarify and improve the alignment of MRC programmes. A stronger focus on results-based management is planned, not only to increase institutional effectiveness and efficiency but also to respond to Member States and development partner requirements. The UN Millennium Declaration and its objectives, the declarations of Rome (2003) and Paris (2005), the discussions and agreements of the OECD/DAC Working Group on Aid Effectiveness, and on-going change processes in development partner organisations testify to the growing importance of results-based management in ensuring development effectiveness. In December 2007 an independent consultant reviewed the current level of results-based planning and M&E systems at the MRC Secretariat, assessed the organisation’s level of interest in adopting a stronger results-based focus, and outlined a general process for developing one comprehensive and integrated results-based M&E system within MRC. A consultancy started in November 2008 to assist system design and implementation of 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.

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. Under this approach, a programme is defined as a set of components or projects put together under the umbrella framework of common overall objectives and goals. On the other hand, a project is defined as a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.

The aim is that each programme will have an open time horizon that is periodically reviewed in five-year strategic terms. Each programme will be comprised of a suite of strategically designed and executed components working towards a common programme goal, objectives and outputs, rather than a conglomeration of loosely aligned projects. The recent initiative to re-define the core functions of a river basin organization such as the MRC, and to focus on some important activities (by BDP, EP, FP) in accordance with the 1995 Agreement, is a critical first step to help shape the programmes toward a stronger alignment with the implementation of the Agreement.

### ***Alignment to other Regional Initiatives***

Strong technical contacts at programme levels, as well as agency level contacts, with bilateral and regional initiatives, and IDPs, seek to achieve complementarity of activities and to facilitate a diverse set of cooperation modalities over a wide range of thematic areas.

For example, in 2004 the governments of Cambodia, Lao PDR, and Viet Nam requested ADB for regional technical assistance (RETA) for the preparation of investment projects to strengthen flood management in their countries. Recently, ADB developed the ToRs for consulting services to prepare the project documents for investment support. As this project directly relates to the output 2 of FMMP-C2 “FMM project development and implementation plan (ProDIP)”, a meeting was held this year between ADB, MRCS and Member States, in which the participants discussed how the FMMP, NMCs and line agencies will be involved so as to avoid any possible duplication of activities. There are also emerging initiatives that promise stronger alignment with regional initiatives (M-IWRMP, the BDP process and Sub-area activities). The latter will bring all ongoing and planned projects into the planning process, which will provide opportunities for greater alignment with regional initiatives.

In addition, the overall purpose of the 1995 Mekong Agreement, supporting cooperation for sustainable development in the Mekong region, is implemented through the MRC governance structure.

To ensure effective take up of MRC’s work and building of capacity where it is needed, it will be essential that communication along each of the three sides of the triangular relationship between MRCS, the NMCSs and the line agencies is strengthened. Whereas links between MRCS and the NMCSs is relatively strong, in many cases the links between both MRCS and the line agencies needs to be considerably improved both at operational levels and steering group level.

The primary mechanism for interagency cooperation between the MRC and the IDPs has been joint attendance at MRC governance meetings. At the MRC Council and Joint Committee Meetings, both the World Bank and ADB are invited to attend as observers, as are representatives from China and Myanmar. There is also the MRC Donor Consultative Group Meetings, both formal and informal, that offer a broad range of stakeholders the chance to actively discuss important issues.

At the GMS Ministerial Meetings, the MRC is invited to attend as observers, MRC programmes regularly participate in several GMS working groups.

The Mekong Water Resources Partnership Programme (MWRPP) ADB and the World Bank established another mechanism for regional cooperation. The programme aims to complement on-going activities to achieve greater effectiveness of development efforts. Currently, there are three projects under the umbrella of MWARP. These are:

- Scoping the Options for Joint Water Resources Development and Management between Lao PDR and Thailand in the Mekong Basin, led by the World Bank;
- Options for Joint Water Resources Development and Management between Cambodia and Vietnam in the Mekong Delta, led by the World Bank; and,
- RETA: The Se San, Sre Pok and Sekong River Basins Development Study in Cambodia, Lao PDR, and Vietnam, led by the ADB.

These projects tend to define the role of the MRC in a rather limited sense by the nature of the services they seek. Project identification, scenario building, and promotion of sustainable development are not roles given to the MRC. Instead the MRCS is seen as an information centre with capabilities in knowledge provision, modelling and scenario assessment. The projects do give stronger roles to the NMCs, which should both directly and indirectly help to build the capacity and raise the profile of the NMCs. This is an important advantage as capacity and profiles of the NMCs have been identified as constraints to the effective operation of the MRC. However, this also runs the risk of turning the NMCs into project management units rather than the liaison and coordination mechanisms they are designed to be. Here the earlier point about clearly demarcating the responsibilities of the NMCs vis-a-vis the line agencies and their relationship with MRCS still needs to be clarified on a project by project basis.

The MRC has been considering options for a strategy for improving MRC-IDP cooperation, based on developing and recognising the value-added services that the MRC provides to the basin development process. The centrepiece for this cooperation will be BDP2 supported by the MRC programmes. While the strategy attempts to work on complementarities, it also recognises that some compromise may be involved regarding stated mandates in order to avoid duplication of efforts and to better use existing capabilities and resources.

A focus of MRC programmes is on incorporating stakeholder participation in order to meet the programme objectives. In BDP2, stakeholder participation is a cross-cutting theme which supports the establishment of participatory basin planning. MRC's other programmes undertake situation-specific public participation, engaging with different stakeholders in different ways, depending on the context of their programme. Approaches to public participation are thus selected on the basis of suitability for the needs of the particular programme. In order to strengthen and harmonise the involvement of stakeholders, a consultancy is underway to come up with general principles of MRC stakeholder involvement and a policy on stakeholder engagement in MRC governance bodies. The output of this consultancy will be integrated to the MRC Communications Strategy, currently at an advanced stage of drafting.

At Appendix B, case studies on the alignment of MRC programmes are presented for the EP and NAP.

## MRC's Orientation Towards UN Millennium Development Goals

The UN Millennium Development Goals (MDGs) set targets for development to be achieved by 2015. The eight MDGs range from reducing extreme poverty to halting the spread of HIV/AIDS. They provide measurable targets which can be achieved by the year 2015. Goals that are particularly relevant to the MRC's mission are:

- MDG 1, Eradicate extreme poverty and hunger;
- MDG 7, Ensure environmental sustainability; and to a lesser extent
- MDG 8, Partnership for development.

The SP, and its IWRM concept, indicates an orientation to the achievement of the MDGs. Whereas it is first and foremost the role of the Member Countries with support of IDP to implement projects that have direct impact on MDGs, the role of MRC as an international river basin organisation is that of a facilitator to:

- provide the enabling framework, understanding (e.g. fisheries) and analytic framework (criteria) within which some MDGs can be addressed;
- proactively identifying new project opportunities (BDP) and reactively assessing any contrary effects of projects proposed by others (e.g. PNPCA);
- to work with government agencies and development partners to leverage funding for implementation of such projects (M-IWRM-P); and
- to help build capacity in government for their implementation (ICBP).

Within this context it is for MRC how sustainable development and use of shared water and related resources of the LMB contributes to poverty reduction and achievement of MDGs in each of the Member States.

The BDP2 has defined policy indicators and supporting impact indicators, which cover the triple bottom line of economically beneficial, socially just, and environmentally sound development, as well as equitable development with respect to being mutually beneficial to the LMB countries. Some of these will provide an indication of how well some of the MDGs would be achieved at the national level by a particular water resources development scenario or project.

The current development of an MRC results-based M&E system will explicitly define MDG related indicators.

As a case study FP links to MDGs are explored in Appendix C.

## Prioritisation of the Remaining Period of the Strategic Plan

Within the context of rapid accelerating economic and human development in the Mekong Basin, the MRC needs to be strategic and responsive to real water resources developments on the ground. Priorities for the remaining period of the Strategic Plan are:

- Application of the 1995 Mekong Agreement: In a global comparison the 1995 Mekong Agreement is an advanced framework for an international river basin organisation in a development context. The cooperation between Member States has matured and water resources development in the region can now capitalise on the progress achieved. This includes the procedural framework agreed by Member States pursuant to Articles 5, 6 and 26 of the 1995 Mekong Agreement, a regional knowledge base and capacity building. Time and space has now to be given to implement these processes. A particular focus shall be laid on supporting the Member States in the prior consultation process on proposed Mekong mainstream dams.
- Concentration on central functions: While the general orientation and structure set forth in the Strategic Plan remains valid, prior attention needs to be given to achieving the objectives of MRC central functions, in particular the basin planning function. Producing a consolidated and balanced Basin Development Plan, which is mainstreamed into Member States national development plans is a priority. Consideration is needed on whether separate Tourism Programme and Drought Management Programme is needed and if not, how key components of their scope can be included in the work of other existing programmes.
- Enhanced MRC relevance and Member States engagement: One focus needs to be MRC's service functions for line agencies so that they can appreciate the benefits of cooperation with MRC. This needs to be translated into triangular working relationships between MRCS, NMCs and line agencies, and particularly through more effective links between MRCS and the line agencies both for implementation of programme activities and in the governance structures of Programmes, whilst also maintaining the important coordinating role of the NMCs.
- Medium term sustainability: In terms of institution and personnel the riparianization process is challenging and requires priority attention, including capacity building both at MRCS and NMCs. Creating a working environment where experienced riparian staff at all levels are encouraged to apply is key to building the human resource capital of the organisation. A more open approach to recruitment may be required to avoid current situations where job announcements are made for three or even four time before suitable candidates apply. Another element in this regard is the ongoing process of defining MRC core functions.

In this context, there is scope for sharpening the focus of existing MRC programmes, based on the above strategic priorities and core functions.

## Preparation of the Next Strategic Plan 2011-2015

MRC applies a strategic planning approach to implement the 1995 Mekong Agreement. The formulation and implementation of cyclical strategic plans is now fully established as part of the organisation's identity. Against the background of the experience of the last SP formulation, underlying concepts and general principles of the process shall be:

- Integrative and participatory formulation: A truly consultative process shall include all relevant stakeholders. In terms of the process, this needs to be linked to the ongoing stakeholder engagement policy process. Once the latter is in place (expected

for the 29th JC meeting in March/April 2009), the SP formulation process can be outlined in further detail during the second quarter of 2009 and initiated in the third quarter. This MTR of the existing SP is a first step in that process.

- Alignment: A strong conceptual linkage has to be created between the SP goals and the MRC programme portfolio, with stringent results-chains reaching from the programme level to the SP.
- Ownership: Creating true organisation ownership will require mobilizing MRCS in-house expertise to assist the Member States in SP formulation. Whereas the need for specialised expertise and additional resources, as well as the benefit of external third party opinion is acknowledged, external inputs need to be carefully balanced.
- Engagement: The International Conference on the MRC, held in Hanoi in 2007 suggested convening high-level MRC summits to foster Member States' engagement, and setting up a strategic cooperation, in particular a coordination and cooperation triangle with GMS and ASEAN. This strategic engagement could be explored in parallel and in support of the strategic planning process at MRC.
- National-level mainstreaming: Strategic national-level coordination and the integration of line agencies can be supported through parallel strategic planning process at country levels. These country level planning processes would provide a better synchronisation of national development plans and the MRC SP. The parallel country level processes would produce national implementation plans, and during the implementation of the next SP foster a better mainstreaming of MRC results into national development planning.
- Implementation strategy: The implementation of the SP shall be underpinned by an organisational implementation strategy, which will also address change management challenges such as riparianisation, results-based management and concentration on core functions, MRC financing, as well as clarifying roles, responsibilities and collaboration mechanisms of MRCS, NMCs and line agencies.

## Appendix A: Summary Assessment of MRC Programmes' Achievements and Currently Experienced Impediments

### 10. Basin Development Planning (BDP)

The 1995 Agreement charges the Joint Committee of the Mekong River Commission (MRC) with the formulation of a "Basin Development Plan" (BDP) to promote, support, co-operate and co-ordinate in the development of the full potential of sustainable benefits to all riparian States and the prevention of wasteful use of the Mekong River Basin waters. Phase 1 of the BDP Programme (BDP1) commenced in 2001 and was completed in 2006.

BDP2 started in the beginning of 2007 with the mobilization of the new BDP2 team and with the preparation of the BDP2 Inception Report, which has been prepared in extensive consultation with NMCs and Line Agencies.

With concerned stakeholders providing comprehensive information on existing and planned activities with impact on the water resources, BDP2 becomes an essential framework for coordinated water resources development and investment in the basin. To support countries in formulating the BDP, the programme also assists generation and management of knowledge needed for integrated water resources management and develop associated institutional competences through capacity building.

BDP2 has made good progress in the strengthening and establishment of useful working relationships with NMCs, MRC Programmes, relevant line agencies and planning partners (IWMI, WWF, WorldFish and many others). In addition, working with sector specialists from the line agencies responsible for hydropower and irrigation development, comprehensive sector databases are updated.

BDP2's ongoing basin-wide scenario assessment has provided evidence of the level of transboundary flow changes that can be expected in the foreseeable future, which, among other things, demonstrated the usefulness of the adopted participatory, scenario-based approach for joint basin planning. Through these and other activities, the MRC is growing into an integrative platform for multi-stakeholder consultation, and a facilitator of dialogue on the development and management of the water and related resources in the Mekong Basin.

The BDP process and the resulting basin development plan will strengthen the purpose and relevance of the Procedures of Water Utilization and associated Technical Guidelines. It will be important to make an early start with the implementation of the new M-IWRMP, which has a regional component aimed at the implementation of the water utilization procedures.

Delays in the start-up of BDP2 are well acknowledged. However, a Development Partner review of the programme implementation, conducted in May 2008, now finds the programme well on track. Recently, the updating of sub-area reports and the start up of hydropower and irrigation sector reviews experienced a slow start and different speeds at country levels. The BDP2 team has worked closely with national BDP units to monitor the sector reviews including identifying country's specific solutions to accelerate the activities. Great efforts have been made to help national BDP units and national expert teams in improving the preparation reports to start updating the sub-area reports.



## 11. Environment Programme (EP)

The Environment Programme aims to assist the countries to fulfil the articles in the 1995 Agreement that relate to the protection of the environment (Article 3) and prevention and cessation of harmful effects (Article 7). In contrast to previous and more technically oriented environmental projects, the central focus of the programme is people in a poverty reduction perspective. The programme also supports the other MRC programmes through cross cutting initiatives such as the provision of environmental data and development of tools for environmental planning and management. Assessment and monitoring of water quality and ecosystem health form an important basis for data provision. EP also aims to improve environmental policy and management through advice to and promotion of cooperation among environmental agencies, directly supporting the BDP process. Achievements include:

- Monitoring of environmental (water quality and ecological health) and social aspects (people's dependency on natural resources) has been improved. A quality assurance system has been established for WQ monitoring, an ecological health monitoring system is established but not yet in routine operation, and a social monitoring system is under development.
- Reporting on environmental conditions is well on track. Reports on water quality assessment and ecological health including report cards are being produced this year. And the next State of the Basin Report will be published in 2009.
- Raising awareness on transboundary and basin-wide environmental issues has focused on transboundary EIA and conflict management and prevention. These have initiated extensive dialogue and discussion within MRC, with NMCs and line agencies. The River Awareness Kit was finalised and published in 2004.
- Minimising negative environmental impacts of development is pursued through development of guidelines for transboundary EIA. The planned development of guidelines for environmental considerations of hydropower development (ECSHD, in cooperation with SADB and WWF) will help safeguarding environmental and social interests in hydropower development. EP supports member Countries and BDP2 in screening projects and programmes upon request.
- Ensuring sustainability concerns are incorporated in basin-wide water resources development strategies. SEA and cumulative impact assessment are tools that the BDP needs for the scenario assessment work. However this work has not really started yet. The work on IBFM has produced valuable information, the ongoing reformulation of this initiative will ensure that the approach is operational and can be taken up by the Member Countries. Further work will be done in cooperation with BDP. The plan is now to use tailor made training and pilot studies at sub-area scale. Wetland and vulnerability mapping contribute to MRC's spatial tools.
- Procedures and guidelines. Work includes finalizing the Procedures for Water Quality and the respective Technical Guidelines. It will cover three aspects: Protection of human life, protection of aquatic life and management of emergencies.

Some activities such as the transboundary EIA framework and IBFM are difficult to agree upon and to be taken up by the Member Countries, partly due to of the need for capacity

building. Further efforts are considered to emphasize national capacity building and further integration of EP activities into country activities e.g. through pilot studies and case studies.

An emerging issue that was not considered at the time of the formulation of the SP is the aspects of climate change, its impacts and possibilities for adaptation to climate change. This new focus requires additional resources at EP and calls for pro-active engagement and coordination with contextual national and regional initiatives.

## 12. Information and Knowledge Management (IKMP)

Information and knowledge have undoubtedly become a key factor shaping the development. As the Mekong Basin will undergo great social, economic and environmental changes over the next years, the need for information will arise at all levels. While improving information content is critical, improved content can only lead to better decision making if it is disseminated and delivered in the right form to the right people. This requires designing appropriate information flows and developing systems, standards, procedures and practices that enhance the availability of information. Knowledge transfer to NMCs and Line Agencies and knowledge retention are important issues to address in highly specialised staff environments, combined with the use of virtual training and transfer methods. IKMP achievements include:

- IKMP operates and maintains a hydro-meteorological monitoring system, the extensive hydro-meteorological data holdings are currently audited.
- Scenario building and modelling services are provided to BDP2, a new focus collaborating with EP will be on climate change modelling. In parallel a consultative process has been started, addressing MRC's longer term modelling requirements and related capacity building.
- A key focus of IKMP is to enhance and maintain a common GIS database, and provide spatial analysis and mapping services to support all MRC activities. This has been greatly improved.
- IKMP has put considerable effort into collaboration with China, in particular on exchange of hydro-meteorological data, and with Myanmar. IKMP also enhances linkages and partnerships with regional organisations and initiatives such as GMS, the World Bank's MWRAP, ACMECS, ASEAN, and sub-basin organisations. Partnerships with universities and civil society stakeholders are maintained for programme-focused collaboration of common interest.

Two major shortcomings in the implementation of IKMP are acknowledged. These are the slow start up and weak implementation capacity of the programme during its first year, mainly resulting from slow recruitment of key staff, as well as delays in launching larger tenders for support to modelling services. The latter mostly because the size and complexity of the services requested required an iterative and consultative process.

Recruiting qualified riparian staff remains challenging for IKMP. Consultants have been hired to assist in modelling, data audit and interface programming. This is recognised as a short-term solution and efforts are being made to build the resources and capacity of IKMP

team. Special emphasis has recently been put on ensuring the longer term sustainability of hydro-meteorological monitoring network and database, and the modelling services.

### 13. Integrated Capacity Building Programme (ICBP)

To assure effective and sustainable development according to the shared concepts of Integrated Water Resources Management it is vital to develop a critical mass of human resources in the Mekong region. ICBP will develop this critical mass by means of a comprehensive and long-term training programme. The strategic focus of ICBP will be placed on 'integration'. Priority will be on cross-cutting (integrative) knowledge areas and related skills. In-depth, knowledge in thematic areas will not be the focus of ICBP but will be addressed through capacity building activities of respective programmes. The relevant target group for capacity building and training is broad, ICBP will mainly focus on staff of MRCS, NMCs and MRC-related line agencies, civil society, and staff from bilateral projects may also be considered to participate in ICBP activities.

The programme remained underfunded during recent years, which seriously impeded activities. However, in the following areas, some progress has been achieved:

- Seed funding from AusAID now allows a comprehensive and inclusive programme formulation process, and the implementation of a short-term priority capacity building plan;
- Gender mainstreaming activities are implemented in collaboration with its gender networks in the Member States; and
- Increased training opportunities for riparian staff of MRC, NMCs and Line Agencies support the riparianisation process.

MRCS recognises the strategic importance of ICBP, in particular to the BDP planning process, and to the riparianisation and longer term sustainability of the organisation. Efforts are being made to fast-track priority capacity building activities, and to formulate and secure funding for a comprehensive programme.

### 14. Water Utilisation Programme (WUP) and Mekong Integrated Water Resources Management Project (M-IWRMP)

The Water Utilisation Programme, implemented from 2000 to early 2008 assisted MRC Member Countries to implement key elements of the 1995 Mekong Agreement (Articles 5, 6 and 26) and contributed to addressing the issues of equitable and reasonable use of water resources.

An Independent WUP Evaluation, carried out in May 2007, concluded that the Project "...has been successful in meeting the legal requirements, commitments and expectations set out in key documents with one exception." – the final adoption of the PWQ. The Evaluators also concluded "...that without a follow-up project, the achievements, outputs and long-term value of the WUP...will not be sustainable and have limited impact." WUP achievements included:

- **Basin Modelling and Knowledge Base:** WUP developed a comprehensive numerical suite of basin models and knowledge base, collectively known as the Decision Support Framework (DSF), representing a major achievement in basin-wide cooperation. The DSF modelling tools are capable of describing the changes in river flow and assessing some related impacts that can occur as a result of infrastructure development – mainly irrigation and hydropower – and climatic variations within the basin.
- **Procedures for Water Utilization and related Technical Guidelines:** WUP has also successfully facilitated the drafting of procedures and related guidelines that elaborate various provisions of the Mekong Agreement including: (1) Procedures for Data and Information Exchange and Sharing, PDIES, approved 2001; (2) Procedures for Water Use Monitoring, PWUM, approved 2003; (3) Procedures for Notification, Prior Consultation and Agreement, PNPCA, approved 2003; (4) Procedures for Maintenance of Flows on the Mainstream, PMFM, approved 2006; and (5) Procedures for Water Quality (PWQ) – endorsed by the JC and approved in principle by the Council, 2006.
- **Integrated Basin Flow Management (IBFM) and the Technical Guidelines for Implementation of the PMFM:** WUP, working hand-in-hand with the EP was instrumental in introducing an environmental flows approach, termed Integrated Basin Flow Management (IBFM) at the MRC, to assessment of Mekong river flow regimes. IBFM can provide information and knowledge to decision-makers on the predicted costs and benefits of water resources development in the Mekong basin in relation to changes of river flow regimes, including advice in defining acceptable flows to be maintained under the provisions of Article 6 of the Mekong Agreement.
- **Integrated Water Quality Management (IWQM) and the Technical Guidelines for Implementation of the PWQ:** Also working with the EP, WUP facilitated development of an agreed strategy and framework for water quality management within the Mekong Basin. In a manner similar to the PMFM, the PWQ were drafted with a link to related Technical Guidelines for Implementation of the PWQ. The approach to defining these technical guidelines is based on determination of priority beneficial uses and water quality objectives by the member States, from which water quality criteria in the form of agreed indicators and target values on the mainstream are being determined. At the time of WUP completion, the revision of these Technical Guidelines continues, the respective work is now carried out under EP.
- **Institutional arrangements to support implementation of the procedures and technical guidelines:** WUP has been the catalyst in the formation of several multi-national working groups which are expected to remain as standing committees of the Joint Committee to support the implementation of the various procedures and modelling tools developed under the WUP.

Building on the results but also in recognition of the “unfinished business” of WUP, and in close cooperation with Member Countries, a follow-up project, entitled Mekong Integrated Water Resources Management Project (M-IWRM-P) is currently developed. The project concept foresees complementary actions to be taken at the regional, trans-boundary, and national levels to:

- Strengthen a regional enabling framework with tools, procedures, processes and capacity for the implementation of IWRM in the LMB countries.
- Harmonize national, legal, institutional, and technical frameworks, and build national capacity to implement IWRM and associated priority projects.
- Demonstrate mechanisms for the joint implementation and funding of trans-boundary projects identified through the BDP process.

With BDP2 taking the lead during the M-IWRM-P pre-formulation and intensive discussion and coordination amongst WB, MRCS and Australia, the project concept has been finalized through three regional meetings with Member Countries. This has been critical for funds mobilization to support the project preparation.

### 15. Flood Management and Mitigation Programme (FMMP)

The large floods of the Mekong are regional in character, MRC is therefore uniquely positioned to contribute effectively to improved flood forecasting and flood management at the regional level. The following has been achieved:

- A Regional Flood Management and Mitigation Centre was established in Phnom Penh (opened May 2008).
- Daily flood forecasts and warnings issued during the June-November flood season. Data from 23 forecast points on the Mekong River system and bulletins are disseminated to NMCs, selected organizations and the public. The August 2008 event was the first regional flood episode for which the RFMMC provided forecasting services, on the whole results were encouraging. Lessons learned were analysed in a detailed Flood Situation Report, and taken up in an action plan, adopted by the FMMP Steering Committee. Implementation of the action plan is fast tracked, allowing for most of the actions to be completed before the onset of the 2009 flood season.
- Annual Flood Forums, now already held for the sixth time serve as regional platform for flood related research in the region, and coordination of responses concerning flooding. The thematic focus of the Flood Forums is mirrored in the Annual Flood Reports.
- Capacity building initiatives strengthened MRC Member States in preparing and implementing flood preparedness programmes.

### 16. Agriculture, Irrigation and Forestry Programme (AIFP)

During the wet season, water availability is far in excess of demand, but dry season water shortages are common. There is still potential for expansion of irrigation in the basin, but more investment is needed in the improvement of existing irrigation systems and management capacities aiming at increased irrigation efficiency and water productivity. Intrusion of seawater into the Delta is becoming an issue of greater concern, reducing the potential for irrigated rice production.

Deforestation is a significant environmental concern of all Mekong country governments. There is an urgent need to preserve the integrity of watersheds through monitoring land use changes, identification of problems, and management training. Concerns focus on the loss of biodiversity and livelihoods as forests are cleared, as well as the potential impact of land use changes on rivers. Current land use changes in relation to mining and plantation development are expected to have a significant influence on the sustainability of water and related natural resources and could reduce the life of proposed hydropower reservoirs due to increased sedimentation.

AIFP provides MRC with a micro-level community-based mechanism for the basin development process. The strategy also facilitates macro-level policy development and capacity building such as in the forestry sector, building on the detailed forest cover and watershed classification work already undertaken under MRC by making it a basis for catchment planning and resource use monitoring. The current thematic focus includes:

- **Watershed management:** A watershed management project, implemented through German technical assistance, provides policy analysis and advice; improved information, data and knowledge management at the national and regional level, set up MekongInfo, an internet info portal which is now under IKMP, and provided capacity building packages and establishing the learning and information centres in pilot watersheds in four countries.
- **Agriculture and irrigation:** Three projects have been implemented, the project on “demonstration of multi-functionality of paddy fields” has updated the spatial database of irrigation schemes in the LMB (some 12,000 irrigation schemes), and analysed the multi-functions of paddy fields through studies at pilot irrigation schemes in member countries. Such information provides a knowledge base for member countries and other stakeholders to consider their policy interventions, e.g. rehabilitating irrigation facilities, improving water management practices, and to conduct hydrological analysis in the basin. The project “improvement of irrigation efficiency on paddy fields” has implemented empirical analysis work on irrigation efficiencies and water productivity at 4 pilot sites in member countries, and produced guideline on irrigation water management at project level, a practical guidance to improve irrigation efficiency. The analytical work and guideline will contribute to efficient and effective implementation of irrigation development projects in member countries. The “Challenge Program on Water and Food” is a global research-for-development programme, which operates through a global network of partnerships. It seeks to develop innovative ways of producing more food with less water across nine ‘benchmark river basins’ in the developing world, including the Mekong region. MRC coordinates institution and monitors the activities of some ten CPWF projects in the Mekong River Basin.

Whereas interesting work is conducted under all AIFP projects, the Secretariat recognises that there that, there is little conceptual coherence between AIFP projects. This has already reflected in a widening of the scope of the next phases of the German and Japan funded projects starting in late 2008, and more conceptually, a comprehensive re-programming process of AIFP has been initiated. This process shall in particular explore linkages to other MRC programmes and improve the relevance of AIFP, in particular with respect to hydropower development and climate change adaptation.

## 17. Navigation Programme (NAP)

Article 9 of the 1995 Mekong Agreement on the freedom of navigation provides MRC a direct mandate to promote and coordinate cross-border navigation on the Mekong River. NAP's aims are to improve inland water transportation and maritime navigation on the Mekong River, to increase international trade and enhance communication with remote villages, both for transport of goods and people. NAP activities follow four broad objectives:

- Enabling framework conditions: Establish an appropriate legal foundation and navigation regime for International Mekong Navigation, and ensure its implementation and sustainability.
- Trade, Transport and Safety: Reduction of nonphysical and physical barriers - Integrating navigation in the regional transport network; reduction of navigation-related accidents.
- Environment: To promote the concept of "Clean" river transportation, focusing on strategic prevention of environmental damage from waterway infrastructures/works or from shipping or port accidents rather than remedying or combating the impacts.
- Socio-economic equity: Distributing benefits from navigation to the riparian people, improving water transportation during floods, increasing river-based employment.
- The lack of full programme funding required a careful prioritisation ensuring that available funding supported activities most likely to generate tangible immediate benefits.

Progress made by the NAP includes the installation of a 24 hour navigation system of internationally recognised channel markers along the busiest stretch of the Mekong River in Cambodia. This system has resulted in tangible safety improvements and an increase in trade in the region. Further work is being undertaken along additional stretches of the river to improve safety and provide navigation markers and electronic navigation charts. NAP has made good progress in facilitating regional cooperation with upstream partners, e.g. the programme recently conducted the first joint MRC-China seminar on Navigation Improvement and Waterway Safety in Jinghong, PR China. NAP has also been working to build its relationships with other regional organisations, such as Joint Committee on Coordination of Commercial Navigation on the Lancang-Mekong River (JCCCN). The programme has also played a key role in facilitating discussions between Cambodian and Vietnamese delegations to establish an agreement on freedom of navigation between the two countries.

Lack of funding continues to impede NAP, an important study on analysis of risk for oil spills and other related navigation hazards in major ports and on waterways could not be started, it would provide the scope for prevention and contingency planning.

## 18. Hydropower Programme (HP)

The pace of hydropower development in the LMB has been rapidly increasing throughout the Basin. Currently, over 3,000 MW installed capacity is under construction on tributaries in Lao PDR and Vietnam, doubling the total existing installed capacity in the Basin which had

taken over 40 years to develop. Plans are in hand for many more projects, including several schemes on the Mekong mainstream.

Hydropower development at this scale will have major basin-wide environmental, social and economic impacts. There is an urgent need to ensure regional cooperation among Member States and hydropower developers for the sustainable development of hydropower resources in the LMB. HP is currently formulated, covering four thematic areas:

- Communication and cooperation: Facilitating cooperation and raising awareness of the risks and opportunities of hydropower development of the Basin.
- Knowledge base and support: Expanding MRC's hydropower database, improving environmental baseline information for hydropower planning and safeguards, and promoting the sharing of hydrometeorological and operational data by hydropower developers and operators.
- Regional planning support: Providing technical expertise and introducing the use of Strategic Environmental Assessment (SEA) to evaluate the economic, social and environmental trade-offs between alternative hydropower development strategies on the mainstream Mekong and at sub-basin level.
- Hydropower sustainability improvement: Assessing the barrier effects of mainstream dams to fish migration and identifying options for impact mitigation, supporting the adaptation of the Sustainability Guidelines of the International Hydropower Association to conditions prevailing in the Mekong Basin, identifying financing mechanisms for improvements to the sustainability performance of hydropower projects, benefit-sharing mechanisms as well as incentives to deploy best practices in a market and regulatory framework, capacity building in line agencies and project developers on safeguards and monitoring procedures.

The scope of the HP is ambitious, but the stakes are high and the pressures and urgency are great. From a hydropower development perspective, the MRC is aiming at connecting the MRC Agreement with the SP and thereby connecting policy with reality.

Experienced personnel is required for the Hydropower Programme, capable of engaging effectively at the highest level on both policy and technical matters with relevant ministries, line agencies, financiers and developers and their consultants. Recruiting this personnel will be challenging.

## 19. Fisheries Programme (FP)

The Lower Mekong fishery is the world's largest freshwater fishery, with an estimated yield of 2-3 million tonnes per year, with a total value of around US\$ 2,000 million. Up to 40 million people (two-thirds of the population of the LMB) are actively involved at least part-time in the fisheries and in many places in the basin; the fishery is one of the few sources of employment for an increasingly young, often landless rural population. Fisheries products also supply essential micro-nutrients and the bulk of the animal protein for the population in the basin. Consequently, they are essential for food security, especially for the poorest people in the LMB. FP produces information relevant for fisheries development, utilisation, management and conservation in the Mekong basin. Relevant information is that which is



necessary for development and management of the fisheries within the context of the integrated development and management of all the resources of the river. With respect to fisheries, the primary focus is on developing an understanding of biology, ecology, economics and social aspects of fisheries, and the threats to the resource from other river-based developments. Activities are mainly centred on trans-boundary issues affecting fisheries. Information produced within the programme is incorporated into national and regional management and development plans, with a view to continuously increasing fisheries productivity and maintaining a healthy ecosystem.

The focus on proposals for dams on the mainstream has required FP to re-prioritise and re-allocate resources within its portfolio. FP fast-tracked several activities designed to produce information specifically related to the possible impacts of dams on fisheries in the Mekong. These are as follows:

- Identification of important spawning sites on the mainstream: Sampling of fish larvae and juveniles will be conducted along the length of the Mekong mainstream over a 12-month period to identify the distribution of spawning habitat. Planning is currently underway for the quantitative survey work to be carried out in 2009, with preliminary results available at the end of 2009.
- Modelling barrier effect of proposed mainstream dams: FP and the WorldFish Centre are collaborating to model the barrier effect of proposed mainstream dams. The modellers will look at how the barriers will impact on populations of highly migratory species of different sizes and with different life history strategies. A report on the work will be available by May 2009.
- Expert meeting on dams as barriers to fish migration on the Mekong mainstream, and possibilities for mitigation: FP and HP organised a meeting of experts from around the world on fisheries ecology and hydropower development. The aim was to bring their experiences and knowledge to assess the possible impacts of mainstream dams on the fisheries of the Mekong, and to see what mitigation activities could be relevant to this region. The full paper detailing the outcomes of the meeting will be published in the form of answers to frequently asked questions about dams, hydropower and fisheries.
- Development of guidelines for fisheries impact assessment, forecasting and mitigation: The guidelines will draw upon the lessons and experiences from dam projects, environmental impact assessments and related studies undertaken both within and beyond the Lower Mekong Basin to generate best practice guidelines for dam impact forecasting assessment and mitigation. The report will be completed by mid 2009.
- Mitigating the impacts of dams on fisheries: FP will prepare a report on measures which can assist in mitigating the impacts of dams on fisheries, before, during and after construction of a dam. The report will be written as a general source document for a wide audience. It will be published in the MRC Development Series in early 2009.
- Review of fisheries in reservoirs in the LMB: The Fisheries Programme will publish a technical report on the development of fish communities and reservoir fisheries in the Lower Mekong Basin. This will look at what sort of fisheries we can expect in new

reservoirs and will attempt to compare yields in reservoirs with those lost from the river fisheries. The report should be available by mid-2009.

FP coordinates and interacts closely with other programmes of MRCS to identify areas of synergy. Examples during the early years of FP2 were involvement on staff in the bio-monitoring work of EP; the conflict identification and prevention activities of EP; and the development of WUP-follow up programme in cooperation with WUP and more recently BDP; and joint work with IKMP and EP on identifying and mapping deep pools in the Mekong River. More recently, the FP has engaged with HP, as commented above. FP also collaborates in field activities and in meetings/workshops with a range of fisheries agencies active in the Mekong basin. The major ones are of course the fisheries line agencies of the MRC Member States, through which the FP's field programme is implemented. Others include the South-east Asian Fisheries Development Centre (SEAFDEC); the Network of Aquaculture Centres in Asia-Pacific (NACA); the Food and Agriculture Organisation (FAO) offices of the UN in both Bangkok and Rome; The WorldFish Centre based in Phnom Penh; and several universities active in fisheries.

## 20. Drought Management Programme (DMP)

Recent drought conditions (1999, 2003 to 2005) experienced in the Lower Mekong Basin have drawn considerable public response. Impacts throughout the region have confirmed that drought, amongst all recurring natural hazards, has the potential for the greatest socio-economic impact. Consultation with the MRC Member Countries confirmed the need and urgency for a regional approach to drought forecasting, management and mitigation.

In 2007 the DMP Programme Document was approved for the fund raising purposes, and fund raising activities have been initiated. In 2008 a revised and down-scaled DMP Start-up Project was prepared, fundraising activities continue. However, to date the programme remains unfunded, consequently no further work is conducted.

## 21. Tourism Programme (TP)

The current SP mentions a Tourism Programme, which would promote tourism within the Mekong Basin in a sustainable manner that also ensures necessary protection of the environment against any adverse effects of tourism.

There have been no activities under this programme as it remained unfunded. Studies on environmental impacts of tourism were conducted under EP, a regional synthesis report is under preparation.

## Appendix B: Alignment of MRC Programmes, Case Studies Environment Programme and Navigation Programme

### 22. Case Study 1: Alignment of the MRC Environment Programme, a cross cutting programme

#### *Programme linkages*

The EP is very well aligned with the SP responding to Goal 3 and to specific points of Goal 1, 2 and 4 as mentioned in the previous chapter. In relation to the overall role of MRC and the MRC triangular framework for promotion of sustainable development in the Mekong River Basin, EP is the key programme addressing one of the three elements, namely environmental monitoring and protection. It also contributes to the regional cooperation framework particularly the institutional framework by providing technical guidance, procedures, guidelines, information on the state of the environment and the interfaces between hydrology, environment and people.

Monitoring activities and mapping activities are well adopted by the countries and will potentially benefit the environmental management at country level if the methodologies are transferred and used in a wider context at country level. The QA/QC work on water quality monitoring has benefited the countries at a more general level and some of the results on wetland mapping have also been used at country level serving national needs. The ecological Health Monitoring can also be used in a wider context at country level in the future. Flows assessment, which was originally developed with a view to be applied at basin scale is moving in a direction of sub-basin scale in cooperation with the BDP and has a great potential to benefit the countries once the methodology is adapted to be more operational and focused.

The idea of the EP is to have a coherent program, which provides a long-term framework and direction for the work and allows for flexible arrangements for donor support with varying time horizons. Some adjustments and supplementation to the program may be needed in the course of implementation working with a 5-year time frame. Such adjustments are requested and approved by the countries through the MRC management structure.

The overall prioritisation of the implementation follows the prioritisation outlined in the Program Document. Annual work plans are prepared and discussed with the NMCs and country line agencies. The following basic criteria apply to the annual prioritisation process:

- Continuation of committed on-going multi-annual activities
- Activities requested by the Member Countries through the MRC management structure: Joint Committee and Council
- Activities identified in cooperation with other MRC programs e.g. exploiting synergies with other programs or supporting key activities of other programs
- Activities identified in cooperation with MRC partners e.g. emerging issues like the MRC climate change initiative.

The operation of the EP is reviewed annually by the Environment Program Management Group (EPMG). The EPMG consists of representatives from National Mekong Committees, government line agencies, other MRC programs and all EP staff. At the annual meeting in the last quarter of the year, a proposal for the following years work plan is discussed and amended within the overall budget frame and following the above criteria for prioritization. The EPMG has been very useful and successful with regards to ensuring ownership of the

work and the results as well as with regards to implementation of the specific activities. On the other hand this mechanism has also revealed that there are at least two levels of work planning and progress evaluation in which it is vital to have the countries actively engaged. The first concerns the technical, methodological and logistic issues for the activities, their planning and evaluation of progress and completion. The second is the overall planning and monitoring ensuring that the plans laid down in the program document are translated into managerial activities with outcomes contributing to the objectives as well as discussions and approval of the necessary adjustments to the overall direction of the program operating in a world of change. These two levels are presently mixed in the EPMG. This can from time to time create misunderstandings and lower the efficiency in program implementation. The EP will within the next year investigate whether a separation of these two tasks between the EPMG and a Program Steering Committee could potentially improve the implementation efficiency to the benefit of the countries.

### *Collaboration*

The EP as a cross-cutting programme and therefore has collaboration with several other programmes:

- BDP concerning IBFM, trade-off discussions, State-of –the-Basin report, SEA and environmental and social aspects of the BDP scenario assessment.
- IKMP concerning sediment monitoring and development of tools for DSF including tools related to the IBFM and climate change assessments.
- Hydropower concerning environmental considerations of sustainable hydropower development
- Navigation on pollution from river transportation
- Fisheries programme concerning impacts on fish species and fishery.

The MRC initiative on Climate Change and Adaptation is being led by EP, which is drawing in all other programmes (as well as Member countries and other regional organisations and partners) ensuring that it is becoming an overall MRC initiative.

### *Sustainability, ownership and riparianisation*

The Member Countries are strongly involved in monitoring activities with a strategy to transfer this to each country and leave the regional assessments and reporting at MRCS. This process is quite advanced with regards to water quality, and now underway for the ecological health monitoring. Pilot studies and case studies, together with capacity building, are tools that are being employed increasingly in the implementation of the SP to increase ownership and uptake of methodologies and tools.

In the term of the SP, programme management has been changed through the recruitment of a riparian Programme Coordinator and an international CTA.

#### *Stakeholder participation*

The EP is extensively working with the Member Countries through the NMCs. Activities on ‘critical Area Identification and Dispute Prevention’ to increase capacity with respect to management of conflicts have engaged stakeholders at country level and at community level to discuss transboundary issues e.g. in relation to wetland management in the wetland area of Strung Treng shared between Cambodia and Lao.

#### *Transparency and openness*

EP has tried to increase communication on the state of the environment in an easy to read format through its production of River Cards for water quality and ecological health (leaflet type of format). Similarly, EP plans to produce River Cards for social monitoring. Other aspects will be disseminated in easy to read formats in the future e.g. the IBFM achievements. EP is continuing to publish the achieved results in technical publications.

A technical meeting was held in 2007 with more than 70 participants from NMCs, concerned line agencies of member countries, donors, development partners, academics, NGOs and research institutions discussing aspects on protection of the environment, maintaining the ecological balance of the basin and ensuring environmental and social sustainability of economic development undertaken within the region. Proceedings of the meeting are published at the MRC website.

#### *Monitoring and evaluation*

The EP programme reports its progress on OVI's included in the Programme document. An annual progress report is produced and a semi-annual report is provided for the Donor consultative Group Meeting usually in November.

#### *Country expectations*

With reference to tangible results, the EP monitoring activities provide improved monitoring capacity in Member Countries. In relation to water quality monitoring QA/QC procedures are implemented. With regards to Ecological Health Monitoring, a new approach has been developed in cooperation with the Member Countries and it has been taken up very well even though more efforts are needed to make the transfer as successful as for WQ monitoring. The Ecological Health Monitoring approach has potential to be used in other river basins in the Member Countries improving the countries capacity on assessment of ecosystem health. Wetland mapping has also introduced new methodologies in the Member Countries that can be used at national level.

With reference to ownership and value-added, EP is engaging the Member Countries in all activities. The assessment from an EP point of view is that this has been successfully achieved with regards to monitoring activities whereas it has proven more difficult in relation to development and application of tools e.g. for transboundary EIA and integrated basin flow management. One aspect of this relates to finding an operational way of applying state-of-the-art methodologies and another to translate some of these methodologies and procedures into practical actions. Pilot studies and case studies will be some of the key measures used in the coming activities to try to overcome some of these obstacles. A spirit of working together will be applied as opposed to presenting methodologies and results seeking acceptance on its use from the Member Countries.

The EP is addressing the balance between economic, social and environmental values in cooperation with the BDP through the integrated basin flow management work and supports the BDP in scenario assessments and hereby contributes to the integrated water resources management approach.

### 23. Case Study 2: Navigation Programme, a sector programme

Although the NAP elements of the SP fall essentially under Goal 1, the components of the programme comprehensively address the issues associated with navigation development in the Mekong basin. The work programme of the NAP has been divided into five logical components. The alignment of these components with the SP is outlined in the below table.

<b>Strategic Plan Actions / Outputs</b>	<b>Navigation Programme Component</b>
Regional master plan for navigation	Component 1: Socio-economic Analysis and Regional Transport Planning
Legal framework for cross-border navigation	Component 2: Legal Framework for Cross-Border Navigation
Aids to Navigation Systems	Component 3: Traffic Safety and Environmental Sustainability
Traffic Safety Management Systems	Component 3: Traffic Safety and Environmental Sustainability
Improved Risk and Emergency Management capacity as related to navigation	Component 3: Traffic Safety and Environmental Sustainability
Navigation emergency management plan	Component 3: Traffic Safety and Environmental Sustainability
Navigation pollution control system and environmental management tools and best practices for navigation and river works	Component 3: Traffic Safety and Environmental Sustainability
Mekong River Navigation Information Systems	Component 4: Information, Promotion and Coordination
Support to Line Agencies in identification and preparation of BDP priority navigation development projects	Component 5: Institutional Development

As can be seen in the above table, the components of the NAP are well aligned with the Objective 1.4.3 actions outlined in the SP. It is important to note that in addition to addressing its core outputs and objectives, the NAP has maintained alignment of its activities with other goals and objectives set out in the SP.

In selecting activities for the Project Implementation Plan (PIP) a number of criteria were used. These were developed to be consistent with the goals of the SP whilst also taking into consideration the desires of funding partners and the expectations of member countries. The following criteria were used for activity selection:

- Basin-wide significance yet incorporating national priorities
- Relevance for development
- Political, cultural and technical sustainability
- Sustainability of project outputs
- Attention to the equality of men and women
- Protection and safeguarding of the environment
- Participatory approach, coordination and partnerships
- Integrated and concerted action to avoid duplication
- Upstream partners and global links

As a result of the prioritisation process, specific activities within the five components of the NAP were selected which are all very well aligned with the goals and objectives of the SP.

Despite this, there is a significant lack of funding for Component 3 projects, which is likely to prevent the full achievement of the strategic outputs allocated to the NAP. The following section lists the activities that have been undertaken under each component of the NAP and highlights their alignment with the SP.

The primary activities undertaken in Component 1 of NAP have been a series of condition surveys for navigation improvement covering almost the full river, and the production of a topo-hydrographic atlas. The condition surveys have provided an important input into the development of the aids to navigation system and provided information to facilitate further development of inland waterway transportation across the region. As a result of the information that has been collected and the creation of the topographic atlas, the safety of river transport has been increased throughout the Lower Mekong basin. These condition surveys are the base for the installation of channel markers as described in Component 3. The Programme Implementation Plan was formulated to ensure that the timeframe for the implementation of the NAP under cooperation with Belgium is now fully aligned with the SP. These activities have all fostered regional coherence through the equitable provision of information, are well aligned with Goal 1, and have contributed to the achievement of Objective 1.4.3 of the SP.

Under Component 2, significant progress has been made in developing legal frameworks for cross-border navigation. As a result of this progress, regional capacity in this area has been boosted. Cambodia and Viet Nam are soon expected to ratify a legal framework for cross-border navigation and participation in this process by representatives of the Lao PDR and Thailand is helping to facilitate the next step of formulating a similar agreement between those countries. The work undertaken in this area demonstrates the alignment of Component 2 with the primary strategic goal and objective for the NAP. This work is also in keeping with Objective 2.3 of the SP. The outcome of Component 2 has been a marked improvement in regional coherence of navigation regulations. Riparian ownership of this legislation has also been improved by the participatory approach taken by the NAP in developing these frameworks.

The main work conducted under Component 3 was the procurement, training of staff and installation of a system of aids to navigation between Phnom Penh Port and the Cambodia-Vietnam Border. This system provides for the first time a day and night system of internationally recognised markers on the busiest stretch of the Mekong River in Cambodia. The project will be used as the foundation for building a regionally coherent system of navigation markers. It has substantially increased the volume of shipping that can pass through this area, which is resulting in a positive economic benefit to the region. It has also strengthened riparian ownership by incorporating the training of staff and the involvement of local government agencies. During 2009, the next 30% of the river will be provided with navigational aids. As a result Component 3 of the NAP is well-aligned with Goal 1 of the SP and has played a significant role in contributing to the achievement of Objective 1.4.3

Activities completed under Component 4 have included the establishment of an MIS for the Phnom Penh Port and the establishment of tidal monitoring stations in the Mekong and Basaac estuaries. These systems have generated significant economic benefits for the region by improving efficiency at a major port and maximising the available time for ships to enter the river system. Improvements in efficiency have lowered transport costs and encouraged trade across the region, providing a tangible benefit to Lower Mekong countries. These projects have been instrumental in the achievement of Goal 1 and Objective 1.4.3 of the SP.

Also under this component, the NAP has reached an agreement with the People's Republic of China to hold a series of seminars on waterway safety and navigation improvement. This unprecedented level of cooperation will foster regional coherence and help to effect change and integration. In addition to being aligned with the aims of Goal 1 and Objective 1.4.3 of the SP, this work is strongly associated with Goal 2 and Objective 2.4.

Under Component 5 of the NAP the Programme Management Office and the Navigation Advisory Board (NAB) have been established. The NAB is an assembly of high-ranking officials and experts from member states that are responsible for providing input to the NAP. The board has already had a number of meetings and is proving to be an effective platform for strengthening regional cohesion and reinforcing riparian ownership by involving interested parties from all member states. As such, the formation and operation of the board is strongly aligned with Goals 1 and 2 of the SP, and Objectives 1.4.3 and 2.1.



## Appendix C: Programme Links to Millennium Development Goals, Case Study MRC Fisheries Programme

### 24. MDG 1: Eradication of Poverty and Hunger

Poverty reduction is a core element of the FP's work. Rural communities of the Lower Mekong Basin are among the poorest populations in South East Asia, and they depend largely on aquatic resources. Rice, fish and fish products are vital for food security and household income. However, poverty has several dimensions. Besides low income it also comprises vulnerability, insecurity and 'weak voice'.

The FP addresses these through its four components in multiple ways, such as:

- It has collected information on the economic and social importance of fisheries in the region, and in this way contributed to government efforts in assisting the development and strengthening of the sector;
- It has contributed to the development of improved management practices, which have increased production and productivity and thus income for fishers and their households; by facilitating participation in management decision-making and implementation it has strengthened the 'voice' of rural communities and their members;
- It has contributed to the development of aquaculture practices, aiming at improving the financial and nutritional status of the poorer segments of society, as well as conserving the aquatic biodiversity on which Mekong capture and culture fisheries depend.

Nevertheless, much more could be done in promoting economic growth within the sector, through improving processing and marketing, aquaculture development, enhancing fisheries production in altered habitats and mitigating negative impacts from developments outside the fisheries sector.

### 25. MDG 7: Environmental Sustainability

Environmental sustainability is at the heart of the FP's overall goal. The FP aims to ensure the fisheries resources of the Mekong are not diminished, and that they remain available in a healthy state for the benefit of future generations. Some examples of uptake of the FP's work in this area are:

- the migration requirements of Mekong fishes are now duly considered in national and regional development planning;
- the importance and management needs of deep pools in the Mekong have been recognised by national agencies in their resource management plans, as well as by many NGOs and planning agencies;

- the importance of the annual flood pulse and wetland habitats for fisheries production are widely recognised; and
- national fisheries agencies now actively promote indigenous species for aquaculture development.

## 26. MDG 8: Partnership for Development

One of the characteristic features of the Fisheries Programme is that it implements its work in conjunction with national fisheries agencies. Working with the national fisheries agencies has been of great benefit on several counts:

- it has resulted in a long-term relationship, building trust and understanding between both parties;
- there is synergy in continuing to work with established partners;
- it has resulted in capacity building activities being continually reinforced, thus improving the overall results;
- it has facilitated uptake and use of the results of the programme at the national level;
- it has ensured the alignment of the programme with national priorities;
- and importantly, it has provided many opportunities for fisheries staff from the national agencies to interact with colleagues in the other countries – thus forming a Mekong fisheries network with awareness of the regional nature of the fisheries resources and their management.

At the same time, the FP maintains contact with the National Mekong Committees through the TAB, Steering Committee, Annual Meetings, Technical Symposia, and other dialogue. This ensures the NMCs are fully aware of the work of FP in their countries.

Mid-term Review of the MRC Strategic Plan 2006 - 2010

## **Appendix M**

Letter of the Government of the Union of Myanmar, dated 2 October 2008

02/10 2008 15:28 FAX 290230

DWIR

001

**Government of the Union of Myanmar**  
**Ministry of Transport**  
**Directorate of Water Resources and Improvement of River Systems**

Tel : 951-292961

E-mail : dwir@myanmar.com.mm

Fax: 951-290230

Letter No. Q 1/Ah Kha Na/Ah Kha-13(1)/2008

Date: 2 October 2008

To

**Mr. Jeremy Bird**  
**Chief Executive Officer**  
**MRC Secretariat**

**Subject: Mid-Term Review of the Implementation of the MRC Strategic Plan for 2006-2010**

Your Reference No: L 0804/08 dated 10 September 2008

Dear Sir,

I am pleased to forward the comments and views on the implementation of the MRC Strategic Plan for 2006-2010.

Thanking so much for your kind cooperation.

RECEIVED		
Date	02 OCT 2008	
Chitro #	2424	
Distribution	Area	in
ICRO		/
TCA	✓	
WUP		
RAI		
HRD		
ICCS		/
EWRI		
DDO/OIC		/
PO		
TSO		
SECRET		
Action taken		
initial	date	

Yours Sincerely,



**Soe Myint**  
**Director General**

02/10 2008 15:28 FAX 290230

DWIR

002

Comments and Views on the implementation of the MRC Strategic Plan for  
2006-2010

It is pleased to learn that MRC has been making sustainable progress in implementation of the MRC Strategic Plan 2006 to 2010. Through the dialogue partner mechanism, Myanmar involves in some programme, at a certain level. For the future implementation of the strategic plan, Myanmar would like to reaffirm its continued cooperation with MRC through well-established mechanisms.

One of the components of Flood Management and Mitigation Programme, Annual Flood Forums are very informative and efficient for the regional basis flood concerned activities.

Integrated Capacity Building Programme, Drought Management Programme, Hydropower Programme and Tourism Programme are also important so that these programmes should keep the priority in the next strategic planning cycle.

At present, Climate Change issues are in the top level. Drought Management Programme is essential and necessary for the Climate Change adaption. All five components of this program should implement as soon as earlier. At the same time, it should enhance to cooperate between MRC and dialogue partners for the implementation of this programme.

Mid-term Review of the MRC Strategic Plan 2006 - 2010

**Appendix N**

Comments on the November Draft of the Mid Term Review of MRC's Strategic Plan 2006-2010 By CEO of MRCS

**APPENDIX N****Comments on the November Draft of the Mid Term Review of MRC's Strategic Plan 2006-2010****Jeremy Bird, 29 November 2008****General**

1. The comments matrix should be appended so that commentators can see how their views have been incorporated or otherwise explained
2. Executive Summary to be drafted and reviewed by MRCS as this will reflect the key messages for the document. Can this be sent now before end of comment period.
3. Caution is needed where the view of one country is quoted to avoid it inferring this is a common view. If other countries did not mention the point then does that mean that they do not think it important or had just not focused on it. In such cases, it maybe better to add after the comment that the other two or three countries did not raise this issue. That way, the text appears more balanced. Otherwise what will happen is that although the overall performance is rated as reasonably good, the narrative will read otherwise.
4. There is a general lack of comment on where MRC programmes are now addressing some of the points made, which leaves the reader thinking nothing is being done – see detailed comments below.

**Specific**

- Para 10 – insert new sub-point after #10: “Based on the findings of the MTR. The Secretariat will prepare a briefing paper for the Joint Committee on prioritized steps to further promote implementation of the Strategic Plan and its goals. Recommendations for preparation of the next Strategic Plan for the period from 2011 are covered in Section 7 of this report.
- Para 34-last sentence MRCS has not explicitly considered the bulleted recommendations and so it is premature to say we do not have the resources. Some would say that if we recruited more riparian consultants rather than international, then more resources would be freed up. However, this discussion and the other elements to it have not yet been debated.
- Section 3.3: In response to the comment from Thailand about the fact that priority setting for the annex of the SP was not agreed by the Council, then all activities for all levels of priority should be evaluated by the team – at least this could be done for the medium level priority. A footnote could be added to reflect Thailand's view.
- The presumption in para 76 may be correct or not – but without back up, it should not be left as such an inference – I am not sure if there was such a prioritisation in implementation and it may be that medium level priority items would yield the same performance .
- Para 78(1) – Check whether member states said MRC should take the lead in developing water resources. Generally this lead role is taken by Governments with MRC providing planning information and analysis.
- Para 79(2) – OK, but BDP is now helping to prioritize
- Para 79(3,4 &5) Recognize that BDP is addressing these
- Para 79(6) BDP and HP are addressing this

- Para 79(8). In its August meeting, the JC agreed to consider reviewing the mechanism to ensure full funding of these costs by 2014
- Para 79(10). Current private sector project proposals are responsive to demand projections – several are now being reconsidered because of the financial downturn- but agree there is a lack of an overall strategy
- Para 81. the first sentence is a very sweeping statement and whereas maybe supported by the Thai and in part the development partners papers, it is not the view of the other three country papers.
- Para 81(3). We have embarked on a review of the planning cycle for programme and project formulation.
- Para 81(4). Will be covered under M-IWRMP
- Para 81(6) BDP is working on this and building links
- Para 81(8). Closer links have been developed with ADB-GMS in the FMMP project, 3S TA and on SEA and also with ADB on ECSHD. With World Bank on M-IWRP. Also close cooperation with WB on development of the Hydropower Programme. Agree links to ASEAN not yet developed.
- Para 81(10) Programme coordination is strengthening – see for example the track activities of HP and the recent cross-programme needs assessment meetings held by IKMP.
- Para 82 and 83– agree that these perceptions still exist and need to be addressed.
- Para 93. This analysis has already been recognized by the MRC – see for example the HP Programme Discussion Brief and various statements of JC and Council members over the past year. It should not come across that this is not known to the MRC and it is ignoring this reality. A lot has changed in the past year in MRC's approach.
- Para 94. It is naïve to suggest that there is a prospect that China will become an MRC member in the foreseeable future. We are now in a different context to 1995 when there was an interest in China's membership to influence their decisions on dam planning. Now the issue is at a more technical level to consider how to operate the projects. China has indicated its willingness to discuss extensively at this technical level. This then raises the question on which of the contributing papers raises this point? It should be attributed to the papers or to the author.
- Para 95. I also disagree that China's lack of membership means that we question the validity of the Agreement – see previous comment. Lack of membership does not equate to lack of engagement.
- Para 105: Second sentence – under PNPCA, the time for official notification has not yet been reached – but is imminent. I suggest the word 'yet' be inserted - i.e. the MRC has not yet been officially informed.
- Para 109(2) There is some confusion yet as some of these products have not yet been developed and therefore cannot be considered as left in the Secretariat – e.g hydropower development criteria (ECSHD) will be pilot tested this year, and SEA also over the next 12 months.
- Para 110 – example of where one contributing paper cited – are the others silent on this point? Agree, disagree?
- Para 122 – some reference to the role of RFMMC in the August 2008 flood which was its first real test as a forecasting service. Generally OK but some lessons learnt that have been translated into an action plan.
- Para 123 – MRC has embarked on preparing a strategy for its role in the agriculture sector – answering the question - what is MRC's added value?
- Para 130 – an assignment to prepare guidance on standard lock designs has been ongoing for some months and is now almost complete – it will be presented to



developers at the meeting on 8<sup>th</sup> December – and recommendations presented for JC consideration in March 2009.

- Para 139 – in view of the comments of IDPs on concerns of developing a new Hydropower Programme, it is surprising that they have not suggested similar integration of the TP and DMP into other programmes.
- Para 140. the comment on delays could lead to a recommendation for MRC to review its planning cycle and procedures to see whether they can be streamlined
- Table 1 intro – last sentence – hopefully the comment on weak links to line agencies results in a recommendation later in the report. For some reason the table rows threw new page breaks and did not print all contents.
- Para 145 sub item 1. CTAs do not generally have management responsibility and therefore do not co-manage.
- Para 146 – 3 or 4 of the 38 recommendations were rejected by the JC. Wolfgang or Charlotte can provide details. Also in para 146, it was the JC, not the Commission that agreed the others.
- Para 147. The date for riparian CEO was Dec 2010, but due to delays in recruiting me, my contract runs to end March 2011 and this is now accepted as the date for riparianising the CEO position.
- Para 152 – could add to the last sentence on cooperation with ASEAN and GMS..”also recognizing that the mandate of MRC is well established in the 1995 Mekong Agreement”
- Para 161 sub 3. The sentence starting “Lines of communication with IDPs..”is not clear and maybe an example is needed to demonstrate the approach proposed. Also many donors are scaling back their activities in Vietnam and Lao PDR, so the scope for this may be limited.
- Paras 172-173 on GMS. There are some success stories of MRC-GMS cooperation – for example component 2 of FMMP and the new PPTA on Flood and Drought Management which involves MRC and NMCs and will lead to investments that are directly attributable to the cooperation between GMS and MRC. Also the 3S TA which is working closely with BDP and now with ECSHD of EP/HP. These are mentioned later in the text, but omitting reference to them here implies cooperation is severely lacking.
- Para 177. An MOU was signed with the World Bank in September or October this year – ICCS can provide the date
- Para 195. Suggest adding at the end “and to ensure that investments resulting from it are consistent with the work done by FMMP”
- Para 210 - 211. The difficulties of MRC having a direct effect on MDGs are recognized – this has also been raised several times including in recent discussions with consultants looking at the results based monitoring initiative. However, the conclusion in para 211 states that MDG outcomes should be placed at the heart of its efforts without any indication of how an RBO can achieve this. Without some clear guidance, it appears that such statements will remain at the aspirational level and may indeed divert attention from the work that MRC can achieve that is directly related to its mandate. Certainly taking MDGs into account is very necessary, but maybe not possible to put them at the ‘heart’ of the strategy.
- Para 212. I would question whether MRC is best placed to prepare a Mekong Human development report – this is more a job for a UN agency and again could divert us from other pressing work and reporting related to the major challenges facing the basin and ensuring that the knowledge base we have developed is made more accessible to policy makers, civil society etc.

- Access to clean water, sanitation and health is a role of MRC in as far as the water resources are concerned. In terms of the amount of the water resource required, this is small compared to irrigation. Maybe the water quality aspect of the resource is a more important consideration here than water quantity.
- Para 218 (6) – agree IWRM understanding is required but this will need to be done through on-the-job training as many theoretical courses have already been given with little result.
- Para 219 (5a) WB MOU signed – see above comment
- Para 226 – as above comment on MDGs – unless there is a clear demonstrable why in which MRC under its 95 mandate can deliver on MDGs, care should be taken in formulating such statements
- Para 230(3) including FMMP with BDP and AIF
- Section 8. Should include a summary statement on the relatively positive results on SP implementation reported earlier in the paper.

### **Editorial**

- See the attached track changes version of the draft report.

Mid-term Review of the MRC Strategic Plan 2006 - 2010

**Appendix O**

Letter of the Government of the Union of Myanmar, dated 11 January 2009

11/01 2009 12:14 FAX 290230

DWIR

001

**Government of the Union of Myanmar**  
**Ministry of Transport**  
**Directorate of Water Resources and Improvement of River Systems**

Tel : 951-292961  
 Fax : 951-290230

E-mail : [dwir@myanmar.com.mm](mailto:dwir@myanmar.com.mm)

Letter No. 130/Ah Kha Na/Ah Kha-13(1)/2009  
 Date : 11<sup>th</sup> January 2009

To

**Mr. Jeremy Bird**  
**Chief Executive Officer**  
**MRC Secretariat**

Subject: **Mid-Term Review of the Implementation of the MRC Strategic Plan for 2006-2010 (Final Draft Report)**

Your Reference No: L 1160/08 (17 December 2008)

Dear Sir,

Concerning with the captioned final draft report we have an additional sentence in paragraph 127. Our suggested addition is underlining for you.

127. The cooperation with China and Myanmar is also progressing step-by-step through dialogue mechanisms and joint activities relating to hydrological data sharing (for which the contract with China was renewed in August) and navigation. China has accepted a formulation mission by MRC navigation experts for the purpose of establishing a cooperation project on navigation. MRC and China have agreed to jointly organize a series of seminars on Waterway Safety and Navigation Improvement. The First Seminar was held in Jinghong, China, in October 2008. Participants from Union of Myanmar also participated

in this Seminar.

Thanking so much for your kind cooperation

Yours sincerely,



Soe Myint  
 Director General

RECEIVED		
Date	17 JAN 2009	
Chrono #	43	
Distribution	Action	Info
CEO		/
TCA	✓	
WUP		
FAS		
HRD		
ICCS		/
ENVD		
OPD		
PD		
TSD		
RRMNC		
Action assigned to		
Initial	Co-2	

Mid-term Review of the MRC Strategic Plan 2006 - 2010

## **Appendix P**

Powerpoint Presentations, Mid-term Review Meeting, 6 March 2009

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR




## Mid-term Review of the MRC Strategic Plan 2006-2010

# Findings Are we on track?

Christoph Mor, Technical Coordination Advisor

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR




## Mid-term review - approach

**Review papers**  
independently compiled by:  
4 MRC Member States;  
International Development Partners; and  
MRC Secretariat; as well as  
contributions of dialogue partners and other stakeholders.

- **Synthesis**  
Regional meeting, October 2008: Discuss findings  
Consultant's 'Final Mid-term Review Report', January 09,  
([http://www.mrcmekong.org/tree\\_download/report.htm](http://www.mrcmekong.org/tree_download/report.htm)).
- **The way forward**  
Regional meeting on 6 March 09:  
Rationalisation of current MRC programme portfolio;  
Prioritisation of programme work; and  
Process for next Strategic Plan 2011-15'.


Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



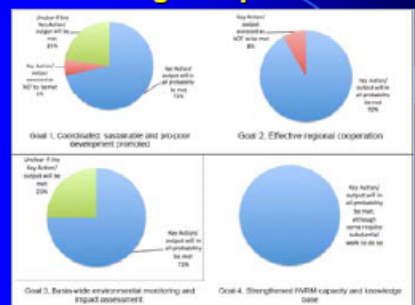
## Mid-term review - questions

- Progress of the implementation of the SP – is the implementation on track?
- Alignment of MRC programmes – in particular with the 1995 Mekong Agreement, the SP, and with other regional initiatives;
- MRC's orientation towards UN Millennium Development Goals;
- Prioritisation for the remaining period of the SP; and
- Preparation of the next SP.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## MTR findings - implementation




Goal 1. Coordinated, sustainable and pro-poor development initiated

Goal 2. Effective regional cooperation

Goal 3. Basin-wide environmental monitoring and impact assessment

Goal 4. Strengthened IWRM capacity and knowledge base


Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## MTR findings – implementation The high-priority but 'not to be met' fraction

- Goal 1, coordinated, sustainable development:
  - ✗ Drought risk maps, forecasting, mitigation
- Goal 2, effective regional cooperation:
  - ✗ WUP procedures fully implemented.


Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## MTR findings – implementation The high-priority but 'unclear' fraction

- Goal 1, coordinated, sustainable development:
  - ? Water supply and demand maps
  - ? Basin-wide assessment of irrigation efficiency
  - ? Update of hydropower database
  - ? Impact assessment of hydropower projects
  - ? Best practice in impact mitigation for hydropower projects
  - ? Regional navigation masterplan
  - ? Flood probability maps, nexus to land use planning
  - ? Identification of flood mitigation projects
  - ? Best practice in impact mitigation for hydropower projects
- Goal 3, environmental monitoring:
  - ? Identification of environmental management projects;
  - ? Screening of projects for environmental impacts, upon request of member countries;
  - ? Spatial tools covering wetlands, protected areas, vulnerabilities and dependencies.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2009-10  
8 March 2009, Vientiane, Lao PDR




## MTR findings – implementation

### General findings

- 'Unfinished' elements of WUP, acknowledged preparation of Mekong IWRM project.
- Programme development and start-up slower than expected, some exceptions.
- MRC communication and engagement with external stakeholders is improving, further work is needed.
- Results-based M&E system should be a high priority.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2009-10  
8 March 2009, Vientiane, Lao PDR




## MTR findings - alignment

- MRC programme structure: remains relevant framework.
- Defining MRC core river basin management functions: welcome, more work required.
- MRC engagement with regional initiatives: improving, more concrete work, e.g. through CCAI required.
- Closer alignment with GMS and ASEAN+3: should be established.

**MRC core river basin management functions:**

- Monitoring, data acquisition and exchange;
- Analysis and modelling;
- Forecasting and early warning;
- Basin-wide planning;
- Promoting dialogue and co-ordination;
- Implementing MRC procedures on water utilisation; and
- Knowledge management.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2009-10  
8 March 2009, Vientiane, Lao PDR



## MTR findings - orientation towards MDG

- MDG relevant to MRC's remit:  
MDG 1 - eradicating extreme poverty;  
MDG 7 - ensuring environmental sustainability.
- Development Partners and MRC Member States increasingly measure impact and effectiveness using the MDG paradigm.
- Reference to MDG in SP: merely descriptive, no linkages between SP goals and MDG significant attribution challenge for a RBO.


Regional Meeting  
on the Mid-term Review of the Strategic Plan 2009-10  
8 March 2009, Vientiane, Lao PDR



## MTR recommendations - prioritisation

- Concentration on core river basin management functions:  
applying the 95 MA,  
- by supporting PNPCA on proposed mainstream dams;  
- basin planning function.
- Portfolio rationalisation:  
- remove drought and tourism related programmes;  
- integrate priority drought and tourism related activities into other programmes.
- Enhanced MRC relevance and country engagement:  
focus on MRC service functions to country line agencies.
- Riparianisation:  
underpinned with capacity development.
- Results-based M&E system:  
to prove and improve MRC effectiveness.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2009-10  
8 March 2009, Vientiane, Lao PDR



## MTR recommendations - formulation of next SP

- Participatory formulation, linked to stakeholder engagement policy.
- Assisting MRC Member States in SP formulation through mobilising in-house resources.
- Better mainstreaming of MRC results into national development planning through parallel country level planning processes.
- Organisational implementation strategy, addressing riparianisation, results-based management, concentration on core RBM functions, and clarifying roles and responsibilities of MRCS, NMCs and line agencies.
- Widen goal 3 to biodiversity conservation aspects.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2009-10  
8 March 2009, Vientiane, Lao PDR



## MTR – Are we on track?

### Questions for discussion

- Progress in implementation:  
How to deal with the 'unclear' and 'not to be met' fraction?  
Considerable progress versus negative perceptions in some contributing papers?  
Setting indicators and milestones 2009-10?
- MRC's orientation towards MDG:  
What can MRC's contribution against MDG realistically be?  
Explicit poverty focus of MRC programmes?
- Prioritisation 2009-10:  
Thematic focus and areas for institutional development?

Regional Meeting on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR




## Mid-term Review of the MRC Strategic Plan 2006-2010

### Re-prioritisation Responding to emerging challenges

Do Manh Hung, Director OPD


Regional Meeting on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## Emerging challenges

- Most important issue of the basin  
rapid development of hydropower potential  
food security and drought management.
- MRC to demonstrate tangible influence on the issue.
- Transition to long-term core functions of a RBO, a fully riparianised organisation, and associated capacity development.


Regional Meeting on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## MTR recommendations - prioritisation

- MRC needs to be strategic and responsive to real water resources developments on the ground.
- MTR recommendations:
  - 13 internal management measures,
  - 9 steps for managing external relations,
  - 10 priority programme portfolio related measures.


Regional Meeting on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## MTR recommendations – internal management

✓ Determine extent of re-prioritisation	Ongoing
✓ Define core functions	Ongoing
✓ Implement organisational review recommendations	Process ongoing, near completion
✓ MSE system expedited	Ongoing
⚠ Riparianisation carefully orchestrated	Starting, through ICSP
✓ Capacity development at NMC and line agencies	Starting, through ICSP
✓ Programme coordination functions improved	Interdisciplinary cooperation on new initiatives on hydropower, climate change
✓ Review planning cycle	Under preparation
✓ Strengthen coordination triangle MRCG – NMC - LA	BDP, other programmes
✗ Review of governance arrangements of programmes	No action taken yet
✓ Junior professional programme	Ongoing
✓ Open recruitment for riparian staff	Preparations under way
✗ Tracer programme for former riparian staff	No action taken yet


Regional Meeting on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR



## MTR recommendations – management of external relations

✓ Mekong statement on aid effectiveness	Ongoing
✓ Transparent prioritisation mechanisms	Ongoing
✓ BDP pilot programme for basket funding	3 donors programme support, funds not managed together, but joint reporting
✓ Relationships with upper Mekong countries	Practical coop with China, including staff exchange proposed
✓ More substantive links with ADB, WB, ASEAN	Visits to ASEAN and ADB upcoming, coop with WB on hydropower issues
✗ ASEAN-led Mekong MDG report	No action taken yet, mission to ASEAN Secretariat scheduled
✓ Stakeholder engagement policy	Drafted, awaiting approval
✓ Public participatory processes	Under preparation, MRC forum
✓ Open disclosure, access to information	Policy under preparation

Regional Meeting on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR




## MTR recommendations – overall programme priorities

✓ Dealing with hydropower challenges	Initiative on sustainable hydropower, other programmes (BDP, EP, FP, IJMP)
✓ BDP to become engine of the MRC	Ongoing, activities on track
✓ Scenario work and modeling to be core competencies of MRC	Ongoing, activities on track
✓ Member states commitment to timely and complete notification and prior consultation	Ongoing
⚠ MRC guideline for TdEIA	TdEIA guidelines delayed, SEA mainstream, CIA 3S sub-basin.
✓ Programmes contributing to hydropower should receive high priority	Re-prioritisation in EP, FP, IJMP
✓ Climate change work to be best tracked	Initiative under EP launched
⚠ Finalise, approve and implement WUP procedures	Further work on guidelines on WQ in EP, formulation of Mekong INRM project
⚠ Review of AIFP	Ongoing, consultation on draft strategy paper
✗ Strengthen programme elements with poverty focus	No systematic approach throughout portfolio yet



Regional Meeting  
on the 2008 Annual Review of the Stirling Plan 2008-10  
8 March 2009, Westbank, Leis PDR



### Portfolio rationalisation and prioritisation

- **Portfolio rationalisation**
  - no separate programmes on drought management and tourism; integration of drought related priorities under AIFP, IKMP, EP;
  - integration of tourism related priorities under BDP, NAP, EP.
- **Prioritisation within programmes**
  - ongoing;
- **Clear criteria for prioritisation**
  - Responsiveness, relevance vis-a-vis core functions and MTR;
  - Practicability: mobilising resources in the short term.


Regional Meeting  
on the 2008 Annual Review of the Stirling Plan 2008-10  
8 March 2009, Westbank, Leis PDR



### Constraints for prioritisation

- **Contractual:**
  - Limited flexibility in funding arrangements.
- **Financial:**
  - Reallocation of un-committed funds;
  - Attracting new (additional) funds.
- **Practical:**
  - Programme capabilities to initiate and oversee work in new thematic areas.

Regional Meeting  
on the 2008 Annual Review of the Stirling Plan 2008-10  
8 March 2009, Westbank, Leis PDR



### Prioritisation within programmes

BDP	On track
EP	Recent reprioritisation due to funding shortfall New Climate Change and Adaptation Initiative
IKMP	Caught up with delays Choices to be made: sediment monitoring
ICBP, M- IWRM P	Formulation ongoing
FMMP	Action plan responding to August 2008 flood
AIFP	Updating the strategy
NAP, ISH	Priorities well defined
FP	Responding to hydropower challenge

Regional Meeting  
on the 2008 Annual Review of the Stirling Plan 2008-10  
8 March 2009, Westbank, Leis PDR



### MTR – Responding to emerging challenges

#### Questions for discussion

- **Portfolio rationalisation:**
  - Drought management and tourism programmes, hitting funding constraints as stand-alone programmes.
- **Programme prioritisation**
  - Are the right choices made?
  - Explicit poverty focus of MRC programmes?
  - Criteria for 2010 prioritisation?
- **Other items**

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR

**Mid-term Review of the  
MRC Strategic Plan 2006-2010**

**The way forward  
The MRC Strategic Plan 2011-2015**

Sourasay Phoumavong, Director PLD

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR

**MRC Strategic Plans**

- **Strategic planning is a recurrent process**
  - Setting goals,
  - Prioritizing and structuring work, and,
  - Measuring results in a systematic way.
- **Challenges to strategic planning in the Mekong**
  - High level of complexity and inter-dependencies;
  - Great variability in hydrological cycles;
  - Many different stakeholders with diverse views;
  - Issues closely related to national interests;
  - Cumulative and transboundary aspects;
  - Rapidly changing context;
  - Resources in relation to demand limited;
  - Need for long-term perspective on sustainability.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR

**Previous MRC Strategic Plans**



- **Strategic Plan 2001-2005**
  - Based on initial plan 1999-2003;
  - From projects to programmes;
  - Structured MRC operations in 10 core, sector and support programmes.
- **Strategic Plan 2006-2010:**
  - IWRM approach;
  - MDGs as reference framework;
  - MRC to provide 'enabling' environment for development.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR

**MTR: considerations for next SP**

- **Strengthening implementation of 95 MA**
- **Tangible results in poverty reduction through sustainable development**  
Productive fisheries; food security; sustainable hydropower; in-land navigation, etc.
- **Strengthening ownership and value-added**
  - Service functions to line agencies;
  - Value added to national plans;
  - Financial contributions from member states.
- **Adopting an IWRM approach**
  - Regional IWRM approach;
  - Linked to IWRM in national planning.
- **MRC complementary to and identifies synergies with other development partners**

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR

**MTR: recommendations related to strategic goals**


- **Strengthen goal 2, effective regional cooperation**
  - Recognizing need for capacity development at all levels.
- **Expand goal 3, basin-wide environmental monitoring to explicitly embrace biodiversity issues.**
- **Focus goal 4, IWRM capacity and knowledge base on knowledge management.**

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vientiane, Lao PDR

**Next Strategic Plan**

- **Evolving context**
  - accelerating water resources development, including mainstream dams;
  - implementation of MRC activities through a fully riparianised MRC Secretariat.
- **Related MRC outputs**
  - Documents: Basin Development Plan; State of the Basin Report;
  - MTR recommendations;
  - Stakeholder engagement policy;
  - Long-term core functions of a RBO;
  - Results-based management;
  - Capacity building support through ICBP;
  - MRC-web as platform for engagement.


Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
7 March 2009, Vienna, Leo PDR



## Next Strategic Plan

- **Working principles**
  - Content driven approach;
  - Broad stakeholder participation, open and transparent;
  - Performance indicators.
- **Process**
  - Establish national level inputs (e.g. national SWOT analysis) then move to regional level;
  - Task force arrangement at MRCS and NMCs, (full-time) coordinator/focal point; country focal points;
  - Facilitate and provide specialised resources for planning at national and regional levels, as required;
  - Opportunity to align programming and funding cycles of MRC programmes with next SP;
  - Synchronise process with MRC governance agenda;
  - Organisational implementation strategy.

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
7 March 2009, Vienna, Leo PDR




## Next Strategic Plan

### Phase 1 - Scoping and capacity building, 2009

Timeline	Events	Outcome
06 Mar 09	MTR Regional Meeting	Review approach and timeline
25-27 Mar 09	29th JC	Review approach and timeline
10-19 Jun 09	Informal Donor Meeting	Discuss approach, timeline, funding. Agreed modalities for DP Involvement
Jul / Aug 09	30th JC	Org Review and core functions agreed. Discuss Outline of SP 11-15 (v.1)
Jul / Aug 09	14th Dialogue Meeting	Modalities for dialogue partner involvement
Jul / Aug 09	Full ICSP launched	Capacity building for SP process
Aug 09	MRE system dematerialized	MDG link clarified, indicators defined
Oct 09	1st Stakeholder Forum	Discuss approach, timeline. Outline (v.2)
Nov 09	16th Council / 14th DCG	Consider and approve Outline (v.3)

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vienna, Leo PDR




## Next Strategic Plan

### Phase 2 - Consultation and formulation, 2010

Timeline	Events	Outcome
Mar 10	MRE system fully functional	SP indicators available
mid Mar 10	31st JC	Concept final review
4-5 Apr 10	MRC summit	Launch SP concept, press conference
Jun 10	Informal Donor Meeting	SP workshop, special day, SP (v.1)
Jul / Aug 10	32nd JC	review SP (v.2)
Jul / Aug 10	15th Dialogue Meeting	Discuss SP (v.3)
Oct 10	2nd Stakeholder Forum	Consult on SP (v.4)
Nov 10	JC Prep or special session	Final endorsement of SP (v.5)
Nov 10	17th Council / 15th DCG	Final approval, then layout
Dec 10	Communication	Press conference - SP disseminated
Q1, Q2 11	Implementation	MRC programmes aligned

Regional Meeting  
on the Mid-term Review of the Strategic Plan 2006-10  
8 March 2009, Vienna, Leo PDR



## MTR – Next Strategic Plan

### Questions for discussion

- **Thematic focus:**  
‘Radical changes’ or ‘more of the same’?
- **Process issues:**  
Who does what and when?  
How do we manage communication throughout the process?  
Milestones along the process?