

**MINUTES OF THE THIRTY-FIRST MEETING
OF THE MRC JOINT COMMITTEE
MEKONG RIVER COMMISSION
2-3 MARCH 2010, LUANG PRABANG, LAO PDR**

GENERAL

1. The Joint Committee of the MRC (the Joint Committee) held its Thirty-first Meeting, (hereinafter referred to as "The Meeting"), on 2-3 March 2010 in Luang Prabang, Lao PDR. The proposed agenda is annexed (Appendix No. 1: Agenda):

2. The Meeting was chaired by M^{me}. Monemany Nhoibouakong, Permanent Secretary, Water Resources & Environment Administration, Member of the MRC Joint Committee for the Lao PDR and Chairperson of the MRC Joint Committee for 2009/2010.

The Meeting was attended by 62 participants, including Delegates and Observers from Cambodia, Lao PDR, Thailand and Viet Nam, Observers from the Union of Myanmar, ASEAN Secretariat, WWF and professional and support staff from the MRC Secretariat, (Appendix No. 2: List of Participants).

3. The MRC Secretariat, with the assistance of the Lao National Mekong Committee Secretariat provided logistical, secretarial and other support to the Meeting.

A. Opening Address by the Vice Governor of Luang Prabang Province, Lao PDR

4. H.E. Dr. Khampheng Saysompheng, Vice Governor of Luang Prabang Province, Lao PDR, welcomed all distinguished delegates and guests from Member States, representatives from Dialogue Partner and international organizations, (Appendix No.3).

5. He recalled the richness of the water resources of Lao PDR which are significant contributors to the country's development. He also described the necessity of the water management and development in order to enhance and promote socio-economic and sectoral development and highlighted to the Meeting the historical and traditional beauties of Luang Prabang which was recognized by UNESCO as the World Heritage City.

6. Inclosing, H.E. Dr. Khampheng Saysompheng expressed his sincere thanks to all distinguished delegates. He then wished all participants a pleasant stay in Luang Prabang and declared the Meeting open.

B. Statement by the Chairperson of the Joint Committee for 2009/2010

7. M^{me}. Monemany Ngoybuakong, Permanent Secretary of the Water Resources and Environment Administration, and Chairperson of the MRC Joint Committee for 2009/2010 expressed her gratitude to H.E. Dr. Khampheng Saysompheng for his meaningful opening remarks and was delighted to welcome all delegates to the Meeting, (Appendix No.4).

8. M^{me}. Monemany Ngoybuakong noted that over the last few years, the MRC has also seen continued cooperation from Development Partners. Since the last Joint Committee Meeting, funding agreements were signed for a total of over US\$ 17 million. There was increasing support from across the region and beyond. For example, an MoU was about to be concluded between MRCS and the ASEAN Secretariat under which actions on water resources management could be jointly undertaken in areas including disaster response, assessment of climate change impact, biodiversity and management of environmental pollution. Besides ASEAN, the MRC was also about to conclude an MoU on cooperation with the Mississippi River Commission on areas of mutual interest.

9. In introducing the agenda item, the Chairperson indicated that the Meeting was requested to make several decisions and to discuss matters central to the development of the Mekong water and related resources. With a busy agenda ahead, she was anticipating that discussions will be frank, open, constructive and fruitful. She then invited the Meeting to start the discussion.

10. In conclusion, Mme. Monemany Ngoybuakong reiterated her welcome and appreciation to all participants for taking part in this Meeting and thanked the Government of the Lao PDR for hosting this Meeting.

C. Adoption of the Agenda

11. In reviewing the Agenda, it was suggested to discuss agenda item D.1.2 - Operating Expenses Budget at the same time with agenda item G.2 - Approval of the use of the ARF for co-hosted location and the First MRC Summit. With this amendment the Agenda was adopted (Appendix No.1: Agenda).


D. Management, Organisational and Cooperation Matters

D.1 Mekong River Commission Secretariat

D.1.1 Report by the Chief Executive Officer on progress since the Thirtieth Meeting of the MRC Joint Committee


12. The Chief Executive Officer (CEO) of the Secretariat reported to the Meeting the main developments and activities carried out by the Secretariat since the last Meeting of the MRC Joint Committee. (Appendix No.5).

13. After the report, the Joint Committee extended its appreciation to the work carried out by the MRCS and invited the Secretariat to continue to strengthen financial and technical management to sustain the vision of the MRC as a world-class organisation.

14.  The Meeting took note, with satisfaction and appreciation of the report by the CEO. The MRCS was also encouraged to expedite the MRC programme implementation and to continue its efforts to secure funding.

D.1.2 Information on Operating Expenses Budget of the MRC for 2009

15. This agenda item on Operating Expenses Budget (OEB) of the MRC for 2009 was discussed under agenda item G. Other Businesses. The CEO, with the support from the Chief of Finance and Administration Section (FAS), reported on the agenda item, (Appendix No.6).

16.  The Meeting took note with appreciation of the final status of the Operating Expenses Budget of the MRC for 2009 and agreed to raise the reserve figure under the ARF for MRCS operations to USD 600,000.

D.2 Mekong River Commission

D.2.1 Report on the Hydrological Conditions in the Lower Mekong Basin


17. In presenting the agenda item, the Senior Hydrologist, informed the Meeting on the hydrological and meteorological conditions in the Lower Mekong River Basin for the period July to December 2009. The analysis included rainfall, river water level and discharge, soil moisture and flow reversal in the Tonle Sap (Appendix No.7).

18. In addition, the MRC Secretariat presented the dry hydro-meteorological conditions prevailing in the upper part of the Basin including China since January 2010. The situation is

even more extreme in Lao PDR as flows of Mekong tributaries in Northern Lao are close to their historical low levels in almost 50-100 years of records history. These severe drought conditions have resulted in difficulties for navigation in the upper LMB and also in water supply.

19. In responding to concerns raised by the Meeting, the CEO clarified that the report on the low flow analysis was a working draft and would be further revised and updated prior to placing on the MRC website. The preliminary analysis showed that the cause of this drought is a natural hydrological dry conditions.

20. Thailand highlighted the severe impacts of the current dry condition that appears to be more extreme than in the past. Thailand is already suffering impacts on domestic uses, on navigation, on fisheries and on the ecosystems. Thailand suggested that the MRC should initiate discussion with China related to the mutual concerns of all riparian countries related to the regional drought conditions, and invited each NMC to use their respective diplomatic channels to follow-up on this matter.

21.  The Meeting took note on the report and recommended the MRC Secretariat to continue and put more effort on hydrological conditions monitoring of the LMB and to collaborate with relevant national line agencies and Dialogue Partners in order to receive more detailed data for further analysis. The MRCS was requested to draft a letter expressing MRC's concerns on this serious problem from the JC Chairperson to China. A draft letter will be circulated to the Joint Committee on 3 March. Member Countries will forward comments to the MRCS before 17 March. The MRCS will then follow-up with China to explore areas of cooperation in this respect in a comprehensive manner. At the same time, the Meeting agreed on Thailand proposal on seeking bilateral discussion on this issue with China.

D.2.2 Progress on Cooperation with Development Partners

22. The Programme Officer of the International Cooperation and Communication Section reported on the progress made in attaining financial support from Development Partners (Appendix No.8).


23. The Secretariat further informed the Meeting that some Development Partners are awaiting the finalization of the MRC Strategic Plan for 2011-2015 before they commit to new pledges. New indications of interest towards CCAI were recently received from new Development Partners, namely Luxemburg and United Kingdom through DFID and these will be followed up by the MRCS.

24. The Meeting took note with appreciation of the progress made with respect to support from Development Partners.

D.2.3 Progress on Cooperation with the ASEAN and the Mississippi River Commission

25. The CEO, with the support of the Programme Officer of the International Cooperation and Communication Section, reported on this agenda item, (Appendix No.9).


26. Regarding the cooperation with the Mississippi River Commission, the MRCS added that further to Member Countries' comments submission in January 2010, the Mississippi River Commission provided their comments in late February 2010 after a second review by their legal advisers. Most of the MRC proposals were retained although some detailed descriptions and follow-up mechanisms were amended.

27.  The Meeting took note, with appreciation, of the progress on cooperation with ASEAN and the Mississippi River Commission. As the revised draft MoU with the Mississippi River Commission was only circulated at the Meeting, more time was needed for

consideration and written comments from Member Countries will be provided to the Secretariat within March 2010.


D.2.4 Progress on the MRC Performance Management System (formerly Results-based Monitoring and Evaluation System)

28. The CEO, with the support of the Technical Coordination Advisor, reported on the progress made on formulation and implementation of the MRC Performance Management System (PMS), (Appendix No.10).

29.  The Meeting took note, with appreciation, of the progress in the implementation of the PMS. The Meeting recommended the Secretariat to expedite the implementation of the development of the PMS and to ensure involvement of Member Countries in its further development.

D.2.5 Approval of the Annual Report 2009

30. The Officer-in-Charge of the International Cooperation and Communication Section reported on the agenda item (Appendix No.11).

31.  The Meeting considered and agreed on the proposed outline of the contents of the Annual Report 2009 subject to the inclusion of a chapter on Mekong IWRM Project. The Meeting invited the Secretariat to submit the draft Annual Report 2009 by end March 2010 for consideration and written approval by the Joint Committee in April 2010. Timely preparation for future Annual Report was recommended by the Meeting.

D.2.6 Information on the Date and Venue of the Thirty-second Meeting of the MRC Joint Committee and the Sixteenth Dialogue Meeting

32. The Meeting was asked to recall the Council's decision on the permanent co-hosted location of the MRC Secretariat, in which the MRC Governance meetings can start to rotate between Phnom Penh and Vientiane. The Thirty-second Meeting of the MRC Joint Committee and the Sixteenth Dialogue Meeting are therefore proposed to be held in Phnom Penh, Cambodia, (Appendix No.12).


33. The Secretariat proposed the week of 26-30 July 2010. However, due to public holidays in Thailand during that week, the Meeting agreed that the proposed dates could be postponed by one week with the Preparatory Meeting on 2 August 2010, the Thirty-second Meeting of the MRC Joint Committee on 3-4 August 2010, and the Sixteenth Dialogue Meeting on 5 August 2010, subject to agreement by Dialogue Partners.

E. MRC Programmes

E.1 Discussion on Policy and Strategy Issues

E.1.1 Progress on the Preparation of the MRC Strategic Plan 2011-2015 and the discussion on future vision of MRC


34. The CEO, assisted by the Officer in Charge of the International Cooperation and Communication Section, briefed the Meeting on the background information on the agenda item, (Appendix No. 13).

35.  The Meeting took note of the progress and approved the revised timeline for the formulation process of the MRC Strategic Plan for 2011-2015 subject to the change on the revised dates of the Thirty-second Meeting of the Joint Committee.

E.1.2 Endorsement of the Key Elements of the MRC Stakeholder Engagement Policy at Governance Level

36. In presenting the agenda item, the CEO assisted by the Officer-in-Charge of the International Cooperation and Communication Section informed the Meeting of the process and progress made to the draft Policy and the roadmap for the approval and implementation of the Policy, (Appendix No.14).

37. Cambodia, Thailand and Viet Nam endorsed the proposed objectives of the draft Policy. Lao PDR had some reservation on the terminology and suggested "engagement" be replaced with " participation" in order to better reflect the overall intention to further welcome stakeholders' involvement in programme implementation. Lao PDR also invited the MRCS to find solutions to minimize financial contributions that would be required from the MRC for Policy implementation.

38.  The Meeting took note of the process and progress made on the draft Policy and the roadmap for the approval and implementation of the Policy and agreed to replace the term "Engagement" with " Participation" in the Policy. The endorsement of the Policy objectives is subject to further consultation with Lao PDR. The Meeting invited Lao PDR and Thailand to provide their written comments on the draft Policy.

E.1.3 Progress of the Basin-Wide Development Scenario Assessment and the Preparation of the IWRM-based Basin Development Strategy

39. The CEO assisted by the Programme Coordinator of the Basin Development Plan Programme Phase 2 (BDP2), informed the Meeting on the agenda item, (Appendix No.15).

40. The Joint Committee previously endorsed the key principles, approach and the process to prepare and adopt the IWRM-based Basin Development Strategy. The Incomplete First Draft of the Strategy has been prepared and discussed widely. The Complete First Draft Strategy will be prepared in May 2010, using the results of the scenario assessment. A meeting of the Joint Committee Members is proposed in June 2010 to discuss the Strategy and underlying scenario assessment results, followed by the Third Stakeholder Forum on BDP to allow early inputs by stakeholders. The endorsement of the scenario assessment results and evaluation and the second draft of the Strategy will be sought at the Thirty-second Meeting of the Joint Committee for finalization and a final approval by the Council at its Seventeenth Meeting.

41. Lao PDR advised that the scenario assessment should distinguish between the mainstream dams in the upper and lower part of the Lower Mekong Basin. Lao PDR was also looking forward to strengthening Member Countries' capacity on scenario analysis. The Chair of the Joint Committee emphasised the need for the preparation of the IWRM-based Basin Development Strategy to link closely with national efforts such as the on-going preparation of the Water Resources Management Strategy of Lao PDR.

42. The Meeting took note with appreciation the progress of the assessment of the basin-wide development scenarios and the preparation of the IWRM-based Basin Development Strategy, the initial findings of the scenario assessment and the issues under discussion. The Meeting also took note of the roadmap for the finalisation of the scenario assessment and the preparation and adoption of the IWRM-based Basin Development Strategy and important considerations for the success of this process.


E.2 Discussion on MRC Programme-related Matters

E.2.1a Review of the Basin Development Plan Programme Phase 2 and preparation for the next phase towards a core planning function

43. The CEO, with the support of the Programme Coordinator of the Basin Development Plan Programme Phase 2, reported on the agenda item, (Appendix No.16).

44. There are strong expectations from Member Countries for the BDP to become a sustainable framework for transboundary governance and water cooperation in LMB. Thus, it is critical that the IWRM-based Basin Development Strategy will be regularly updated and capacity and tools will be developed to support national planning. The preliminary design document for the next phase of BDP will be submitted for approval at the Thirty-second Meeting of the Joint Committee to allow donor appraisal in August-October 2010. The final design document will be submitted for approval of the Joint Committee in November 2010. It is expected that Donor approval would be obtained in January to allow the start of the next BDP in February 2011.

45. The Meeting took note of the positive findings and recommendations of the second Joint Donor Review of BDP2 and of the initial concept and proposed process to prepare the next phase of BDP towards core planning function.

46.  The Meeting invited the MRCS to consider the experience from BDP1 to ensure that funding would be secured for the continuity of the BDP process. Also, it is important that the results and experience of BDP2 would be integrated into the formulation of the next BDP. The next phase should consider Member Countries' special needs such as for capacity building.

E.2.1b Mid-term Review of the Environment Programme and preparation for the next phase towards the MRC core river basin management function

47. In presenting the agenda item, the CEO assisted by the Programme Coordinator of the Environment Programme, informed the Meeting of the agenda item, (Appendix No.17). In the second half of 2010, the design document will be finalized and submitted to the Development Partners for comments and to the Joint Committee for final approval in November 2010.

48. Further to requests from Member Countries, the MRCS clarified that when formulating CCAI, it was recognized that this subject was beyond any one programme and CCAI was thus established as a separate cross-cutting entity under the guidance of the Environment Division Director with strong interactions with other MRC programmes. The MRCS also clarified the recommendation of the Joint Donor Review to closely engage with national planning agencies in order to better mainstream environmental considerations at national level. EP was also invited to strengthen national capacity building as a way to better disseminate several EP publications and outputs.

49. Viet Nam was pleased with the positive assessment of EP implementation and encouraged the programme to continue in that direction.

50. The Meeting took note of the main findings and recommendations of the Mid-term Review of EP and of the initial concept and proposed process to prepare the next EP Document.

E.2.2 Progress on Climate Change and Adaptation Initiative


51. In presenting the agenda item, the CEO assisted by the Task Leader of the Initiative, informed the Meeting on the agenda item, (Appendix No.18). The key progress of Climate

Change and Adaptation Initiative (CCAI) implementation and funding status was reported to the Joint Committee.

52. As a response to a request from Cambodia, the MRCS clarified that, at the time of the formulation, the national EP Coordinator played the role of national focal point for CCAI. The establishment of a national CCAI coordinator could be re-considered for the next stage in 2011. Lao PDR invited the MRCS to secure full funding for this important initiative as several recent hydro meteorological events were emphasizing the potential link with climate change impacts in the region, such as the low flow in the upper reach of the Lower Mekong Basin.

53. Thailand called for the early establishment and meeting of the Steering Committee in order to finalise the CCAI workplan. Thailand was looking forward for detailed analysis of the impact of climate change and specific recommendations for adaptation in the near future as a matter of urgency. Viet Nam took note of progress of CCAI and invited CCAI to propose more detailed activity and accelerate the implementation of this important initiative.

54. The MRCS took note of the comments and advised the Meeting of the recent publications of a report outlining the results of downscaling of global climate change model to the basin. MRCS committed to establishing and convening the first meeting of the Steering Committee. Delay in the initiation of the CCAI was mainly linked to delays in staff recruitment.

55.  The Meeting took note of the progress on CCAI implementation and funding status and advised the MRC Secretariat to continue to study the impacts of climate change focusing on unforeseen phenomenon and on the projected sea level rise in the Delta. Most importantly, the MRC Secretariat was invited to provide recommendations to help enable MRC Member Countries to adapt to climate change at regional and national level.

E.2.3 Progress on the Strategic Environmental Assessment of Proposed Hydropower Developments on the Mekong Mainstream

56. The CEO, with the support of the Project Manager of the Initiative for Sustainable Hydropower, reported on the agenda item, (Appendix No.19). The background and the progress in the Baseline and Impact Assessment Phase were presented.


57. Thailand recommended the MRCS to ensure the SEA fully includes likely impact to people's livelihood and local culture. Cambodia suggested that invitations to upcoming workshops be extended to a wider range of stakeholders. In response, the MRCS assured that a broad range of stakeholder groups has been involved so far and that consideration be given to increase the number of participants in the remaining workshops. MRCS provided clarification about the cooperation with China including the delay of the planned trips (MRC Modeling Team to visit Chinese experts in China and MRC Member Countries delegates to visit Chinese dams on the Lancang reach). With regard to the final SEA regional workshop set for 24-25 June 2010, Viet Nam suggested changing the dates because of the upcoming Climate Change Conference scheduled on the same days. Therefore, ISH will liaise with BDP and Member States to find an appropriate date.

58. The Meeting took note of the progress made by the SEA and suggested the Secretariat liaise with Viet Nam to reschedule the final Workshop date.

E.2.4 Discussion on Issues Related to Programme Extensions:

E.2.4.1 Progress on the Formulation of the Flood Management and Mitigation Programme Phase 2.


59. In presenting the agenda item, the CEO assisted by the Programme Coordinator of the Flood Management and Mitigation Programme, informed the Meeting on the agenda item. The background, the formulation process, the funding situation, the selection and the recruitment of Consultants were reported to the Joint Committee, (Appendix No.20).

60.  The Meeting took note, with appreciation, of the progress on the formulation of the FMMP Phase 2. The Joint Committee also recommended the Secretariat to learn from experiences in FMMP Phase 1 and to prioritize FMMP activities in Phase 2 to reflect possible financial constraints. The MRC Secretariat was also requested to approach other Development Partners in order to secure the implementation of the next phase of the Programme.

E.2.4.2 Progress on the Formulation of the Fisheries Programme Phase 3

61. Upon the request of the CEO, the Programme Coordinator of the Fisheries Programme, informed the Meeting of the need for Fisheries Phase 3 (FP3), its consultation process, the concept note and the next steps, (Appendix No.21).


62. Thailand inquired about participation of stakeholders in the formulation of the FP3. Lao PDR and Thailand strongly recommended the MRCS to improve coordination with NMC Secretariats whilst Cambodia encouraged the programme to work closely with the Initiative on Sustainable Hydropower and the Climate Change and Adaptation Initiative to study the full impacts of infrastructure planned in the LMB. Viet Nam was concerned on the time constraints for the formulation process and the preparation of the programme document. Sharing the view with Cambodia on the importance of the FP, Lao PDR suggested that more tangible activities towards poverty alleviation be included in the programme document.

63.  The Meeting took note of the progress of the initial stages of formulating the MRC FP3 and urged the Secretariat to improve the coordination between the FP management team and the National Mekong Committee Secretariats. The Fisheries Programme was also requested to collaborate with other programmes as suggested by Member Countries. More information was requested from the Secretariat on the detailed schedule of preparation including national consultations.

E.2.4.3 Progress on the Formulation of Information and Knowledge Management Programme Phase 2

64. Upon the request of the CEO, the Programme Coordinator of the Information and Knowledge Management Programme, briefed the Meeting on the progress towards the formulation of the programme, (Appendix No.22).

65. Viet Nam recommended that the formulation process should be well coordinated within MRCS and the National Mekong Committee Secretariats as there are many formulation process taking place on the same period. Cambodia further requested the MRC Secretariat to ensure that the programme document will be available for timely submission to Development Partners for fundraising and thanked Development Partners for their generous support to the IKMP, both phase 1 and 2. Thailand suggested the MRC Secretariat to keep close interaction with Development Partners as well as the NMCSs. Lao PDR shared the view of other Member Countries and indicated its appreciation of the IKMP support and suggested the Secretariat to include drought study and groundwater monitoring and continue support on its modeling capacity in phase 2.

66.  The Meeting took note on the progress of the formulation of the IKMP Phase 2 and suggested the Secretariat to further involve Member Countries in the formulation process.

E.2.5 Progress on State of the Basin Report

67. In presenting the agenda item, the CEO assisted by the Programme Coordinator of the Environment Programme, informed the Meeting on the background, production and finalization of the second State of the Basin Report, (Appendix No.23).


68. Further to comments from Member Countries, the MRC Secretariat recalled the agreed timeline to have the second State of the Basin Report launched at the upcoming Summit in Hua Hin, Thailand. It was recognized that the Report provides a description of the current situation of the Basin and that can be compared with earlier versions. The MRCS ensured that all major comments from Member Countries have been incorporated. A summary of how comments have been addressed may be provided and the MRCS will share the final version with the Member Countries.

69. The Meeting took note of the information provided on the State of the Basin Report 2010.

E.2.6 MRC Role in Groundwater Management


70. In presenting the agenda item, the CEO assisted by the Technical Coordination Advisor (TCA), informed the Meeting on the MRC's role in groundwater management, (Appendix No.24).

71. Thailand supported this initiative of the MRCS and suggested the preparation of a workplan prioritizing study on the link between surface water and groundwater as well as a longer term plan for the preparation of specific recommendation for groundwater management. Cambodia invited the MRCS to look at studies that were undertaken at the time of the Mekong Committee. Other delegations also welcomed the initiative.

72.  The Meeting took note of and supported the initial steps in defining MRC's role in groundwater management and advised the Secretariat to develop a detailed workplan taking into account comments received.

E.2.7 Approval of concept of a Knowledge Hub on Transboundary Water Resources Management

73. The CEO, assisted by the Programme Coordinator of the Information and Knowledge Management Programme, briefed the Joint Committee on the Knowledge Hub on Transboundary Water Resources Management (TWRM), (Appendix No.25).

74.  The Meeting took note of the progress in developing the Regional Knowledge Hub for TWRM and approved the use of the revised Draft Business Plan of the Regional Knowledge Hub for TWRM for fund raising purposes and its announcement at the forthcoming MRC Summit.

F. Procedure-related Matters

F.1 Annual Report on the Implementation of the Procedures on Data and Information Exchange and Sharing and on the Implementation of the Procedures for Water Use Monitoring

75. The CEO, assisted by the Director of the Technical Support Division, briefed the Joint Committee on the progress of the implementation of the Procedures on Data and Information Exchange and Sharing (PDIES) and on the implementation of the Procedures for Water Use Monitoring (PWUM), (Appendix No.26).

76. Cambodia informed the Meeting it was ready to share all required data for the complete implementation of the PDIES. Lao PDR informed the Meeting of its readiness to accelerate the provision of the outstanding data. Viet Nam provided some comment on the relevance of some data and committed to provide the missing datasets to the MRCS. Thailand also agreed to support the provision of data.


77. The Meeting took note of the progress on the Implementation of the Procedures on Data and Information Exchange and Sharing and on the Implementation of the Procedures for Water Use Monitoring. Member Countries committed to provide the Secretariat with the required data.

F.2 Annual Report on Procedures for Notification, Prior Consultation and Agreement

78. In presenting the agenda item, the CEO assisted by the Officer-in-Charge of the International Cooperation and Communication Section, briefed the Meeting on the agenda item. As of 25 January 2010 a total of 33 projects covered by 30 notifications, with only one notification submitted for Prior Consultation, were submitted by Member Countries, (Appendix No.27)

79. Further to a specific request from Member Countries, the MRCS indicated that, in order to ensure the implementation of the PNPCA, the MRCS often has to revert to the notifying country for relevant documents. Member Countries are therefore invited to provide the relevant information in the standard format as early as possible in order for the Secretariat to forward this information to other countries. The Secretariat recalled the main purpose of the PNPCA is to provide information to other countries to inform on the transboundary nature of the project as early as possible to allow for timely consideration.

80. Thailand informed the Meeting that it will follow the PNPCA. Viet Nam expressed its commitment towards the PNPCA and recommended to minimize delay in forwarding notifications. Viet Nam and Lao PDR requested further clarification on the level of details in the documentations to be provided. Noting that Member Countries are generally not familiar with the Procedures and its Guidelines, Cambodia suggested for further support to awareness raising on PNPCA and other related Procedures and supporting Technical Guidelines implementation within the national systems.

81.  The Meeting took note of implementation status of PNPCA and recommended the Secretariat to better involve Member Countries in the implementation of the PNPCA, to clearly define the required document for the PNPCA and subject to budget availability, the Meeting also suggested the Secretariat to recruit an officer with legal experience to provide general legal advice and services to the MRC in relation to all MRC Procedures.

F.3. Progress on a Multivariate Approach to Defining 'Significance' in regard to the Tributaries of the Mekong River System

82. In presenting the agenda item, the CEO assisted by the Technical Coordination Advisor (TCA), informed the Meeting on the agenda item, (Appendix No. 28).

83. The MRCS referred to the initial draft paper in response to request for clarification from Thailand on the description of work packages. In response to Cambodia, the MRCS clarified the definition of the significance taking into account a set of criteria that would typically be considered in an environmental assessment. It aims at supporting the subsequent definition of significant tributaries by the Joint Committee and it will thus facilitate the implementation of the 1995 Mekong Agreement.

84. Thailand invited the Secretariat to ensure that the work packages are inter-linked in order to define the significance. Lao suggested to the Secretariat to consider using 'multi-criteria' instead of 'multivariate' in the title. Viet Nam took note and recalled that the initiative was previously discussed by Joint Committee.

85. The Meeting took note of the progress in preparing a report on a multi-criteria approach to defining "significance" in regard to the tributaries of the Mekong River System.

G. Other Business

G.1 Navigation Protocol between Cambodia and Viet Nam

86. The Joint Committee was informed on the recent signing of a legal framework for cross-border waterway transportation between the Royal Government of Cambodia and the Government of the Socialist Republic of Viet Nam in which the MRCS assisted through the legal study and the interstate facilitation process.

87. In 2006, Legal Task Forces were established in Cambodia and Viet Nam in order to resume negotiations on the Agreement for Cross-border Navigation between both countries. The negotiation process was then initiated by the Mekong River Commission. The MRC took up its role by organizing and facilitating a series of meetings between the legal task force of the two countries. Two bilateral meetings were organized to fine tune and adjust the Final Draft Agreement submitted by MRC.

88. The Joint Committee was informed that through the negotiation process, the Draft Agreement was revised in order to ensure that the Agreement optimally meet the requirements of all parties. The Agreement on Waterway Transportation between the Royal Government of Cambodia and the Government of the Socialist Republic of Viet Nam was signed on 17 December 2009 in Phnom Penh, Cambodia. In doing so Cambodia and Viet Nam have formally opened up cross border trade on the Mekong River System. Investors can now be confident that cross-border shipping is based on a sound legal structure.

89. The Meeting took note of this point of information and achievement.

G.2 Approval of the use of the ARF for co-hosted location and the First MRC Summit

90. The Chief of Finance and Administration Section (FAS) reported on the agenda item. The provisional one-off cost estimates for co-hosting include (i) personnel related costs, (ii) building improvement, (iii) furniture and equipments, (iv) improvement of the IT and Communication, (v) shipment, (vi) Task Force travel, and (vii) contingency, (Appendix No.29).

91. Cambodia and Lao PDR approved to use ARF up to a proposed ceiling amount of USD 357,000 for the remaining budget required for the relocation. Thailand indicated that more internal discussion is required and will respond by letter shortly. The Chairperson requested Thailand and Viet Nam to provide their written approval to the MRC Secretariat within one week.

92. The Meeting also discussed the use of ARF, up to a ceiling amount of US\$ 340,000, to finance the shortfall in the budget for the First MRC Summit

93. Lao PDR, Thailand and Viet Nam indicated their approval for the use of this maximum amount of ARF for the Summit whilst Cambodia urged the MRCS to approach Development Partners to seek financial support and requested MRCS to report on funds received for the Summit. Cambodia expressed its support to the Summit and International Conference and in relation to the proposed use of the ARF, will inform the MRCS in writing.

Thailand expressed the view that if the budget is not approved in a timely manner, the number of supported delegates to the Summit might have to be reduced or the International Conference may have to be re-arranged depending upon response of the Member Countries. The Chairperson further invited Cambodia to forward its written approval for the use of the ARF for the Summit within one week and requested the Secretariat to provide an updated status report on financing of the Summit.

I. Closing Statement by the Chairperson of the MRC Joint Committee for 2009/2010

94. After adoption of the Minutes, the Chairperson delivered the closing statement and the Meeting thanked the Lao National Mekong Committee Secretariat and the MRC Secretariat for successful preparation of the Meeting, (Appendix No. 30).

H. ADOPTION OF THE MINUTES OF THE THIRTY-FIRST MEETING OF THE MRC JOINT COMMITTEE

The Joint Committee adopted the Minutes of the Thirty-first Meeting as presented on 3 March 2010, Luang Prabang, Lao PDR.



H.E. Mr. Pich Dun
Alternate Member of the MRC Joint Committee for the Kingdom of Cambodia



Mr. Phonechaleun Nonthaxay
Alternate Member of the MRC Joint Committee for the Lao People's Democratic Republic



Dr. Saksit Tridech
Member of the MRC Joint Committee for the Kingdom of Thailand



Dr. Le Duc Trung
Member of the MRC Joint Committee for the Socialist Republic of Viet Nam



Mme. Monemany Nhouybouakong
Chairperson of the MRC Joint Committee for 2009/2010

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| APPENDIX NO. 10 | PROGRESS ON THE MRC PERFORMANCE MANAGEMENT SYSTEM (FORMER MONITORING AND EVALUATION) |
| APPENDIX NO. 11 | APPROVAL OF THE ANNUAL REPORT 2009 |
| APPENDIX NO. 12 | INFORMATION ON THE DATE AND VENUE OF THE THIRTY-SECOND MEETING OF THE MRC JOINT COMMITTEE AND THE SIXTEENTH DIALOGUE MEETING |
| APPENDIX NO. 13 | PROGRESS ON THE PREPARATION OF THE MRC STRATEGIC PLAN 2011-2015 AND DISCUSSION ON FUTURE VISION OF MRC |
| APPENDIX NO. 14 | ENDORSEMENT OF THE KEY ELEMENTS OF THE MRC STAKEHOLDER ENGAGEMENT POLICY AT GOVERNANCE LEVEL |
| APPENDIX NO. 15 | PROGRESS OF THE BASIN-WIDE DEVELOPMENT SCENARIOS ASSESSMENT AND THE PREPARATION OF THE IWRM-BASED BASIN DEVELOPMENT STRATEGY |

- APPENDIX NO. 16 REVIEW OF THE BASIN DEVELOPMENT PLAN PROGRAMME PHASE 2 AND PREPARATION FOR THE NEXT PHASE TOWARDS A CORE PLANNING FUNCTION
- APPENDIX NO. 17 MID-TERM REVIEW OF THE ENVIRONMENT PROGRAMME AND PREPARATION FOR THE NEXT PHASE TOWARDS THE MRC CORE RIVER BASIN MANAGEMENT FUNCTION
- APPENDIX NO. 18 PROGRESS ON CLIMATE CHANGE AND ADAPTATION INITIATIVE
- APPENDIX NO. 19 PROGRESS ON THE STRATEGIC ENVIRONMENTAL ASSESSMENT OF PROPOSED HYDROPOWER DEVELOPMENTS ON THE MEKONG MAINSTREAM
- APPENDIX NO. 20 PROGRESS ON THE FORMULATION OF THE FLOOD MANAGEMENT AND MITIGATION PROGRAMME PHASE 2.
- APPENDIX NO. 21 PROGRESS ON THE FORMULATION OF THE FISHERIES PROGRAMME PHASE 3
- APPENDIX NO. 22 PROGRESS ON THE FORMULATION OF INFORMATION AND KNOWLEDGE MANAGEMENT PROGRAMME PHASE 2
- APPENDIX NO. 23 PROGRESS ON STATE OF THE BASIN REPORT
- APPENDIX NO. 24 MRC ROLE IN GROUNDWATER MANAGEMENT
- APPENDIX NO. 25 APPROVAL OF CONCEPT OF A KNOWLEDGE HUB ON TRANSBOUNDARY WATER RESOURCES MANAGEMENT
- APPENDIX NO. 26 ANNUAL REPORT ON THE IMPLEMENTATION OF THE PROCEDURES ON DATA AND INFORMATION EXCHANGE AND SHARING AND ON THE IMPLEMENTATION OF THE PROCEDURES FOR WATER USE MONITORING
- APPENDIX NO. 27 ANNUAL REPORT ON PROCEDURES FOR NOTIFICATION, PRIOR CONSULTATION AND AGREEMENT
- APPENDIX NO. 28 PROGRESS ON A MULTIVARIATE APPROACH TO DEFINING 'SIGNIFICANCE' IN REGARD TO THE TRIBUTARIES OF THE MEKONG RIVER SYSTEM
- APPENDIX NO. 29 APPROVAL OF THE USE OF THE ARF FOR CO-HOSTED LOCATION AND THE FIRST MRC SUMMIT
- APPENDIX NO. 30 CLOSING STATEMENT BY THE CHAIRPERSON OF THE MRC JOINT COMMITTEE FOR 2009/2010

AGENDA

Tuesday 2 March 2010

- 8:30 – 9:00 Registration
- Draft Minutes of the Preparatory Meeting ready for individual review by Designated Delegates
- Opening Session of the Thirty-first JC Meeting**
- 9:00 – 9:20 A. Opening Remarks by the Vice Governor of Luang Prabang Province
- 9:20 – 9:30 B. Statement by the Chairperson of the Joint Committee for 2009/2010
- 9:30 – 9:35 Group Photo
- 9:35 – 9:55 Coffee Break / End of Opening Session
- 9:55 – 10:00 C. Adoption of the Agenda
- 10:00 **D. Management, Organisational and Cooperation Matters**
- D.1 Mekong River Commission Secretariat**
- 10:00 – 10:20 D.1.1 Report by the Chief Executive Officer on progress since the Thirtieth Meeting of the MRC Joint Committee¹
- 10:20 – 10:40 D.1.2 Information on Operating Expenses Budget of the MRC for 2009
- 10:40 **D.2 Mekong River Commission**
- 10:40 – 11:00 D.2.1 Report on the Hydrological Conditions in the Lower Mekong Basin
- 11:00 – 11:10 D.2.2 Progress on Cooperation with Development Partners
- 11:10 – 11:20 D.2.3 Progress on Cooperation with the ASEAN and the Mississippi River Commission
- 11:20 – 11:40 D.2.4 Progress on the MRC Performance Management System (former Monitoring and Evaluation)
- 11:40 – 11:50 D.2.5 Approval of the Annual Report 2009
- 11:50 – 12:00 D.2.6 Information on the Date and Venue of the Thirty-second Meeting of the MRC Joint Committee and the Sixteenth Dialogue Meeting

¹ Including Progress in Implementing the Communications Strategy and Disclosure Policy

³ Including a Report on Outcomes of the National Consultations

12:00 – 13:30		Luncheon hosted by the Chairperson of the MRC Joint Committee for 2009/2010
13:30	E.	MRC Programmes
13:30	E.1	<i>Discussion on Policy and Strategy Issues</i>
13:30 – 13:50	E.1.1	Progress on the Preparation of the MRC Strategic Plan 2011-2015 ³ and discussion on future vision of MRC
13:50 – 14:10	E.1.2	Endorsement of the Key Elements of the MRC Stakeholder Engagement Policy at Governance Level
14:10 – 14:30	E.1.3	Progress of the Basin-Wide Development Scenarios Assessment and the Preparation of the IWRM-based Basin Development Strategy
14:30	E.2	<i>Discussion on MRC Programme-related Matters</i>
14:30 – 14:45	E.2.1 a	Review of the Basin Development Plan Programme Phase 2 and preparation for the next phase towards a core planning function
14:45 – 15:00	E.2.1b	Mid-term review of the environment programme and preparation for the next phase towards the MRC core river basin management function ⁴
15:00 – 15:15	E.2.2	Progress on Climate Change and Adaptation Initiative
15:15 – 15:30	E.2.3	Progress on the Strategic Environmental Assessment of Proposed Hydropower Developments on the Mekong Mainstream
15:30	E.2.4	Discussion on Issues Related to Programme Extensions:
15:30 – 15:45		1. Progress on the Formulation of the Flood Management and Mitigation Programme Phase 2.
15:45 – 16:00		2. Progress on the Formulation of the Fisheries Programme Phase 3
16:00 – 16:15		3. Progress on the Formulation of Information and Knowledge Management Programme Phase 2
16:15 – 16:30		Coffee Break
16:30 – 16:45	E.2.5	Progress on State of the Basin Report
16:45 – 16:55	E.2.6	MRC Role in Groundwater Management
16:55 – 17:10	E.2.7	Approval of concept of a Knowledge Hub on Transboundary Water Resources Management

⁴ Proposed by MRCS on 28 January 2010

17:10	F.	Procedures-related Matters
17:10 – 17:25	F.1	Annual Report on the Implementation of the Procedures on Data and Information Exchange and Sharing and on the Implementation of the Procedures for Water Use Monitoring
17:25 – 17:40	F.2	Annual Report on Procedures for Notification, Prior Consultation and Agreement
17:40 – 17:55	F.3	Progress on a Multivariate Approach to Defining ‘Significance’ in regard to the Tributaries of the Mekong River System
17:55	G.	Other Business
17: 55 – 18:10	G.1	Navigation Protocol Cambodia and Viet Nam ⁵
18:10 – 18:20	G.2	Approval of the use of the ARF for co-hosted location and the First MRC Summit
18:30		Reception Dinner hosted by the Chairperson of the Joint Committee for 2009/2010

Wednesday 3 March 2010

	H.	Adoption of the Minutes of the Thirty-first Meeting of the MRC Joint Committee
8:00	H.1	Draft Minutes of the Thirty-first Meeting ready for individual review by Designated Delegates
9:00 – 9:30	H.2	Joint Review of Draft Minutes of the Preparatory Meeting by Designated Delegates and Secretariat
9:30 – 10:30	H.3	Joint Review of Draft Minutes of the Thirty-first Meeting by Designated Delegates and Secretariat
10:30 – 11:20		Coffee Break / Reproduction of Draft Minutes
11:20 – 11:40	H.4	Plenary Meeting to review and adopt the Draft Minutes of the Thirty-first Meeting
11:40 – 11:50	H.5	Signing of Minutes of the Thirty-first Meeting of the Joint Committee, Minutes of the JC Preparatory Meeting
11:50 – 12:00	I.	Closing Statement by the Chairperson of the MRC Joint Committee for 2009/2010
12:00 – 13:30		Luncheon hosted by the Chairperson of the MRC Joint Committee for 2009/2010
13:30		Field Visit to the National Museum, Kouang Sy Waterfall, and the Weaving Village

⁵ Proposed by MRCS on 25 January 2010

LIST OF PARTICIPANTS

A. HIGH RANKING OFFICIAL OF THE HOST COUNTRY

H.E. Dr. Khampheng Saysompheng
Vice Governor of Luang Prabang Province

B. MRC MEMBER DELEGATIONS

CAMBODIA

1. H.E. Mr. Pich Dun
Secretary-General
Cambodia National Mekong Committee Secretariat
Alternate Member of the MRC Joint Committee for Cambodia
Head of Delegation
2. H.E. Mr. Kol Vathana
Deputy Secretary-General
Cambodia National Mekong Committee Secretariat
3. H.E. Mr. So Sophort
Deputy Secretary-General
Cambodia National Mekong Committee Secretariat
4. Mr. Sam Nuov
Deputy Director-General
Fisheries Administration
Ministry of Agriculture, Forestry and Fisheries
5. Mr. Nguon Kong
Deputy Director-General
Ministry of Environment
6. Mr. Tuy Ry
Director
International Organization Department
Ministry of Foreign Affairs and International Cooperation
7. Mr. Yin Savuth
Deputy Director
Hydrology and River Works Department
Ministry of Water Resources and Meteorology

LAO PDR

8. Mme. Monemany Nhouybouakong
Permanent Secretary
Water Resources and Environment Administration
Member of the MRC Joint Committee for the Lao PDR
Chairperson of the MRC Joint Committee for 2009/2010

9. Mr. Phonechaleun Nonthaxay
Director-General, Department of Water Resources
Water Resources and Environment Administration
Secretary-General, Lao National Mekong Committee
Alternate Member of the MRC Joint Committee for Lao PDR
Head of Delegation
10. Mr. Saleumsay Kommasith
Director-General
Department of International Organization
Ministry of Foreign Affairs
11. Mr. Daovong Phonekeo
Deputy Director-General of Department of Electricity
Ministry of Energy and Mine
12. Mr. Somphanh Chanphengsay
Deputy Director-General Department of Planning
Ministry of Agriculture and Forestry
13. Mr. Kongngeun Chounlamountry
Assistant Director-General
Department of Water Resources, WREA
14. Mr. Oudomsack Philavong
Assistant Director-General
Department of Water Resources
Water Resources and Environment Administration
Lao National Mekong Committee Secretariat
15. Mr. Virana Sonnasinh
Deputy Director of Planning and Cooperation Division
Cabinet of the Water Resources and Environment Administration

THAILAND

16. Dr. Saksit Tridech
Permanent Secretary
Ministry of Natural Resources and Environment (MNRE)
Vice-Chairman of Thai National Mekong Committee Secretariat
Member of MRC Joint Committee for Thailand
Head of Delegation
17. Mrs. Sunee Piyapanpong
Deputy Director-General
Department of Water Resources
Ministry of Natural Resources and Environment (MNRE)
18. Mrs. Pakawan Chufamanee
Director of Mekong Affairs Branch
Department of Water Resources
Ministry of Natural Resources and Environment (MNRE)
19. Mr. Surasak Suparat
Director of Development Affairs Division
Department of International Organizations
Ministry of Foreign Affairs

20. Ms. Kesarin Phanarangsarn
Second Secretary
Development Affairs Division
Department of International Organizations
Ministry of Foreign Affairs
21. Mr. Thanawat Manathat
Third Secretary
Treaty Division, Department of Treaties and Legal Affairs
Ministry of Foreign Affairs
22. Ms. Nuanlaor Wongpinitwarodom
Senior Policy and Plan Analyst
Bureau of International Cooperation
Department of Water Resources
Ministry of Natural Resources and Environment (MNRE)
23. Mr. Nares Poolpaka
Environmental Professional Level
Department of Water Resources
Ministry of Natural Resources and Environment (MNRE)

VIET NAM

24. Dr. Le Duc Trung
Director-General
Viet Nam National Mekong Committee Secretariat
Member of the MRC Joint Committee for Viet Nam
Head of Delegation
25. Mr. Le Hoai Trung
Director-General
Department of International Organizations
Ministry of Foreign Affairs
26. Mr. Tran Nguyen Toan
Director-General
The Government's Office
27. Mr. Tran Duc Cuong
Deputy Director-General
Viet Nam National Mekong Committee Secretariat
28. Mr. Pham Van Tan
Deputy Director-General
Department of International Cooperation
Ministry of Natural Resources and Environment
29. Dr. Truong Hong Tien
Senior Programme Officer
Vietnam National Mekong Committee Secretariat
30. Dr. Nguyen Anh Duc
Senior Programme Officer
Vietnam National Mekong Committee Secretariat

C. JC OBSERVERS

Myanmar

31. Mr. Thiha Han
Minister Counsellor
Embassy of the Union of Myanmar to Lao PDR

ASEAN

32. Ms. Rizky Amelia
Technical Assistant
Initiative for ASEAN Integration (LAI) Unit
Jakarta, Indonesia

WWF

33. Mr. Marc Goichot
IRBM Coordinator
Living Mekong Programme
WWF Greater Mekong Programme

D. MRC SECRETARIAT

34. Mr. Jeremy Bird
Chief Executive Officer
35. Mr. Sourasay Phoumavong
Assistant to CEO, and
Director of Planning Division
36. Mr. Navuth Te
Director of Technical Support Division
37. Dr. Pornsook Chongprasith
Director of Environment Division
38. Mr. Do Manh Hung
Director of Operations Division
39. Ms. Nguyen Thu Mai
Chief of Finance and Administration Section
40. Ms. Weena Aksornkaew
Chief of Human Resources Development Section
41. Ms. Bérengère Prince
Officer-in-Charge
International Cooperation and Communication Section
42. Ms. Klomjit Chandrapanya
Observer
International Cooperation and Communication Section
43. Dr. Vitoon Viriyasakultorn
Technical Coordination Advisor
Technical Coordination Unit

44. Ms. Pham Thi Thanh Hang
Programme Coordinator, Basin Development Plan Programme
Planning Division
45. Dr. Vithet Srinetr
Programme Coordinator
Environment Division
46. Dr. Bonheur Neou
Climate Change and Adaptation Initiatives Task Leader
Environment Division
47. Dr. Lum Hung Son
FMMP Coordinator, Flood Management and Mitigation Programme
Technical Support Division
48. Dr. Sompong Boonprasert
Hydrology-meteorological Data Component Manager/Senior Hydrologist
Technical Support Division
49. Mr. Tran Van Tuan
Programme Coordinator, Information and Knowledge Management Programme
Technical Support Division
50. Mr. Xaypladeth Choulamany
Programme Coordinator, Fishery Programme
Operations Division
51. Mr. Voradeth Phonekeo
Project Manager, Initiative on Sustainable Hydropower
Operations Division
52. Ms. Siliphone Sisavath
Programme Officer
International Cooperation and Communication Section
53. Ms. Chongchith Chanthalanonh
Programme Officer
International Cooperation and Communication Section
54. Mr. Khy Lim
Communication Officer
International Cooperation and Communication Section
55. Ms. Hue Nguyen Nhu
Interim Donor Coordination Officer
International Cooperation and Communication Section
56. Mr. Chiv Sunheng
Junior Riparian Professional
International Cooperation and Communication Section

E. ORGANISERS

MRC Secretariat

57. Ms. Manivanh Phanouvong
Senior Programme Assistant
International Cooperation and Communication Section
58. Ms. Viengvilay Sinprasith
Secretary, International Cooperation and Communication Section
59. Ms. Songkane Sayavong
Senior Administrative Secretary to Chief, Finance and Administration Section
60. Mr. Seree Damnernpiriyakul
Senior IT Assistant, Finance and Administration Section
61. Mr. Souphanh Thongouane
Network Administrator, Finance and Administration Section
62. Mr. Khamphet Phiphattana
Maintenance Supervisor, Finance and Administration Section

**Welcome remarks
by
Dr. Khampheng Saysompheng
Vice Governor of Luang Prabang Province**

***Distinguished delegates from Cambodia, Lao PDR, Thailand and Viet Nam
Distinguished guests
Ladies and gentlemen***

It is my great honor and pleasures to meet all of distinguished delegates at the 31st MRC JC meeting. In this occasion, on behalf of Luang Prabang people and myself, I would like to express our warm welcome to all distinguished delegates including dialogue partners, observers, representatives from international organizations, who are invited to this meeting.

***Distinguished guests
Ladies and gentlemen***

Lao PDR is rich in term of water resources. Almost 97% of population and 91% of the territory of Lao PDR lay in Mekong Basin and contributes the flow to the Mekong River more than 35% annually, and forest covers around 40% of the country. These are the significant factors for the country' development, at the same time we also paid our attention on preserve and management of Mekong River basin for sustainable manner.

At the present, the development and the management of water Resources is becoming regional and international issue, because water is our life, water is natural resource and seasonally scatter. The development in each of lower Mekong countries is highly increasing and water use demand is also increase. In order for promoting/enhancing the socio-economic development and the development of other sectors such as: agriculture, livestock, navigation, tourism, hydropower, industry, domestic use and others.... Therefore, we should pay attention on efficiently manage and sustainably use of water for highly beneficial to the people living in the Mekong Basin.

***Distinguished guests
Ladies and gentlemen***

As you are selecting Luang Pranbang for organizing the 31st MRC JC meeting and when you visit the different important tourist places in the Luang Prabang province, you will have a chance to see the historical and the traditional beauties also the cultural value and the lifestyles as well as panoramic view of Luang Prabang City. More importantly, in 1995 Luang Prabang City was accepted as the world heritage by the UNESCO which was a great proud of Luang Prabang people as well as the people of the whole country.

Luang Prabang City is located conjunction of Mekong River and Nam Khan River. It is seen that water and its resources are the basic of the live of Luang Prabang people. By the geographical location and the lifestyle related to water resources and the integrated water resources management therefore, Luang Prang have been selected as the most popular tourist destination in four years (2006, 2007, 2008 and 2010) and hosted several conferences at national and international level.

***Distinguished guests
Ladies and gentlemen***

Last but not least, I would like to take this opportunity to express my sincere thanks to all distinguished delegates. Once again welcome all of you to Luang Prabang, the world heritage city, I hope that you would have a pleasant and comfortable stay, wish the meeting success.

Thank you,

**Statement
by
Mme. Monemany Nhoibouakong
Permanent Secretary
Water Resources & Environment Administration
Member of the MRC Joint Committee for the Lao PDR
Chairperson of the MRC Joint Committee for 2009/2010**

***Excellency Mr. Pich Dun
Secretary General of Cambodia National Mekong Committee Secretariat
Alternate Member of the MRC Joint Committee for Cambodia***

***Mr. Phonechaleun Nonthaxay
Director-General
Department of Water Resources
Secretary General of Lao National Mekong Committee Secretariat
Alternate Member of the MRC Joint Committee for Lao PDR***

***Dr. Saksit Tridech
Permanent Secretary
Ministry of Natural Resources and Environment
Vice-Chairman of Thai National Mekong Committee Secretariat
Member of the MRC Joint Committee for Thailand***

***Dr. Le Duc Trung
Director General
Secretary General of Viet Nam National Mekong Committee Secretariat
Member of the MRC Joint Committee for Viet Nam***

***Distinguished Representatives of the Union of Myanmar
Distinguished Representatives and Observers
Ladies and gentlemen***

May I express my heartfelt gratitude to H.E. Dr. Khampheng Xaysompheng, Vice Governor of Luang Prabang Province for his hospitable welcome (address) remarks. I would also like to address my warmhearted greeting to all distinguished Members of the Joint Committee, Delegates, Dialogue Partner, Observers, staff of the Lao NMC Secretariat and of the MRC Secretariat to this Thirty-First Meeting of the MRC Joint Committee in the charming city of Luang Prabang, Lao PDR.

***Distinguished Delegates
Ladies and Gentlemen***

Our today meeting is requested to make meaningful decisions and to discuss matters central to the sustainable development of our Mekong River Basin and related resources. I therefore believe in the dynamic participation of our distinguished Joint Committees Members in delivering your fruitful comments.

Our increased regional cooperation will be deliberated. The cooperation does not only confine to the four signatory Member Countries, but it is also extended to our Dialogue Partners, China and Myanmar. Over the recent years, our cooperation with upstream neighbours, China and Myanmar, has been strengthened. Exchanges of experts and visits,

hydrological real-time information sharing, and engagement in the Strategic Environmental Assessment of the proposed mainstream dams has been significantly increased.

Over the last few years, continued and increased cooperation from Development Partners has been witnessed. Since the last Joint Committee Meeting, funding agreements were signed for a total of over USD 17 million. I also notice growing support from across the region and beyond. We are in the process to enter into agreement with ASEAN on assisting four countries including Cambodia, Lao PDR, Myanmar and Viet Nam in implementing the ASEAN Strategic Plan of Action on Water Resources Management. Other two areas of cooperation with ASEAN include disaster response, assessment of climate change impact on biodiversity and management of environmental pollution. In addition to ASEAN, we are going to cooperate with the Mississippi River Commission on flood management, navigation, ecosystem and other key areas.

Increasing active stakeholders' participation at the MRC would contribute to the regional coordination and recognition of the MRC. The approval and establishment of the MRC Knowledge Hub, which will promote knowledge sharing and furnish feasible solutions to priority water issues, would enable the MRC to take up a central role in improving trans-boundary water resources management and water security in the region.

***Distinguished Delegates
Ladies and Gentlemen***

Today we also look forward to hearing the report from Mr. Bird, CEO of the MRC Secretariat on the progress being made since the Thirtieth Meeting of the Joint Committee and the improvement of coordination among programmes. We expect to be informed on the progress reports of the hydrological conditions in the Lower Mekong Basin, the Climate Change and Adaptation Initiative, the Basin-wide development scenarios assessments, the preparation of the IWRM-based Basin Development Strategy, and of the Strategic Environmental Assessment related to the proposed hydropower development on the mainstream.

These progress reports will provide us the overall picture of current development trends of the Mekong River Basin and related pressing issues. And we hope to observe how the MRC as a regional, technical and knowledge-based international river organisation, together with the backing from Dialogue Partners, Development Partners and other stakeholders, be prepared and effectively respond to these trends and issues.

With ongoing programme and initiatives, we expect to hear reports of successful completion of the Flood Management and Mitigation Programme, the Fisheries Programme, as well as of the Information and Knowledge Management Programme along with their preparation for the next phase.

We have indeed a quite intense agenda ahead of us.

***Distinguished Delegates
Ladies and Gentlemen***

Allow me, in conclusion, to reiterate my warmhearted welcome and indebtedness to all of you for taking part in this meeting. I would also like to seize this opportunity to express my utmost gratitude to the Government of Lao PDR for hosting this meeting. I also wish to extend my truthful appreciation to Mr. Bird, all staff of the Lao National Mekong Committee and of the MRC Secretariat for their remarkable organisational and logistical assistance which has made our gathering possible.

I wish you all having a pleasant stay in Luang Prabang City and every success of the Thirty-first Meeting of the MRC Joint Committee. May I now declare our Meeting open.

**REPORT ON PROGRESS
SINCE THE THIRTIETH MEETING OF THE MRC JOINT COMMITTEE**

By
Mr. Jeremy Bird
Chief Executive Officer
Mekong River Commission Secretariat

**Mme. Chair
Excellencies
Distinguished Delegates
Ladies and Gentlemen**

I am delighted to report to the Joint Committee the main developments and activities carried out by the Secretariat since the Thirtieth Meeting of the Joint Committee held in Vientiane, Lao PDR on 29-30 July 2009.

Following the implementation of Independent Organisational Review recommendations, the MRC has approved its Communication and Disclosure Policy, enhanced stakeholder engagement on hydropower related issues, climate change and basin development plans; and, resolved the long-standing question of the location of the MRC Secretariat. These and other achievements all point to a stronger organisation better prepared to serve the needs of people in the Mekong region. These achievements were acknowledged and welcomed by the Development Partners at the last Fourteenth Donor Consultative Group Meeting in November 2009. With regard to the Council's decision on the permanent co-hosted location of the MRC Secretariat, the implementation roadmap, budget and progress were reported and discussed at the Preparatory Meeting.

In accordance with earlier guidance from the Joint Committee and the recommendation of the Independent Organisational Review, the Secretariat reports regularly to the Joint Committee on the riparianisation of the Secretariat. The reports cover the objectives, proposed process, and results to be accomplished for a smooth riparianisation. I am also glad to report to the Meeting that the implementation of the riparianisation of the MRC Secretariat is on track. The Secretariat is now preparing a detailed plan for progressive knowledge and skills transfer from international technical staff to riparian staff. Progress in this regard was also reported at yesterday's Preparatory Meeting.

The financial situation of the MRC is a fundamental focus of the Secretariat management and administration. Since the Thirtieth Joint Committee Meeting, the sound and prudent financial management of the Secretariat and its programmes have been maintained. Detailed discussions on the financial situation will be held after this report.

In terms of funding I am pleased to report on the continuing support from development partners of the MRC. We have secured several funding agreements since the last Meeting of the Joint Committee amounting to US\$ 17.57 million covering a number of key programmes, projects and initiatives. These funding agreements are under the Technical Cooperation Budget (TCB). For the past 12 months to March 2010. The MRC Secretariat also undertakes discussions with new development partners who have previously not supported MRC.

Later today, I will report on the progress on the preparation of the MRC Strategic Plan 2011-2015 under Agenda Item E.1.1. Good progress has been made on the performance management system which is being introduced initially in 5 programmes namely BDP, FP, ICBP, IKMP and ISH and the concepts are being fully integrated into the development of the MRC Strategic Plan 2011-2015. There will also be a discussion on MRC policy and strategic matters such as the MRC Stakeholder Engagement Policy under Agenda Item E.1.2, Basin-wide Development Scenarios Assessment and IWRM-based Basin Development Strategy under Agenda Item E.1.3. Together with the ongoing Strategic Environmental Assessment of proposed mainstream dams Agenda Item E.2.3, the work of the BDP is providing the necessary framework for the first prior consultation among Member Countries under the Procedures for Notification, Prior Consultation and Agreement. Allow me now to brief you on our main achievements in the management of the MRC Secretariat.

Regarding the MRC work programme, I would like to bring your attention to two issues. Firstly, many of the MRC programmes are reaching the end of their current phases or funding cycles and are now in the process of developing their directions for the next phase to be aligned with the MRC Strategic Plan 2011-2015. Also, some major programmes such as IKMP, BDP and EP have recently undergone donor reviews with generally very favourable results. Secondly, these next phases will need to take into account the discussions on MRC core functions and start preparing for a future institutional structure in which it is expected there will be a greater role in implementation by relevant agencies in Member Countries.

I would also like to inform the Meeting on the good progress of the Climate Change and Adaptation Initiative with regard to the its staffing, identification of demonstration sites as well as the forthcoming Mekong Environment and Climate Symposium on 26-27 April 2010 in Viet Nam. More detailed reports on issues related to the MRC work programme portfolio will be provided by my colleagues this afternoon.

***Excellencies
Distinguished Delegates
Ladies and Gentlemen***

One of the major tasks of the MRC is the detailed preparation of its First MRC Summit which is scheduled for 2-5 April 2010 in Hua Hin, Thailand and will be a landmark event for the organisation. I am pleased to inform the Meeting that with the intensive efforts of the Thai National Mekong Committee Secretariat, other Member Countries and MRCS, the preparation is ongoing as planned. The draft Declaration and information on, the structure, format, and proposed sources of funding for the Summit were submitted to the Joint Committee yesterday for consideration. The National Mekong Committee Secretariat of the host country, Thailand, with support from the MRC Secretariat, now has sufficient guidance in order to proceed with the detailed preparation.

Regarding the Stakeholder Consultative Process, the progress made on the draft Policy on Stakeholder Engagement at the MRC Governance Level is reported to the Meeting in a separate Agenda item (E.1.2). The roadmap for Council's approval on the Policy and its implementation are being proposed for consideration by the Joint Committee today. I believe that the guidance from the Member Countries will allow the MRC to take a step forward on this.

***Excellencies
Distinguished Delegates
Ladies and Gentlemen***

Over the past seven months, the Secretariat increased its cooperation with other regional development partners. Missions to Thailand and USA for discussion on future cooperation with Asian Institute of Technology (AIT) and the US State Department and Mississippi River Commission were undertaken. Regarding cooperation with ASEAN, a final MOU between MRC and the ASEAN Secretariat is ready for signature. Detailed information is provided under Agenda Item D.2.3.

MRC has also been actively involved in major international and regional events, such as ADB GMS 3rd Meeting of the Sub-regional Energy Forum on 20-21 August in Phnom Penh, Cambodia; the 10th UNEP Annual Collaborative Action Network on 2 October 2009 in Bangkok, Thailand; the Consensus Building in Asia: Multi-stakeholder Process and Water Governance in Asia on 28-29 January 2010 in Singapore. The representatives from Member Countries and MRCS also attended the Stockholm International Water Week on August 2009. A representative from a MRC Member Country, Lao PDR, also attended the International River Symposium on 21-24 September 2009 in Brisbane, Australia.

Cooperation with MRC's Dialogue Partners has continued to strengthen. There is ongoing participation in technical meetings and extensive discussion on future cooperation with Partners. Following a preliminary visit of MRCS staff to the Ecosystem Study Commission for International River (ESCIR) in Yunan Province in connection with the SEA, a technical visit of MRC modelers to China is planned for March 2010 and a field visit to two hydropower dams on the Lancang River by MRCS and Member Country representatives is proposed in May 2010. Further discussions with Myanmar on possible installation of a mainstream hydromet station at Wang Pao Port are expected. The CEO has also visited MRC's focal point for China based at the Embassy in Bangkok and raised the prospect of further exchange of information on dry season flows and operational plans of upstream hydropower projects. A visit to Beijing in Quarter 2, 2010 is planned to follow up on these issues. As reported at the Preparatory Meeting, since the last Joint Committee Meeting progress on cooperation with Dialogue Partners has been continued to be made by deepening relationships in a range of programmatic areas such as sharing hydro-meteorological data, flood management and mitigation, navigation and basin planning.

***Mme. Chair
Excellencies
Distinguished Delegates
Ladies and Gentlemen***

I believe the achievements that I have briefly summarised provide you with an update on the management and administration of the Secretariat since the Twenty-ninth Joint Committee Meeting. These achievements and the sound management of the Secretariat form the basis and framework for the Secretariat in which enable the MRC to play a leading role in the sustainable development of water and related resources in the Mekong Basin.

I would like to take this opportunity to thank the Joint Committee Chair, Mme. Monemany Ngoybouakong, all the Joint Committee Members as well as the National Mekong Committees and their Secretariats for their continuing support and constructive advice in guiding the work of the MRC Secretariat.

Our work benefits greatly from fruitful interactions with development partners, dialogue partners and other stakeholders and it is to this wider group of organisations and individuals to whom I also wish to express my sincere gratitude and appreciation.

I would like to now conclude my report and look forward to a constructive discussion today.

Thank you very much for your attention.

NOTE FOR INFORMATION

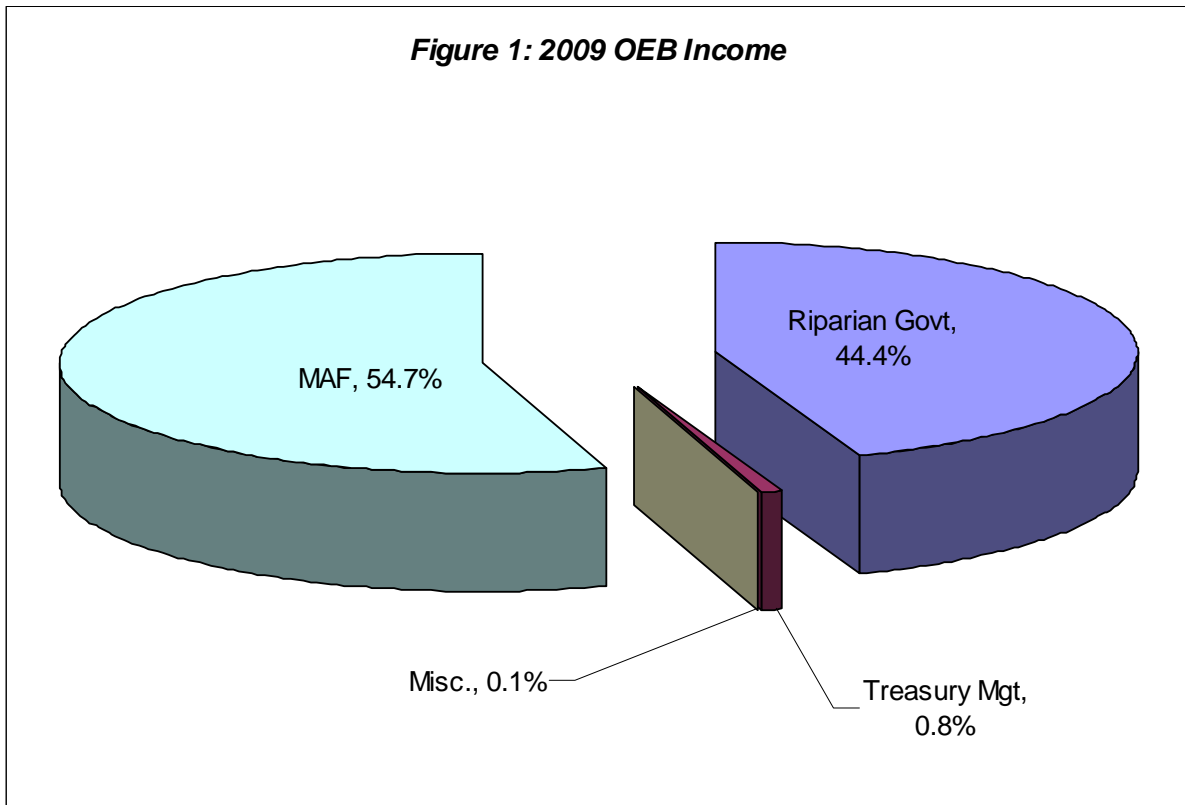
OPERATING EXPENSE BUDGET 2009

1. This report sets out the status for the Operating Expense Budget (OEB) accounts for the year 2009. The OEB accounts presented here are currently being audited by the auditing company KPMG Lao Co. Ltd.
2. The Thirtieth Meeting of the Joint Committee in July 2009 approved the revision of the OEB 2009 tabled by the Secretariat.
3. The Secretariat is pleased to inform the Joint Committee that the OEB 2009 arrived at a surplus of US\$886,685 bringing the Administrative Reserve Fund to US\$2,256,672. Details of the OEB 2009 are provided in Attachment 1 to this note.
4. Income earned in 2009 was higher than budgeted. No overspending occurred for any of the budget series. The main savings on expenditure items have been made under Personnel related expenses ("Salary and Fee"; "Common Staff Costs"), "Contractual Services", "MRC Meeting Expenses" and "Support to NMC's and Programmes".
5. The new riparian Chief of Finance and Administration Section took up duties in June 2009.
6. Around US\$34,400 was spent under OEB 2009 on capacity building activities of staff of MRCS & NMCS. For MRCS staff, the fund was mostly used to support training for staff after working hours towards an official degree such as MBA or technical training courses.
7. In 2009, the Secretariat continued the gradual replacement of its ageing car pool with the purchase of a new Toyota Land Cruiser Prado and the sale of two old cars.

I. Income

8. The total income of 2009 added up to US\$3,253,807 which is slightly higher than budgeted at 109%.
9. All Member States have paid their contributions for the year 2009.
10. The interest gained on the MRC Secretariat's bank accounts amounted to US\$25,051, reaching 96% of the target.
11. The revenue from the Management and Administration Fee (MAF) reached 119% of the budget or US\$1,781,431 which is considerably higher than planned mainly thanks to increased expenditure of the programmes in the last quarter of 2009. The revenue on MAF accounted for more than half of the total 2009 OEB income and was 37% higher than the MAF contribution in 2008.

12. Figure 1 presents an overview of income on OEB 2009.



II. Expenditures

13. The total expenditure of 2009 was US\$2,367,122 or 85% of the budgeted amount.

14. Savings have been recorded on all budget series and in particular on the personnel-related budget lines, Contractual Services, MRC Meeting Expenses and Support to NMC's and Programmes.

15. Costs for *Temporary General Service-SSA* (budget line 500033) amounted to US\$41,988 which is 68% higher than budgeted but is in line with the forecast presented at the Preparatory Meeting of the MRC Joint Committee for the Sixteenth Meeting of the MRC Council on 25 November 2009. This budget line was used to cover expenses for service contracts of: (i) a Network Administrator who provided temporary cover during the absence of the MIS Officer and during the transitional period before the selected Senior IT Assistant takes up duties; (ii) a temporary Personal Assistant to the CEO until a new person is identified and takes up duties; (iii) a temporary staff to cover for a Secretary of ICCS during her maternity leave; (iv) additional support staff for HRS to handle the high workload of the section.

16. Expenditure on budget line 510112 – *Assignment/Relocation Allowance* was only 12% of the budget due to pending recruitments of two posts funded under OEB namely Personal Assistant to the CEO and Chief of ICCS.

17. Expenditure on budget line 510191 – *All other common staff costs* was US\$24,674 which is 76% higher than budgeted. More than US\$11,500 was spent on this budget line for buying a stock for H1N1 masks and Tamiflu medicine when the H1N1 pandemic spread during the second quarter of the year. In addition, OEB provided a financial support of US\$10,000 to the Staff Association's activities in 2010. The support is reported in the 2009 budget as it was disbursed in December 2009.

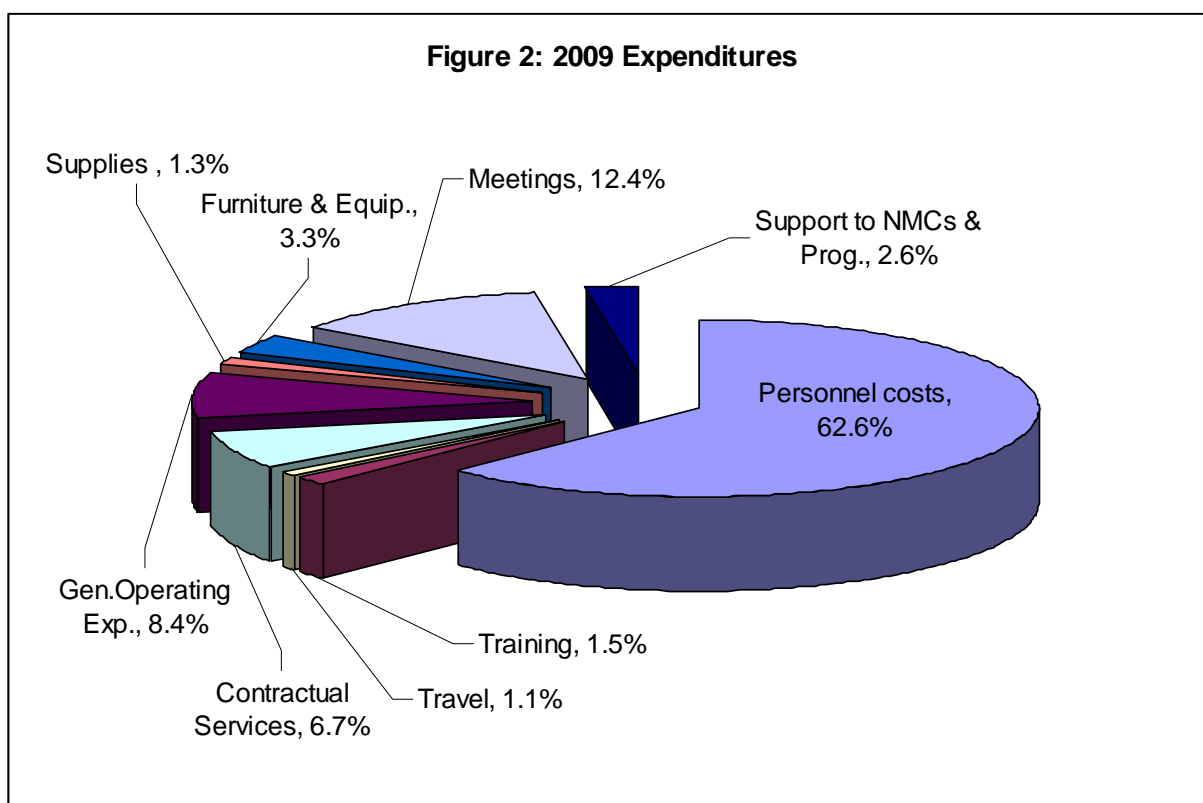
18. The total expenditure on budget line 530353 – *Miscellaneous Contractual Services* was only US\$4,073 or 37% of the budget. This budget line covered the costs of legal services provided under MRC’s contract with Mekong Law Group which the Secretariat did not require much during 2009.

19. Expenditure on budget line 540412 – *Office improvement* was US\$6,150 lower than budgeted because some of the planned renovation works to the MRCS building could not be done before the final decision on the location of the MRCS was made. The postponement of expenditure will have some financial impact on the OEB 2010.

20. As forecasted in the briefing note presented during the Preparatory Meeting of the MRC Joint Committee for the Sixteenth Meeting of the MRC Council on 25 November 2009, expenditure on budget line 540444 – *Long distant telephone calls* was higher than budgeted. The actual expenditure added up to US\$7,106 or 78% higher than planned because the budget was underestimated.

21. A new Toyota Land Cruiser Prado was purchased in late 2009. The delivery of this new car has been delayed due to pending customs clearance procedure during and right after the 25th SEA Games in Vientiane, Lao PDR. The Secretariat expects to receive this car within January 2010. Two old cars which had been used for 11 years, Toyota Land Cruiser Prado and Toyota Corolla, were sold for US\$5,100 and US\$3,470 respectively following a public bidding process. All these transactions have been recorded under Non-EDP equipment (budget line 560612)

22. Figure 2 below provides an overview of OEB expenditures by categories in 2009.



23. The reserved amount for unforeseen situation (US\$30,000) and for permanent location (US\$160,000) was not used in 2009. The reserve for permanent location can be used in 2010 when the Secretariat implements the decision by the Sixteenth Meeting of the Council on permanent co-hosted locations.

24. As in the previous year an overview of the staff posts and number of months actually charged against OEB 2009 is appended to this briefing note as Attachment 2.

25. In line with the discussions at the Preparatory Meeting of the Joint Committee prior to the Thirteenth Council in December 2006 an overview of the actual expenditure on project 2.1/21/08/GTZ/Z “Strengthening the Flood Emergency Management in the Lower Mekong Basin” & project 2.1/42/09/GTZ/Z “Sustainable Watershed Management in the Lower Mekong Basin” Phase III are attached to this briefing note (Attachment 3 & 4 respectively). This funding arrangement has been negotiated with GTZ as their alternative to direct contributions to the MAF and is allocated to finance individual nominated staff positions within MRCS. The budgets of the agreements are in Euro but have been converted in US\$ at the actual exchange rate of the fund transfers. The GTZ projects will come to an end in December 2010 and May 2011 respectively after which funding of these nominated positions will need to revert to the OEB.

III. Administrative Reserve Fund (ARF)

26. The following table shows an overview of the evolution of the ARF from 2002 to 2009. In 2006, the Secretariat targeted an ARF size of US\$500,000 which could provide the Secretariat with a safety margin of around three months of OEB expenditure. The target has been met by the end of 2007. With the increased expenditure on OEB over the last few years, the Secretariat would like to propose to increase the safety margin to US\$600,000 which is equivalent to the current OEB expenditure of three months.

Year	Annual Surplus	Accumulated Surplus	Repayment of relocation loan
2002	10,453	10,453	
2003	41,398	51,851	
2004	141,698	193,549	
2005	140,514	334,063	60,000
2006	133,868	467,931	60,000
2007	368,974	836,905	60,000
2008	533,082	1,369,987	100,000
2009	886,685	2,256,672	60,000

27. By the end of 2009, MRC has repaid US\$340,000 of the relocation loan to Lao PDR. The outstanding balance is US\$ 260,000.

The Joint Committee may wish to take note of the final OEB 2009 accounts and consider increasing the amount of the reserve allocation for use in case of extraordinary circumstances from \$500,000 to \$600,000

MEKONG RIVER COMMISSION
OPERATING EXPENSES BUDGET 2009 (in US\$)

Account	Description	Approved budget 2009 (1)	Revised budget 2009 (2)	Actual 2009 (3)	Balance (4)=(2)-(3)	Percent. (5)=(3)/(2)*100
	Contributions :					
410000	Contribution-Riparian Governments	1,444,607	1,444,607	1,444,608.00	(1)	100%
420000	Contribution-Other Governments	-	-	-	-	
	Sub- total	1,444,607	1,444,607	1,444,608	(1)	100%
	Revenues :					
430000	Professional services	-	-	0	-	-
440000	Treasury Management	35,000	26,000	25,051	949	96%
450000	Miscellaneous	15,000	5,000	2,717	2,283	54%
470000	Manag. & Admin Fee	1,191,000	1,500,000	1,781,431	(281,431)	119%
	Sub- total	1,241,000	1,531,000	1,809,199	(278,199)	118%
	TOTAL INCOME	2,685,607	2,975,607	3,253,807	(278,200)	109%
	EXPENDITURES					
	Salary and Fee					
500011	Professional posts	678,015	665,500	628,476	37,024	94%
500013	Support staff posts	287,510	292,600	287,272	5,328	98%
500031	Personal service contract (PSC)	-	-	0	-	-
500033	Temporary general service - SSA	20,000	25,000	41,988	(16,988)	168%
500051	All overtime cost	8,000	7,000	6,868	132	98%
	Subtotal	993,524	990,100	964,604	25,496	97%
	Common Staff Cost					
510111	Dependency allowance (PS)	16,240	16,300	13,049	3,251	80%
510112	Assignment/Relocation allowance	8,513	12,600	1,476	11,124	12%
510113	Housing allowance	39,634	42,000	25,770	16,230	61%
510114	Post allowance	76,703	76,500	70,772	5,728	93%
510115	Hardship allowance	46,272	46,000	43,489	2,511	95%
510116	Dependency allowance (GS)	49,855	51,000	43,665	7,335	86%
510118	Uniform/Laundry allowance	1,500	1,500	1,367	133	91%
510119	Devaluation allowance GS	28,751	29,000	23,725	5,275	82%
510120	Devaluation allowance RP	56,892	55,500	42,413	13,087	76%
510121	Provident fund - Professional	94,922	93,500	87,187	6,313	93%
510122	Provident fund - Support staff	40,251	41,000	36,655	4,345	89%
510123	Medical insurance	22,004	23,400	12,890	10,510	55%
510126	Life and accidental insurance	5,337	5,300	4,995	305	94%
510127	Medical examination	1,000	1,000	122	878	12%
510131	Educational grant/travel	56,750	52,500	39,137	13,363	75%
510141	Home leave travel	20,400	20,400	5,378	15,023	26%
510161	Personnel recruitment - all costs	10,000	25,000	25,043	(43)	100%
510162	Separation - all costs	16,370	16,370	15,522	848	95%
510163	Termination Benefits	-	-	0	-	-
510181	Management training	-	-	0	-	-
510191	All other common staff costs	12,000	14,000	24,674	(10,674)	176%
	Subtotal	603,392	622,870	517,329	105,541	83%
	Training costs					
510182	All trainings	40,000	40,000	34,418	5,582	86%
	Subtotal	40,000	40,000	34,418	5,582	86%
	Official Travel					

Account	Description	Approved budget 2009 (1)	Revised budget 2009 (2)	Actual 2009 (3)	Balance (4)=(2)-(3)	Percent. (5)=(3)/(2)*100
520210	Programming mission	-	0	0	-	
520221	External Travel(outside basin)	20,000	17,000	13,047	3,953	77%
520222	Riparian travel (within basin)	10,000	12,000	12,510	(510)	104%
520231	Information and fundraising travel	-	-	0	-	-
	Subtotal	30,000	29,000	25,557	3,443	88%
	Contractual Services					
530311	All external printing	20,000	28,500	24,168	4,332	85%
530341	EDP System Development	20,000	18,000	17,795	205	99%
530342	EDP Hardware	-	-	0	-	
530351	External audit cost	39,000	39,000	35,228	3,772	90%
530352	Security guards' service	18,000	18,000	18,141	(141)	101%
530353	Miscellaneous Contractual Services	22,000	11,000	4,073	6,928	37%
530354	Reimbursement Relocation Loan	60,000	60,000	60,000	-	100%
	Subtotal	179,000	174,500	159,404	15,096	91%
	General Operating Expenses					
540412	Office improvement	10,000	21,500	15,350	6,150	71%
540414	Office maintenace	10,000	22,000	18,932	3,068	86%
540421	All utilities costs	58,000	55,000	56,598	(1,598)	103%
540431	Equipment rental & maintenace	7,000	11,500	13,120	(1,620)	114%
540432	Vehicle operation & maintenance	8,000	8,000	6,991	1,009	87%
540433	Auto insurance	3,000	3,000	5,053	(2,053)	168%
540441	Internet and e-mail facilities	32,400	30,000	27,786	2,214	93%
540442	Telephone install, rent & maintenance	1,500	2,300	1,927	373	84%
540443	Local telephone calls	6,000	5,600	2,945	2,655	53%
540444	Long distant telephone calls	4,000	4,000	7,106	(3,106)	178%
540445	Pouch and courier	10,000	2,200	1,704	496	77%
540446	Postage stamps	6,500	2,100	1,771	329	84%
540447	Facsimile	2,600	1,600	749	851	47%
540452	Hospitality expense	3,000	8,200	5,537	2,663	68%
540491	Non-life insurance	7,500	7,500	8,520	(1,020)	114%
540492	Bank service charges	13,000	13,000	16,973	(3,973)	131%
540498	Miscellaneous services	5,000	9,500	8,420	1,080	89%
	Subtotal	187,500	207,000	199,482	7,518	96%
	Supplies					
550511	Stationery etc	17,500	14,000	12,370	1,630	88%
550512	Document reproduction	1,000	1,000	124	876	12%
550513	Computer supplies	3,500	3,500	3,464	36	99%
550521	Books, periodicals, etc	3,500	3,500	3,185	315	91%
550531	Audio visual aid supplies	500	500	173	327	35%
550591	All other supplies	3,000	12,000	12,478	(478)	104%
	Subtotal	29,000	34,500	31,794	2,706	92%
	Furniture and Equipment					
560611	Furniture and fixtures	6,000	4,500	4,626	(126)	103%
560612	Non-EDP equipment	40,000	40,000	35,049	4,951	88%
560621	EDP Equipment	17,100	37,700	28,731	8,969	76%
560623	EDP software - Ready made	28,100	9,000	10,891	(1,891)	121%
	Subtotal	91,200	91,200	79,297	11,903	87%
	MRC Meeting Expenses					
590711	Council meeting	75,000	86,500	86,366	134	100%
590712	Joint Committee meeting	110,000	142,500	128,752	13,748	90%
590713	DCG meeting	23,000	23,000	21,273	1,727	92%
590714	Dialogue meeting	18,000	18,000	12,355	5,645	69%
590715	Other Meeting	36,000	50,000	44,756	5,244	90%
	Subtotal	262,000	320,000	293,503	26,497	92%
	Support to NMCs and Programme					
591800	Support to WUP	1,000	1,000	-	1,000	0%
591811	Support to NMCs and Programme	72,000	72,000	61,733	10,267	86%
	Subtotal	73,000	73,000	61,733	11,267	85%

Account	Description	Approved budget 2009 (1)	Revised budget 2009 (2)	Actual 2009 (3)	Balance (4)=(2)-(3)	Percent. (5)=(3)/(2)*100
	TOTAL EXPENDITURES BEFORE GAIN/LOSS ON EXCHANGE RATE	2,488,617	2,582,170	2,367,122	215,048	92%
	Unforeseen	30,000.00	30,000	-	30,000	0%
	Reserved Amount for permanent locati	160,000.00	160,000	-	160,000	0%
	TOTAL EXPENDITURES	2,678,617	2,772,170	2,367,122	405,048	85%
	OPERATING CASH SURPLUS/ (DEFICIT)	6,990	203,437	886,685		

List of staff whose costs were actually charged against OEB 2009

Title	Category	2009 (a)	Remark
Professional staff			
OFFICE OF THE CEO			
CEO	IP	12 m	
Personal Assistant to CEO	RP	9 m	Resigned from Oct 2009. Replacement is being recruited
ENVIRONMENT DIVISION			
Director, Environment	RP	12 m	
OPERATIONS DIVISION			
Director, Operations	RP	12 m	
PLANNING DIVISION			
Director, Planning Division	RP	12 m	
TECHNICAL SUPPORT DIVISION			
Director, Technical Support	RP	12 m	
Librarian	RP	12 m	
Programme Officer, Operational Hydrologist	RP	7.5 m	Start date: 10 May 2009
Image interpretation and mapping specialist	RP	10 m	Resigned from Nov 2009. No replacement since then
GIS Specialist	RP	0 m	Charged against GTZ-project (2.14209GTZZ)
Database Manager	RP	12 m	
River Flood Forecasting Expert	RP	12 m	
FINANCE AND ADMINISTRATION SECTION			
Chief of FAS	RP	7 m	Start date: 2 June 2009
Procurement Officer	RP	0 m	Charged against GTZ-project (2.12108GTZZ)
Finance Officer	RP	0 m	Charged against GTZ-project (2.12108GTZZ)
MIS Officer	RP	0 m	Charged against GTZ-projects (2.12108GTZZ & 2.14209GTZZ)
INTERNATIONAL COOPERATION AND COMMUNICATION SECTION			
Programme Officer	RP	12 m	
Programme Officer	RP	12 m	
Communications Officer	RP	0 m	Start date: 13 July 2009. Charged to 2.14209GTZZ
HUMAN RESOURCES DEVELOPMENT SECTION			
Chief, HRD	RP	12 m	
Human Resources Officer	RP	12 m	
Personnel Officer	RP	0 m	Charged to GTZ-project (2.12108GTZZ)
Support staff			
OFFICE OF THE CEO			
Administrative Assistant, OCEO	GS	12 m	
Driver	GS	12 m	
ENVIRONMENT DIVISION			
Secretary to Director	GS	12 m	
OPERATIONS DIVISION			
Secretary to Director	GS	12 m	
PLANNING DIVISION			
Secretary to Director	GS	12 m	
TECHNICAL SUPPORT DIVISION			
Secretary to Director	GS	12 m	
Assistant Librarian	GS	12 m	
GIS Assistant	GS	12 m	
Assistant Hydrologist	GS	12 m	

Title	Category	2009 (a)	Remark
FINANCE AND ADMINISTRATION SECTION			
Administrative Secretary	GS	12 m	
Finance Assistant	GS	12 m	
Finance Assistant	GS	12 m	
Finance Assistant/cashier	GS	12 m	
Finance Assistant	GS	12 m	
Finance Assistant	GS	7 m	Resigned from Aug 2009. No replacement since then
Secretary, Finance	GS	12 m	
Network Administrator	GS	12 m	SSA from May 2009
Procurement Assistant	GS	12 m	
Senior Administrative Assistant	GS	12 m	
Administrative Assistant (inventory, fixed assets & station)	GS	12 m	
Travel/Visa Assistant	GS	12 m	
Registry Assistant	GS	12 m	
Messenger	GS	12 m	
Registry Clerk/ Receptionist	GS	12 m	
Messenger/Receptionist	GS	12 m	
Maintenance Supervisor	GS	12 m	
Maintenance Supervisor Assistant	GS	12 m	
Driver	GS	12 m	
Driver	GS	12 m	
Driver	GS	12 m	
Driver	GS	12 m	
Gardeners (#2)	GS	24 m	
Cleaner (#7)	GS	83 m	One cleaner resigned from December 2009
INTERNATIONAL COOPERATION AND COMMUNICATION SECTION			
Programme Assistant	GS	12 m	
Secretary	GS	12 m	
Web Administrator, Communication	GS	12 m	
Graphic Designer, Communication	GS	12 m	
Secretary, Communication	GS	12 m	
HUMAN RESOURCES DEVELOPMENT SECTION			
Secretary	GS	3.5 m	Start date: 20 July 2009. Resigned from 1 Nov 2009. Replacement is being recruited
Personnel Assistant	GS	12 m	

Note:

(a) Number of months actually charged against OEB in 2009

Mekong River Commission
Fund Status Report - Detail

Page: 1 of 1

Period Ending : 12-2009

Project : 2.1\21\08\GTZZ

Funding Source: GTZ

Strengthening the Flood Emergency Management in the LMB,MK 2008/04

Budget Line	Description	Approved Budget (1)	Mth-To-Date Actual (2)	Proj-To-Date Actual (3)	Unliquidated Obligations (4)	Total Expenditure (5) = (3) + (4)	Budget Balance (6) = (1) - (5)	Expenditure / Budget (7) = (5) / (1)
15-00-00	Official Travel	21,000.00	1,341.22	7,872.07	0.00	7,872.07	13,127.93	37.49%
17-00-00	Experts on IT, legal Personnel	42,000.00	5,168.00	10,739.90	0.00	10,739.90	31,260.10	25.57%
18-00-00	Chief FAS	56,000.00	0.00	56,000.00	0.00	56,000.00	0.00	100.00%
18-00-01	Personnel Officer	49,000.00	0.00	49,063.60	0.00	49,063.60	-63.60	100.13%
18-00-02	IT Officer	49,000.00	0.00	51,033.79	0.00	51,033.79	-2,033.79	104.15%
18-00-03	Procurement Officer	49,000.00	2,304.21	33,334.78	0.00	33,334.78	15,665.22	68.03%
18-00-04	Financial Officer	49,000.00	3,679.00	46,376.94	0.00	46,376.94	2,623.06	94.65%
18-00-05	Head FAU (FMC)	49,000.00	0.00	48,062.35	0.00	48,062.35	937.65	98.09%
53-00-00	Oper&AdminCost (RFC)	14,000.00	2,183.76	14,000.00	0.00	14,000.00	0.00	100.00%
Total :		378,000.00	14,676.19	316,483.43	0.00	316,483.43	61,516.57	83.73%

Total Fund Received : 378,834.28
Outstanding Advance: 0.00
Total Cash available : 62,350.85

Mekong River Commission
Fund Status Report - Detail

Period Ending : 12-2009

Project : 2.1\42\09\GTZ

Funding Source: GTZ

Sustainable Watershed Management in the Lower Mekong Basin, Phase III

Budget Line	Description	Approved Budget (1)	Mth-To-Date Actual (2)	Proj-To-Date Actual (3)	Unliquidated Obligations (4)	Total Expenditure (5) = (3) + (4)	Budget Balance (6) = (1) - (5)	Expenditure/ Budget (7) = (5) / (1)
15-00-00	Official Travel	21,067.00	0.00	0.00	0.00	0.00	21,067.00	0.00%
17-00-00	Experts on IT, Legal, Admin.	42,135.00	0.00	0.00	0.00	0.00	42,135.00	0.00%
18-00-01	Personnel Officer	49,157.00	-3,379.00	7,481.70	0.00	7,481.70	41,675.30	15.22%
18-00-02	MIS Officer	42,135.00	3,461.01	14,656.02	0.00	14,656.02	27,478.98	34.78%
18-00-03	Communication Officer	42,135.00	3,176.96	20,839.24	0.00	20,839.24	21,295.76	49.46%
18-00-04	GIS Specialist	42,135.00	3,758.37	45,325.81	0.00	45,325.81	-3,190.81	107.57%
18-00-05	Procurement Officer	28,090.00	0.00	0.00	0.00	0.00	28,090.00	0.00%
18-00-06	Finance Officer	49,157.00	0.00	0.00	0.00	0.00	49,157.00	0.00%
18-00-07	Head of FAU	49,157.00	3,639.00	11,922.01	0.00	11,922.01	37,234.99	24.25%
53-00-00	Operating & Admin. Cost	21,067.00	-777.72	1,778.91	0.00	1,778.91	19,288.09	8.44%
Total :		386,235.00	9,878.62	102,003.69	0.00	102,003.69	284,231.31	26.41%

Total Fund Received : 217,488.79
Outstanding Advance: 0.00
Total Cash available : 115,485.10

NOTE FOR INFORMATION

REPORT ON THE HYDROLOGICAL CONDITIONS IN THE LOWER MEKONG BASIN FROM JULY TO DECEMBER 2009

1. In response to the request from the Joint Committee at its Twenty-second Meeting in August 2005 the MRC Secretariat continues a routine monitoring of the hydrological situation in the Mekong Basin. The attached Hydrological Conditions Report for the Lower Mekong River Basin includes the analysis of hydro- meteorological data from July to December 2009.

Hydrological Conditions:

2. For the LMB, the rainfall amount for the period from July to December 2009 was generally consistent with the long-term average condition, though in July and August rainfall was higher in upstream areas. The rainfall from October to December showed in general less than average for most of LMB.

3. The ground-based rainfall mapping showed cumulative rainfall in September is high in the northern part of the LMB which is characterized as by both a floodplain area and highland mountainous area. This indication reveals the Ketsana storm in September 2009, which was formed in the east Philippines on 26th September, caused extensive damages in Liuzong Island of the Philippines, and then upgraded into Typhoon when travelling through South China Sea, and landed over Central of Vietnam on 29th September and arrived at the Southern part of Lao PDR, Northeast part of Cambodia.

4. The frequent appearance of low pressure and Tropical Low Pressure and Inter Tropical Convergence Zone (ITCZ) were one of the major results that caused continuous heavy rain and flood events in the upper and middle reaches of LMB from August to September.

5. Hydrological conditions along the Mekong mainstream during the second half of 2009 were generally within the range that can be defined as normal

6. Between Chiang Saen and Kratie, the flood season as defined here began well within the usual onset weeks at the end of June and the beginning of July. Further downstream between Phnom Penh and Chau Doc, the flood season had not yet begun as at the 7th July. At Chau Doc in early October, water level was above flood level.

7. Discharges and water levels were marginally below average in the upper reach of the Basin with the exception of Chiang Saen, Luang Prabang, Vientiane in early July where levels were significantly above average. Heavy rain mostly occurred in the upper and middle reaches of LMB, especially in September due to the influence of Typhoon Ketsana storm.

8. An analysis on flow exceedance probability at Chiang Khan indicated the average flow in early July is extremely high (>10%). However, the flow became lower than average for the rest of wet season. For example the flow in August is lower than average (<50%) and from September to December the flow is extremely low than average (>90%). These imply the significant low flow conditions in wet season of 2009, except in early July.

9. The analysis of flow and water level in mainstream showed that in this period, the hydrological conditions in mainstream were generally marginally below average for the reach from Chiang Saen to Pakse, but about average from Kratie down to delta areas.

10. The probability analysis of dry season flows indicates that the flows are greater than the 50%, suggesting no hydrological drought condition.

11. The outflow of the Tonle Sap remained normal. Based on the analysis of the flow regime and its relationship of water level and flooding area of the lake, the conclusions are:

- The suitable land for recession-rice gradually increased up to 8000 km² in April, 2009 after the peak flood receded.
- The wet season flow of the Tonle Sap 2009 is similarity to the average condition (1997-2009). The analysis of outflow and reverse flow Tonle Sap showed the 2009 reverse flow began late, in the middle of June, 2009 (similar process as flow in 2008).

12. Soil moisture displayed high values in the LMB beginning from July to September (90 to 100%), corresponding to significant amounts of rainfall in LMB. But from October to December, the gradual lack of rainfall saw moisture levels fall across the region to less than 50% in November and 20% in December, which were generally somewhat below average. Some improvement is evident in late September as a result of Ketsana storm during the monsoonal convective storm conditions, which increased moisture levels to above 90% within the eastern highland margins of the Basin in Lao PDR.

The Joint Committee may wish to take note of the hydrological conditions in the Lower Mekong Basin for the period July to December 2009.

MEKONG RIVER COMMISSION SECRETARIAT

**DRAFT PRELIMINARY REPORT ON LOW WATER LEVEL CONDITIONS
IN THE MEKONG MAINSTREAM**

28 February 2010

1. Introduction

This preliminary report has been prepared to provide information with regard to the current situation of extremely low water levels on the Mekong upstream of Stung Treng and particularly in northern Lao PDR and Thailand. The analysis is based upon the data currently available which are compared to historical hydrological and meteorological conditions.

Weekly reports of water levels at mainstream water level monitoring stations are updated every Monday at <http://ffw.mrcmekong.org/>

2. Rainfall conditions

In the upper Mekong Basin, rainfall data at Jinhong, Lincang, Simao and Lancang were obtained from NOAA (Figure 1). Figure 2 shows the comparison between the observed monthly rainfall from January to December, 2009 and the long-term monthly average (2000-2009) at each site. There is a consistent pattern of below average rainfall in each month between August and December. The January 2010 rainfall was also below average.

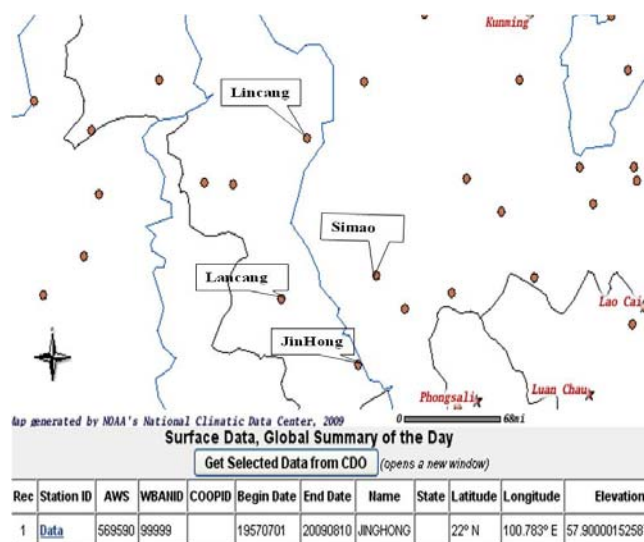


Figure. 1: Selected rainfall stations in the Upper Mekong Basin in Southern Yunnan. (<http://www7.ncdc.noaa.gov/CDO/cdosubqueryrouter.cmd>)

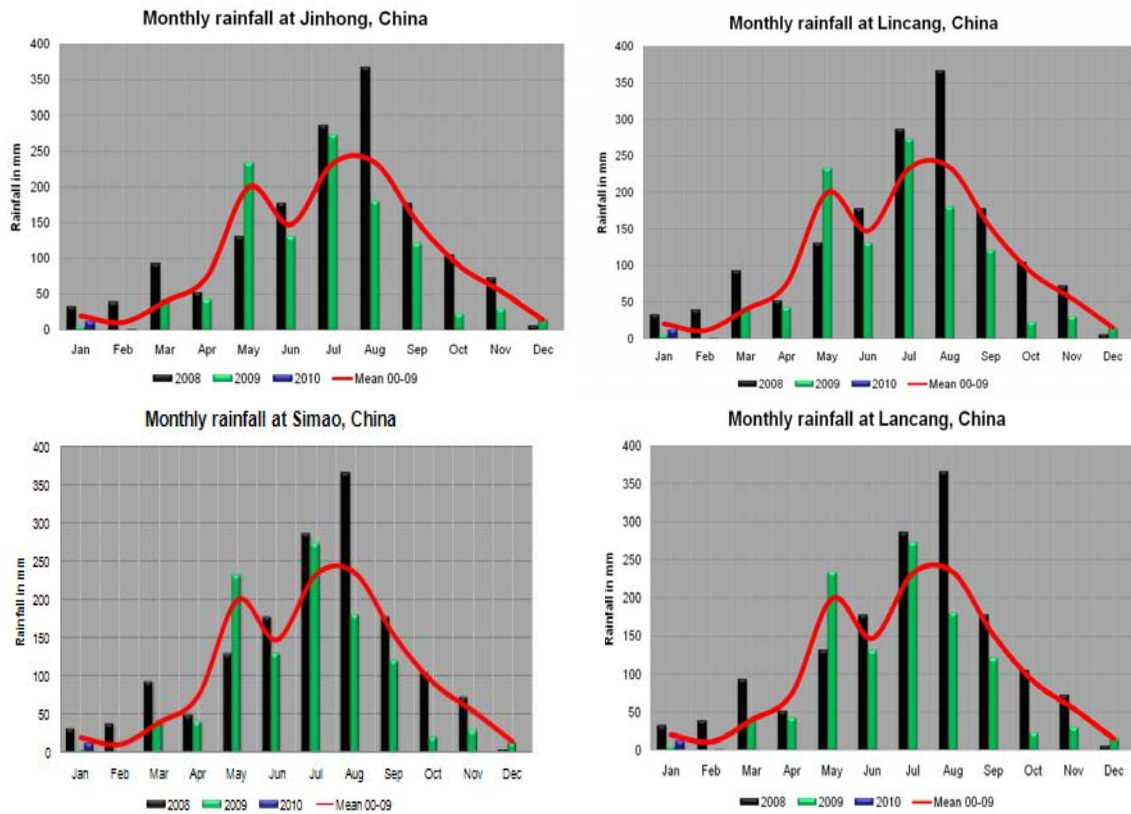


Figure. 2: Monthly average rainfall pattern from January to December, 2009 at Jinhong, Lincang, Simao and Lancang, compared with the long-term monthly average rainfall (2000-2009)

Figure 3 shows the mainstream hydro-meteorological stations in northern Lao PDR and Thailand. Data at four rainfall stations at Chiang Saen, Luang Prabang, Chiang Rai and Vientiane were selected for analysis. Figure 4 compares monthly rainfalls observed between July and December, 2009 with the long-term monthly average over the last 50 years (1960-2009). In the upper LMB, the rainfall from July to August 2009 is comparable to the long-term average. However, from September onwards rainfall in this northern region of the Basin was considerably less than normal. Rainfall to date in 2010 has been minimal as would be expected at this time of the year.

From these preliminary rainfall data, the indications are that the 2009 SW monsoon ended early. The average date for monsoon withdrawal at Chiang Saen is the first week of November and at Vientiane the first week of October. The early withdrawal



Figure. 3: Mainstream hydro-meteorological stations in northern Lao PDR and Thailand

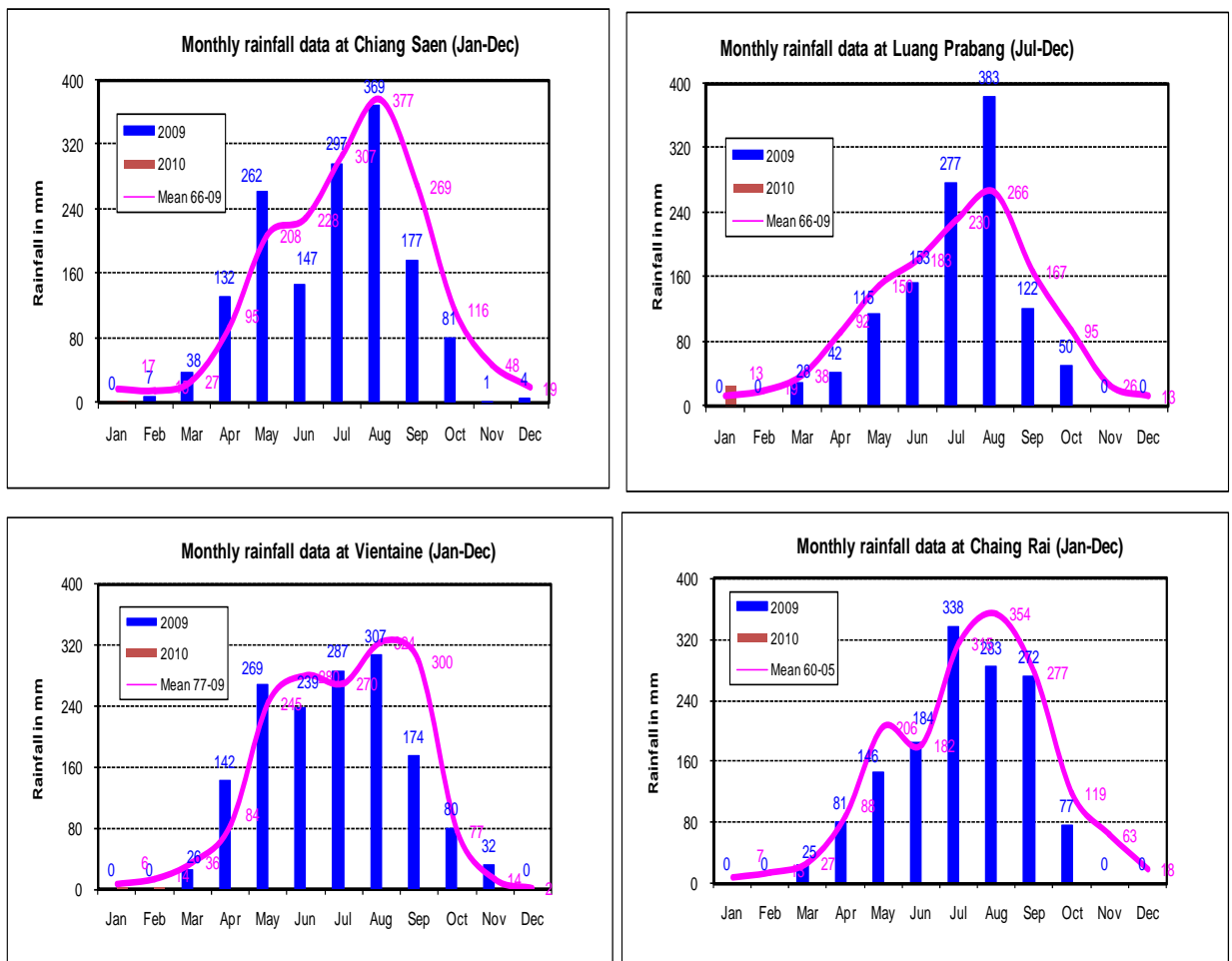


Figure.4: Monthly average rainfall pattern from January to December, 2009 at Chiang Saen, Luang Prabang, Chiang Rai and Vientiane, compared with its long-term monthly average rainfall (1960-2009)

in 2009 meant that the discharges on the Mekong and its northern tributaries started to recede early in the season, drawing on what natural catchment and groundwater resources there were. Natural and groundwater storage in the northern parts of the basin are not large so a deficit situation would have arisen relatively quickly, particularly on the large tributaries in northern Lao PDR, leading to considerably reduced flow contributions to the mainstream.

3. The flood season of 2009.

The general weakness of the 2009 SW Monsoon meant that flows during the flood season were well below normal, particularly in these northern parts of the Mekong basin (Fig 5). The peak and the total volume of the 2009 flood at Vientiane, for example, were the 5th lowest over the last 98 years. It would generally be expected therefore that natural catchment storage in northern Lao in particular would be significantly below normal at the end of the wet season with the follow-on effect that the subsequent dry season flows would also be below the seasonal average.

Not only were discharges low but the flood season ended almost two months early at Chiang Saen, reflecting early Monsoon withdrawal. This, as indicated above, led to very low levels of natural catchment storage to sustain flows during the dry season and the early onset of the flood recession leading in turn to very low tributary flows by January 2010.

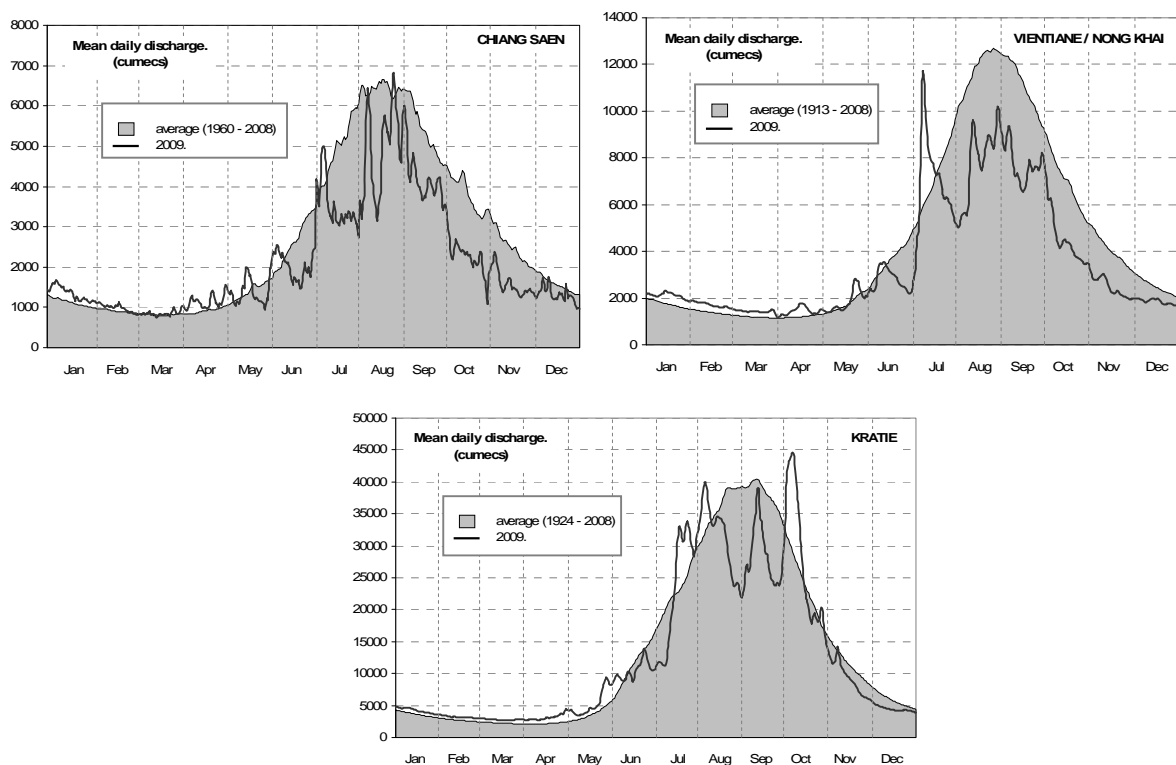


Figure 5: Chiang Saen, Vientiane and Kratie: The 2009 daily discharge hydrograph on the Mekong mainstream compared to the long term average.

4. Water levels in late 2009 and early 2010.

Figure 6 compares the 2010 water levels observed at four sites in the Mekong mainstream between 1st January and 23rd February with those over the same period in 1993, which generally were the lowest that have occurred in the last 90 years.

At Chiang Saen water levels up to 23rd Feb were above those of 1993 and by up to 0.5 to 1m until the first week of February. They then fell by 1 m. The equivalent decrease in discharge between the 24th January and 23rd February is 250 cumecs. A decrease in discharge of this order during Jan / Feb amounts to 25% and more of the average flow at this time of the year at Chaing Saen, which is more rapid under normal conditions over such a short period of 3 to 4 weeks.

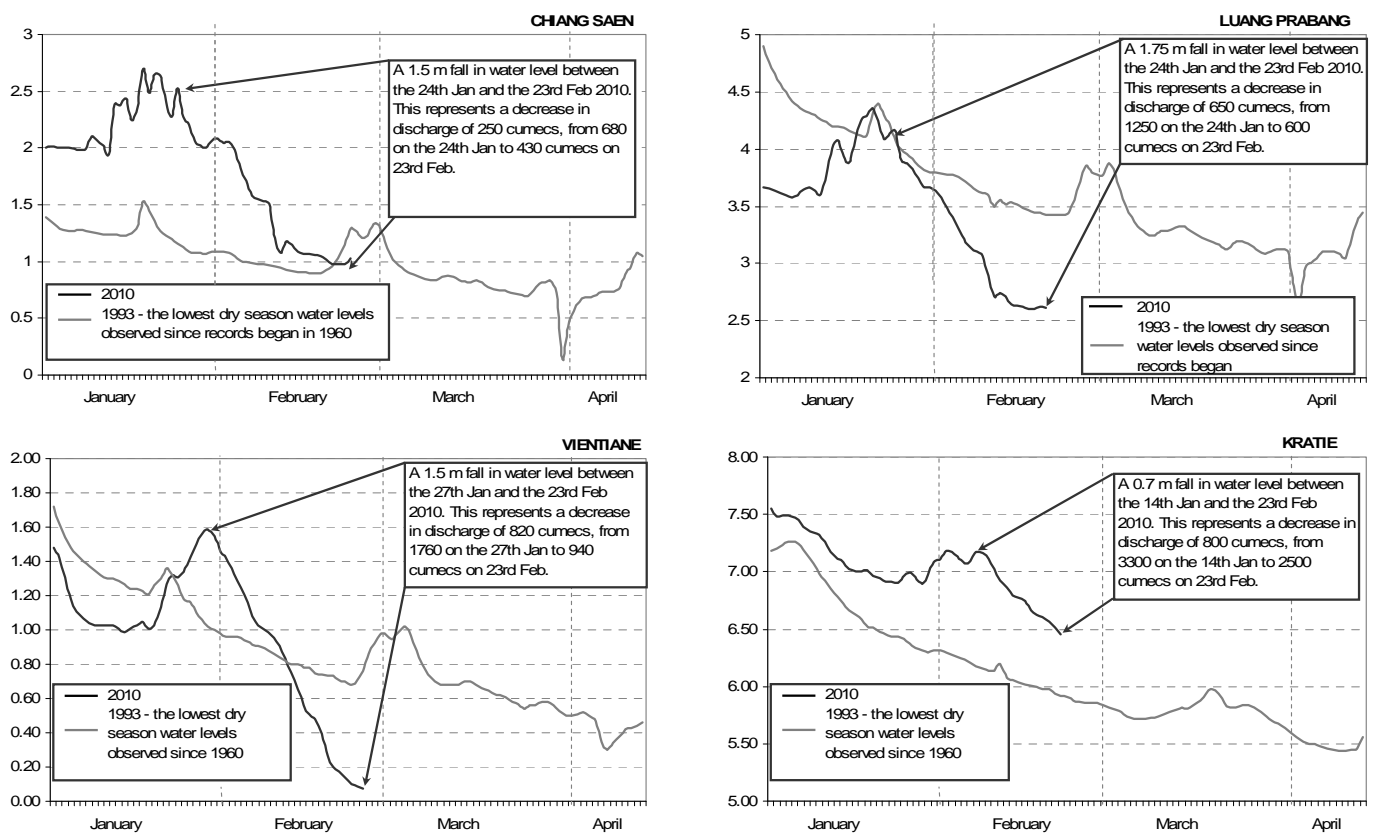


Figure 6: Chiang Saen, Luang Prabang, Vientiane and Kratie: Comparison of 1993 and 2010 water levels between 1st January and 23rd February.

At Luang Prabang and Vientiane the decrease in water levels appears to be more serious since the latter part of January they have fallen well below those that prevailed in 1993. The associated decrease in discharge amounts to 650 and 820 cumecs respectively.

This considerably greater downstream decrease in discharge than at Chiang Saen suggests that the contributions from the large northern Lao tributaries such as the Nam Ou and Nam Khan has fallen off considerably since late January. Observations show that these rivers are currently very low indeed. This tends to suggest a significant reduction in the natural groundwater contribution to these tributaries over the last month. This might arise as a response to what might be described as a hydrological drought following on from the very deficient flood conditions of 2009. It may be that the ground water contributions tails off exponentially under such conditions.

Further downstream at Kratie the decrease in water levels during February remains quite apparent but those of 2010 remain half a meter higher than those of 1993 at this point in February.

Figure 7 compares the 2009 / 2010 water levels on the Mekong mainstream with those of 1992 / 1993. The key feature is that water levels at Chiang Saen from November 2009 onwards were higher than those that occurred in 1992 / 3. At Luang Prabang and Vientiane, the opposite is true. This suggests that the water levels at Chiang Saen were maintained at a higher level by upstream reservoir releases until late January when they receded significantly. The levels at Luang Prabang and Vientiane being lower than 1992/3 more clearly reflect the regional drought conditions from September 2009 onwards and the very low contributions to the mainstream by the large tributaries in northern Lao PDR.

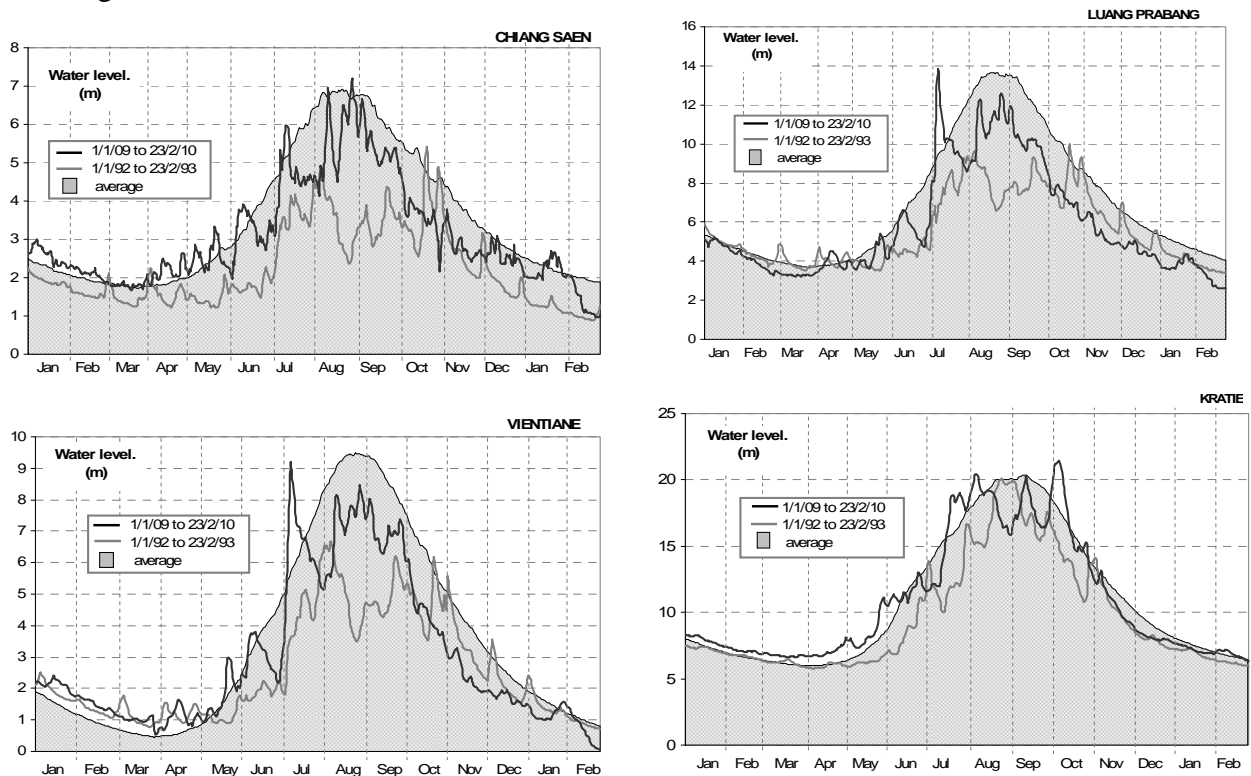


Figure 7: Comparison of water levels at selected sites on the Mekong mainstream for the periods 1/1/1992 to 23/2/1993 and 1/1/2009 to 23/2/2010.

5. Tributary flows

Confirmation of the severity of the regional drought conditions is provided by an analysis of the flows so far in 2010 on two large Mekong tributaries in northern Lao PDR, the Nam Ou and Nam Khan, Figure 8. Discharges on the Nam Ou are amongst the lowest observed over the period of record, while those on the Nam Khan are unprecedented, falling well below anything observed over the last 50 or so years.

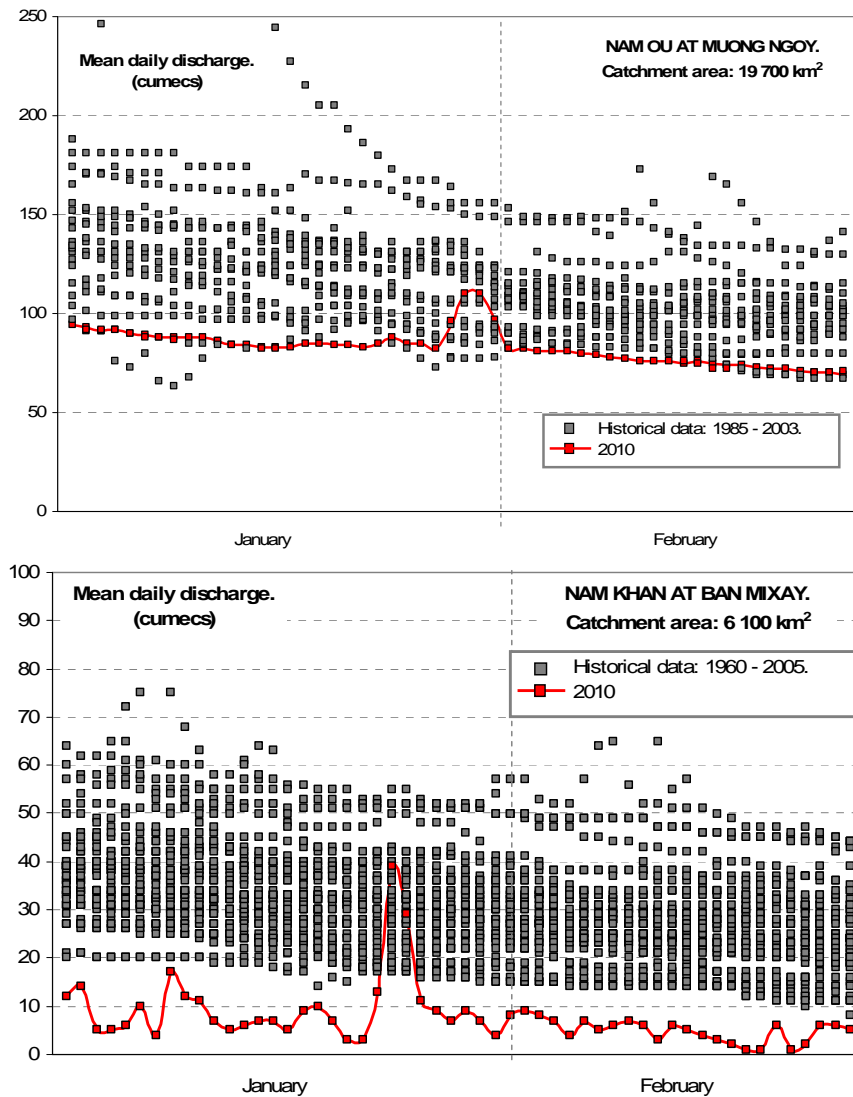


Figure 8: Nam Ou and Nam Khan in Northern Lao PDR: Daily discharges for the period 1st Jan to 23rd February, 2010 compared to

6. Preliminary Conclusions

The main cause of low water levels being experienced in the 2010 dry season in the Mekong mainstream is a combination of an early end to the 2009 wet season and low monsoon rainfall which has led to regional drought conditions.

Based on the available information it appears that flows from tributary rivers in Lao PDR and northern Thailand have decreased more than the reduction in mainstream flow entering Lao PDR from China. This situation represents a wide regional hydrological drought affecting all countries in the upper part of the Basin.

At this stage there is no indication that the existence of dams upstream has made the situation more extreme than the natural case. Dam operations during early and mid January may have delayed the onset of the very low conditions experienced downstream since late January 2010. Further analyses and discussion with China are planned.

NOTE FOR INFORMATION

PROGRESS ON COOPERATION WITH DEVELOPMENT PARTNERS

I. Funding Agreements

1. Since the Thirtieth Meeting of the Joint Committee on 29-30 July 2009, funding agreements were concluded with six development partners amounting to a total of approximately US\$ 17.57 million. The funding agreements covered a number of key programmes and projects. Details of these grants are set out below:

Development Partners	Programme/Project	Amount Approx. (US\$) TCB¹
ADB	Agreement between MRC and ADB on support to the MRC modeling for 3S studies under IKMP signed on 12 January 2010 and effective as of 18 January 2010 to 31 July 2010.	86,000
Australia	Agreement between MRC and Australia on support AUD 3,000, 000 to the Climate Change and Adaptation Initiative signed on 2 November 2009 and effective as of 2 November 2009 to 30 June 2013.	2,538,071
Belgium	Agreement between MRC and the Belgian Government for support Euro 4 million to Navigation Programme for 2009-2012 and Euro 3 million to Initiative Sustainable Hydropower for 2010-2012. Total amount of Euro 7 million signed on 3 October 2009 and effective as of 2 October 2009 to 31 December 2014.	10,174,419
France	Agreement between the Agence Francaise de Developpement and the MRC for support Euro 0.5 million to Environment Programme signed on 27 November 2009 and effective as of 27 December 2009 to 27 November 2012.	739,644
New Zealand	Agreement between the New Zealand Agency for International Development (NZ Aid) and the Mekong River Commission on the NZ Aid support USD 0.7 million to the Integrated Capacity Building Programme signed on 11 January 2010 and effective as of 1 July 2009 to 31 December 2013.	700,000
Sweden	Additional support to the Agreement between Sweden and the Mekong River Commission on Support to the MRC January 2007 – December 2009, dated 24 April 2007 (MK 2007/03) amount of SEK 23 million for Fishery Programme, Environment Programme, and Institutional Support signed on 14 December 2009 and effective as of 1 December 2009 to 31 December 2010.	3,338,171
Total		17,576,305

¹ Technical Cooperation Budget

II. Formal Pledging and Commitment of Support

2. In addition to the agreements signed, as of March 2010, the Development Partners have formally indicated their multi-year pledge and commitment of support in the amount of US\$ 25.6 million for MRC. Of these US\$ 25.6 million are for the TCB.

3. Out of a total of US\$ 25.6 million for the TCB, US\$ 8.0 million are new pledges, and US\$ 17.6 million are standing commitments.

4. Details on pledges and commitments of support as well as on technical assistance received are:

New Pledges

5. **Denmark:** Denmark pledged further support of 40 million Danish Kroner (approx USD 8 million) to support the Climate Change and Adaptation Initiative and the Environment and Fisheries Programmes.

6. **Germany:** Germany expect to continue supporting the MRC, however it is necessary for this support to be aligned to the next Strategic Plan.

7. **Japan:** Japan has recently changed their policy towards Mekong basin countries. This will lead to an increase in support to hard and soft infrastructure, human dignity, and expanding cooperation exchange. The extended support translates to 500 billion yen ODA (Approximately US\$ 5.7 billion) in the Mekong region over the next three years including a Green Mekong Initiative. Japan would like to strengthen its partnership with the MRC.

Standing Commitments of Support

8. **Finland:** Finland committed to provide a funding support of Euro 12 million, equivalent to US\$ 17.3² million. This would be allocated to the Initiative on Sustainable Hydropower, Information and Knowledge Management Programme, and Integrated Capacity Building Programme for 2010-2014; the Water Management Trust Fund for 2009-2010.

9. **Japan:** Japan committed to provide funding support of US\$ 0.3 million to the Agriculture Irrigation and Forestry Programme for study on analysis of sustainable water resources use project. This would be the third and last trench of the overall 3 years commitment for 2010.

III. Fund Raising Activities and Regional Cooperation

10. A number of fundraising and cooperation missions have taken place since the Thirtieth Meeting of the Joint Committee in July 2009 namely:

- a mission to Thailand on 13 August 2009 for a meeting with the President of Asian Institute of Technology (AIT) for future cooperation;
- a mission to Sweden on 18 August 2009 for fundraising, and
- a mission to Norway on 28 August 2009 for fundraising;
- a mission to United States of America on 17 -22 January 2010 to attend the World Bank's Social Development Network Forum in Washington DC and for discussions with the US State Department and Mississippi River Commission.

² Exchange rate as of January 2010 (USD 1=Euro 0.693)

11. Regional cooperation with ASEAN and Mississippi River Commission will be reported under the next agenda item D.2.3.

IV. Technical Assistance Received

12. One expert has been seconded to the Secretariat by France since mid 2005. The French Technical Adviser's contract will end in July 2010 and will not be extended.

13. German Technical Assistance through GTZ has been provided to the Secretariat since March 2002. The third phase for watershed management activities under the AIFP will end in May 2011. The current phase of German support to FMMP activities will end in December 2010. New German Technical Assistance to MRC is being considered within an overall approach following more aligned type of support.

The Joint Committee may wish to take note of the progress made in respect of Development Partners' support and cooperation with other regional partners.

MATTER FOR CONSIDERATION

PROGRESS ON COOPERATION WITH THE ASEAN and MISSISSIPPI RIVER COMMISSION

1. Follow up on the MRC mission to ASEAN Secretariat in Jakarta, Indonesia took place on 5 June 2009 to promote cooperation between the two organisations. A draft Memorandum of Understanding (MoU) has been prepared and was circulated for comment of Member Countries. All comments were included in the final version and agreed by ASEAN. This final MoU (Attachment 1) is scheduled to be signed at the MRC Summit in April 2010.
2. A letter of intent was signed between the MRC and the Mississippi River Commission (MRC-USA) on 29 July 2009. Since then, the MRC Secretariat has been in further discussions with the MRC-USA. MRC also drafted a Discussion Note on cooperation with a selected number of basin organizations around the world within which the context of the cooperation with MRC-USA can be viewed. The Discussion Note was circulated to Member Countries for comment on 18 November 2009
3. A draft Memorandum of Understanding (MoU) has been prepared and was circulated for comment of Member Countries on 8 January 2010 and comments were received prior to the CEOs visit to the MRC-USA on 22 January 2010 in association with other meetings at the World Bank that the CEO was attending.
4. The areas and modality of potential cooperation was discussed during the meeting between Brigadier General Walsh, President of the MRC-USA, Mr. Stephen Gambrell, Executive Secretary of the MRCS-USA and the CEO. MRC-USA noted that the main areas of direct responsibility of (MRC-USA) flood management, navigation and ecosystem restoration while some of the proposed areas of cooperation lie outside of their direct mandate. For such topics, they would be prepared to play a facilitating role for involvement of other agencies / experts from the USA and this provision has been incorporated in the draft received from MRC-USA date 7 January 2009.
5. MRC-USA will again review the draft MOU based on the comments received from MRC Member Countries and their own internal constraints and advise MRC accordingly of any changes to the wording. It was suggested that agreement could be reached on the wording of the MOU within February 2010 so that it can be signed in March 2010 prior to the MRC Summit.
6. Regarding a possible study, MRC-USA would welcome a delegation from the Mekong and suggested that this would require approximately one week to see the various facets of the river from upstream to downstream and hopefully to take part in one of their public meetings on board their Motor Vessel *Mississippi* and which take place during spring (April) and in the low season in the summer (August). The MRC Secretariat will continue to communicate with the MRC-USA on possible scope and logistics of such a study tour that would help to define in more detail the areas of future cooperation between the two river commissions. The itinerary and scope of the earlier mission of Mekong countries to the Mississippi Basin in 2003 will also be taken into account. The visit is however dependant on identification of funding sources.

7. During his visit to Washington, the CEO also held meetings with the State Department to follow up on the progress of cooperation and also possible sources of financial assistance. The State Department is aware of the need to resolve the financial issues and indicated it was investigating a number of possible sources. Further discussions will need to be held on this before any concrete activities can be committed to.

The Joint Committee may wish to note the MRC progress on the ASEAN and Mississippi River Commission cooperation.

Memorandum of Understanding Between the Mekong River Commission Secretariat and the ASEAN Secretariat

Preamble

REAFFIRMING the development of partnership between the Association of Southeast Asian Nations Secretariat (the “ASEC”) and the Mekong River Commission Secretariat (the “MRCS”) to contribute towards the sustainable development of the Mekong Basin. The ASEC and the MRCS have agreed to increase their cooperation and enter into partnership in fields of common interest.

NOTING the Memorandum of Understanding (the “MoU”) sets out the modalities under which ASEC and MRCS intend to closely collaborate.

Noting

1. The Association of Southeast Asian Nations (ASEAN) is an intergovernmental institution established on 8 August 1967 in Bangkok by the five original Member States, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999. The ASEAN Secretariat is located in Jakarta, Indonesia
2. The ASEAN Charter entered into force on 15 December 2008 and it is a legally binding agreement among the ten Member States. The Charter provides the legal and institutional framework for the realisation of the ASEAN Community by 2015.
3. At the 13th and 14th ASEAN Summits held in 2007 and 2008, respectively, the Leaders adopted the ASEAN Economic Community Blueprint, the ASEAN Socio-Cultural Community Blueprint and the ASEAN Political-Security Community Blueprint and the IAI Work Plan II which serves as the Roadmap for an ASEAN Community (2009-2015).
4. The Roadmap provides strategic plan of actions in promoting sustainability of water resources to ensure equitable accessibility and sufficient water quantity of acceptable quality to meet the needs of the people of ASEAN.
5. The ASEAN has established an ASEAN Working Group on Water Resources Management (AWGWRM) under auspices of the ASEAN Senior Officials on the Environment (ASOEN) to coordinate and review regional cooperation related to water resources management in ASEAN. ASOEN agreed to develop the ASEAN Climate Change Initiative (ACCI). The objective of the initiatives is to enhance regional and international cooperation to address the issue of climate change and its impact on socio-economic development, health and the environment.
6. The ASEAN has developed specific mechanisms of specific relevance for the Mekong River Commission (MRC) such as the ASEAN-Mekong Basin Development Cooperation (AMBDC), ASEAN Community Blueprints (2009-2015), the IAI Work Plan II, the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity and the ASEAN Senior Officials on the Environment (ASOEN).
7. In 1996, the AMBDC has identified economic promotion and sustainable development of the Mekong River Basin as a major area of focus with a specific emphasis on

traffic/transportation, trade and human resources development. In 2004, at the 10th ASEAN Summit in Vientiane, Lao PDR, the Heads of State and Government of the ASEAN agreed on enhancing economic cooperation and integration among Cambodia, Lao PDR, Myanmar and Viet Nam through the Vientiane Action Programme, which is now replaced by Roadmap for an ASEAN Community (2009-2015). The AMBDC has provided guidance and inspiration to the Asian Development Bank (ADB) Greater Mekong Sub-region (GMS) as well as other donors regarding the issues and opportunities for Mekong support, and it has positioned the ASEAN Secretariat as a partner to the MRC Secretariat as well as to the MRC's Governments – through their respective National Mekong Committees (NMCs), the Joint Committee (JC), and the Ministries and line agencies.

8. The Plan of Action 2005-2010 to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity adopted at the 8th ASEAN-China Summit held in Vientiane on 29 November 2004 includes a section on the Mekong River Basin Development Cooperation (Section 2.9) that covers areas of involvement of MRC such as improvement of the navigational safety on the Lancang-Mekong River; expansion of the Environmental Impact Assessment of the navigation channel on the upper Mekong River; management and monitoring of water quality of Mekong river; sustainable use including the equitable access and benefit sharing of the sub-region's shared natural resources and their biodiversity; exchange of information and strengthen cooperation concerning the use of water in the Lancang-Mekong River, with a view to achieve sustainable development of all riparian countries; and cooperative activities to address global warming.

Noting

9. The MRC is an intergovernmental organization established through the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin (the 1995 Agreement). The MRC aims at managing and developing the water resources of the Mekong River Basin in an integrated, sustainable and equitable manner for the mutual benefit of the basin countries. Based on the 1995 Mekong Agreement; the MRC vision is “an economically prosperous, socially just and environmentally sound Mekong River Basin, to promote and coordinate sustainable management and development of water and related resources for the countries' mutual benefit and the people's well being”.

10. The mandate of MRC is to coordinate and promote cooperation in all fields of sustainable development, utilization, management and conservation of the water and related resources of the Mekong Basin. The MRC has thus developed an expertise on integrated water resources management encompassing hydrological information, water based development scenario, basin development plan, environment, water quality and ecosystems, hydropower, fisheries, navigation, agriculture, irrigation, watershed management, flood forecast, flood mitigation and drought.

11. The four MRC Member Countries are also members of ASEAN and Mekong-related issues are being considered under various ASEAN frameworks such as the Initiative for ASEAN Integration, the AMBDC forum, the ASOEN as well as under the ASEAN-China Dialogue discussions.

12. The ASEC has been one of the observers to MRC Governance meetings since 2005. The ASEAN under the Japan-ASEAN Integration Fund (JAIF) has been supporting the MRC Initiative on Sustainable Hydropower since 2007¹.

Purpose

13. The ASEC can further expand regional integration through the MRCS with the sustainable development and joint management of water and related resources in the Mekong River Basin. The MRC can provide expertise on integrated water resources

¹ The initial project name is “Initial Analysis of Hydropower Potentials in Lower Mekong Basin in relation to Cumulative Transboundary Impacts”

management to the wider ASEAN membership. The MRC can benefit from enhanced political recognition through relevant ASEAN frameworks.

14. Thus, the ASEC and the MRCS recognize that partnerships are essential, building on synergies of each organization's strengths and their shared vision of economic integration and sustainable development. It is thus considered mutually beneficial for ASEC and MRCS – and the countries that they serve in the Mekong Basin – to develop closer, more formal working arrangements.

Objectives

15. The objective of this MoU is to provide a framework for developing and maintaining cooperation between ASEC and MRCS in the field of their common interests and to ensure close coordination, better utilization of resources so as to achieve effective outcomes on regional cooperation for the sustainable development of the Mekong River Basin. The MoU shall be reviewed regularly and adjusted as more experience is gained.

Areas of Cooperation

16. The ASEC and MRCS agreed to develop their partnership as follows:

16.1. Allow representatives to attend respective meetings, as deemed appropriate.

16.2. The ASEC and the MRCS intend to prepare joint activities under the following ASEAN focus areas:

16.2.1. (i) Provide more assistance to Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) Countries in the implementation of the ASEAN Strategic Plan of Action on Water Resources Management.

Contextual activities at MRC would be the Basin Development Plan Programme that develops an IWRM-based basin development strategy and project portfolio for the management and development of water and related resources.

16.2.1. (ii) Organise training courses and workshops for CLMV countries to enhance capabilities in disaster responses, and search and rescue.

Contextual activities at MRC would be the MRC Flood Management and Mitigation Programme that works along the full spectrum of flood related risk, providing forecasting services, and promoting structural and institutional management and mitigation measures.

16.2.1. (iii) Assess the impact of climate change on biodiversity, water resources, climate related disasters such as floods and fires, and draw up adaptation and mitigation plans by 2012.

Contextual activities at MRC would be the MRC Climate Change and Adaptation Initiative that investigates the effects of climate variability and change in the basin, their implications on water and related resources and depending livelihoods, and aims to improve the resilience of the affected population.

16.2.1. (iv) Enhance the capacity of CLMV countries in managing environmental pollution.

Contextual activities at MRC would be the MRC Environmental Programme that coordinates water quality and bio-monitoring systems on the Mekong mainstream and selected tributaries. An initiative defining the significance of tributaries of the Mekong River system classifies all streams and catchments of the basin to international standards, establishes their key physical properties, and environmental and social features, as well as current and potential resource use and develops a methodology to assess up and downstream interdependencies and cumulative impacts of proposed developments.

16.3. Other areas of cooperation would be explored to build on synergies of each organization's strength such as principled common approaches to environmental standards or build on synergies between the policy level initiatives of ASEC and the technical level experience of MRCS.

Principles of Cooperation

17. From the foregoing, this partnership would move forward on the basis of the following premises:

- Mutual respect for each other's complementary strengths and objectives;
- Mutual support in fulfilling each other's mission;
- Mutual benefit in the activities ASEC and MRCS will collaborate on, under this MoU. Their selection and development to bring clear benefit to both organizations and their constituents;
- Mutual recognition: public statements and publications regarding activities undertaken jointly under this MoU will acknowledge this partnership;
- Enhancement of each other's effectiveness while avoiding duplication of effort;
- Commitment to finding ways to achieve more than either organization could accomplish independently;
- Commitment to a responsive, flexible, and transparent approach to developing and carrying out joint activities.

Mechanism of Cooperation

18. Specific cooperation in the areas set out in this MoU or other cooperation between the ASEC and the MRCS will be set out in specific documents detailing the implementation modalities, work plan and budgets for such cooperation. An annual consultation meeting will be held which will review current and planned cooperation and agree on an overall annual work plan for this MoU. Other matters of mutual interest may be raised at these meetings.

Responsibility for the partnership

19. The Head of the Initiative for ASEAN Integration & Narrowing the Development Gap Division, ASEC and the Chief Executive Officer of the MRC Secretariat shall have overall responsibility for ensuring that the objectives of this MoU are met. The present MoU is executed on behalf of the MRC through the MRC Secretariat.

Channel of Communication

20. The channel of communication between the two parties will be (i) for technical matters: for the MRCS: The Chief of International Cooperation and Communication Section (ICCS); for the ASEC: The Head of the Environment Division, the ASEAN Socio-Cultural Community Department; (ii) for policy matters: for the MRCS: The Chief Executive Officer (CEO) of the MRCS; for the ASEC: The Head of the Initiative for ASEAN Integration & Narrowing the Development Gap Division, the ASEAN Economic Community Department.

Limits to Agreement

21. Any sharing of confidential information between the Parties will be subject to respective policies and procedures of the party providing the information relating to the disclosure of confidential information.

Timeframe, Modification and Termination

22. This MoU shall come into force and effect upon signature by both Parties. The MoU will be for a period of five years and will be jointly reviewed by the Parties at least every two years.

23. This Memorandum may be modified or terminated at any time by mutual written agreement of the Parties. Further, the Memorandum may be terminated by either Party at its sole discretion with 60 days prior notice in writing to the other Party.

In witness whereof, the Parties have caused this Memorandum to be executed as of the day and date written below:

Done at [city], [country], this [Day] of [Month] in the Year [spelt out with Title case], in a two original copies in the English Language.

For the ASEC

For the MRCS

S. PUSHPANATHAN
Deputy Secretary – General of ASEAN
for the ASEAN Economic Community

JEREMY BIRD
Chief Executive Officer
MRC Secretariat



**MEMORANDUM OF UNDERSTANDING
CONCERNING A PARTNERSHIP BETWEEN
The Mekong River Commission
AND
The Mississippi River Commission
Revised Draft as of 24 Feb 2010**

The Mekong River Commission (MRC-Mekong) and the Mississippi River Commission (MRC-USA), referred to as "the Participants":

Recalling the meeting of Foreign Ministers of the Lower Mekong Countries: Cambodia, Lao PDR, Thailand and Viet Nam and the US Secretary of State held in Phuket, Thailand on July 27, 2009

Acknowledging their Letter of Intent signed on July 29, 2009;

Sharing a common interest in water resources development and management while implementing independent missions to promote and enhance the use of effective water resources development and management policies in their respective geographical regions;

Desiring to promote and enhance public safety and community welfare by fostering research; improvement of water resources development and management; promoting, encouraging, and advancing systems of safer, more economical, efficient, and environmentally-sound water resources development and management;

Recognizing the benefit to each participant's mission gained through mutual cooperation and joint activities to the extent consistent with the policies, goals, and laws governing each participant;

Declare their intent to enter into the following framework of partnership:

Section 1

The Participants intend to cooperate in the field of water resources development and management by sharing available technical expertise and lessons learned.

Although the partnership is not limited as such, the Participants are especially interested in opportunities in the following areas of common interest:

1. Climate change adaptation
2. Integrated water resource management
3. Drought management
4. Flood forecasting
5. Hydropower development and impact assessment
6. Water demand and utilization
7. Agriculture and food security
8. Navigational improvement
9. Fish passage
10. Water quality

Either Participant may identify particular projects or issues within these or other areas of common interest and request the other Participant to share relevant technical information, expertise, and/or resources that would help that Participant achieve its mission.

As appropriate, each Participant can offer to serve as a central point of contact to locate, refer, and/or coordinate with other sources of technical expertise or resources within their respective geographic regions.

The Participants also intend to explore other possibilities to allow for collaboration on projects of mutual interest.

Section 2

Each Participant intends to designate a Principal Representative to serve as the primary point of contact between the participants on all matters arising under this MOU.

Section 3

Any exchange of information between the Participants under this MOU is intended to be subject to any reasonable conditions of confidentiality which the Participant disclosing the information wishes to impose, notwithstanding other areas of cooperation stated in the MOU. The Participant receiving such information is expected to respect such conditions fully, and in the case of any doubt or ambiguity, to consult with the disclosing Participant prior to the further release of any such information.

Section 4

Both Participants recognize that any cooperative activity undertaken between the Participants may be accomplished only to the extent consistent with the laws, regulations, and policies governing each Participant

Section 5

Notwithstanding any other provision in this MOU, nothing in this MOU is to be construed as binding under international law or as obligating either participant to commit funds or resources to any project or work.

Section 6

This MOU is intended to commence upon signature by both Participants and to last for 5 years unless discontinued by mutual decision or by written notice from either Participant. A Participant should endeavor to provide 60 days advance notice of its intent to discontinue its participation in the MOU.

Signed for the
MEKONG RIVER COMMISSION

Jeremy B. Bird
Chief Executive Officer
Mekong River Commission Secretariat

for the
MISSISSIPPI RIVER COMMISSION

Michael J. Walsh
Brigadier General (P), U.S. Army
President Designee, Mississippi River Commission

On this, the xxnd day of March, 2010 in duplicate in English.

NOTE FOR INFORMATION

PROGRESS ON THE MRC PERFORMANCE MANAGEMENT SYSTEM (FORMER MONITORING AND EVALUATION SYSTEM)

Progress to Date

1. The 3rd Technical Peer Review Group (TPRG) Mission was organized from 26-30 October, 2009 to review the quality of and the situation with development of each of the key products from the consultancy contract. These key products include:

- The MRC Results-Based M&E Guiding Principles Document
- The Guidance Manual
- A suggested training programme and indicative costs
- A Prototype IT model
- Proposal for linkage with MRC Strategic Plan and M&E
- Proposal for Phase 2 or Consolidating Phase

2. A number of drafts of the MRC Performance Management System Guiding Principles document have been prepared. This document was previously referred to as the Results-Based M&E Policy. A revised version of the Guiding Principles document was provided to MRCS Management and Programmes for additional comments before sharing with member Countries as the next step.

3. A preliminary draft Guidance Manual was prepared to assist with system implementation. While the original scope provided for a brief users manual, the scope of this document has expanded and when finished it should be more useful. This document still requires considerable revision to better capture the system as it has evolved since the mid 2009 mission.

4. The initial versions of a performance data management software application have been prepared. However, inadequate consideration of the conceptual issues has resulted in a product that needs to be temporarily “shelved” until the balance of the system is finalised and better documented. Parallel development of this IT model along with the rest of the system was considered as too ambitious.

5. Programme Results Monitoring Frameworks have been completed for 5 pilot programmes at different levels of completion (BDP, FP, ICBP, IKMP, ISH). It should be recognised that the nature of these frameworks and plans is such that they require ongoing reflection and revision, possibly on an annual basis. Part of the proposed “consolidation” assistance in the future Phase will address these issues. Establishment of detailed results chains will also need improvement in the future. There were concerns raised about better understanding of the linkages to the overall goals and objectives of the MRC at an organisation level including with the future MRC Strategic Plan and this was begun to be addressed under the internal MRCS Workshop on the MRC Strategic Plan and Performance Management System on 12 January 2010.

6. Detailed Data Monitoring and Management Plans (DMMP) are largely completed for the 5 pilot programmes. However, BDP, Fisheries and ICBP are further along than ISH and IKMP. Further assistance with operationalising these plans is a significant priority. Allied to this work is the desirability of developing a set of common performance management information gathering tools.

7. The TPRG provided substantive inputs, comments and recommendations for future improvement of the activities described above. One important suggestion made by the TPRG during their visit in October 2009 was to create a Performance Management System Task Force with representatives of different levels of hierarchy of MRC. It was suggested that one of the Directors should be in the lead of that group and be assisted by the TCU attending to secretariat functions. The TPRG also reviewed and reworked on the initial draft of Guiding Principles Document prepared by the consultant, which significantly helped improve the Document.

8. An initial draft of the MRC Strategic Plan-level Results Monitoring Framework and the associated Data Monitoring and Management Plan were prepared by the consultant. The Framework was shared within MRCS in a meeting on 12 January 2010 to consider the appropriateness of what has been suggested, to modify as necessary and to ensure an adequate understanding of its implications for the individual programmes. The outcomes from the said meeting can be summarized as follows:

- Need for clarification regarding the MRC level results chain (wording/formulations, links of different levels, relation of sectoral and non-sectoral goals, etc.)
- Need to clearly link the results chains (MRC level and program level) to the Strategic Plan 2011 - 2015
- Need to reconsider whether there are aspects that need to be added to results chain (e.g. socioeconomic development, riparianization)
- Need to more clearly define the contribution of non-sectoral programs to the results chain and MRC's overall work

Next Steps

9. Phase 1 of this exercise has been concluded. GTZ and AuSAID have indicated their willingness to continue their support for the Consolidating Phase, which is now being developed. The Guiding Principles document is being finalized. It has been shared and discussed within MRCS and the next step is to circulate the draft document with Member Country representatives and MRC's Development Partners. It is important that these stakeholders understand and agree with a set of mutual policy provisions before approval. An internal working draft is attached for information in the Attachment.

10. MRCS is currently drafting a ToR for the next phase of the performance management system including some significant system development tasks:

- Awareness raising of the system among NMCSs and relevant line agencies
- Consolidation of the 5 pilot programmes through to about the middle of 2010,
- A proposed combined Guidance and capacity building package through to about the end of 2010.

11. Initial steps will also be taken to roll out the system to other non-pilot programmes during 2010. In some cases this will be done as part of the formulation process for the next phase of the programmes, e.g. FMMP and EP. In the case of CCAI and MIWRMP, planning frameworks were already produced in 2009 as part of their appraisal processes and they will be reviewed to ensure consistency with the new system.

12. For the next phase, the Secretariat intends to recruit one international and one regional consultant working together as a team under the guidance of TCU. It is expected that the regional consultant can be frequently mobilized to come to work at the MRCS, while he/she will closely communicate with the international consultant who will work on a part-time basis and visit less frequently. MRCS will ensure that the future development of MRC Performance Management System will go hand in hand with the formulation process of the Strategic Plan 2011-2015. AusAID has indicated its continued support to the inputs of its peer review specialist whereas GTZ has indicated financial support for the consultancy.

The Joint Committee may wish to take note of the progress in the implementation of the MRC Performance Management System and provide guidance for the next phase in the process.

NOTE FOR INFORMATION

ANNUAL REPORT 2009

Submission of the outline and contents of the MRC Annual Report 2009

1. The MRC Annual Report is an important part of the organisations's communication strategy. It highlights a range of key issues related to Integrated Water Resource Management in the Mekong Basin, as well as outlining progress and achievements of the MRC in addressing these challenges. Its target audience consists of government agencies – both within and outside the Mekong region; Dialogue Partners; Development Partners; water-related NGOs; CSOs and a cross section of other important stakeholders.
2. The format will emphasise developments in each thematic area (including those that were not initiated by the MRC, but that may impact on the organisation's work), achievements and outcomes, and a general approach that goes beyond simply the activities and components of programmes as in previous Annual Reports.
3. Compilation of the report is on-going and is based on the contributions from individual programmes. As Thirty-first Meeting of the Joint Committee is being held earlier in March than normal and the output orientation of this year's report requires some more time, the draft will not be available for review at the Meeting, but will be circulated for consideration by Joint Committee Members later in March 2010.
4. With a view to the efficient compilation of the Annual Report 2009, in-line with the favoured direction of the Joint Committee, the Committee is requested to review the table of contents and outline below.

Proposed outline of contents MRC Annual Report 2009: Chapter/section

- 1. The Mekong River Commission: Vision and mission**
- 2. Message from the Chairperson of the MRC Council**
Feature: the location of the Secretariat 2010
Feature: Forthcoming 15 year anniversary and the Summit, featuring the new anniversary logo

- 3. Corporate Governance Structure: including the governance diagram**
- 4. Integrated Mekong development – the Basin Development Plan**
Feature: stakeholder participation meetings 2009, the disclosure policy and communication strategy

- 5. Understanding, protecting and monitoring the Mekong environment – the Environment Programme**
Feature: Climate change and its potential impact on the Basin – including the potential impact on wetlands
Feature: Water quality monitoring and trends over recent years

- 6. Living on rivers that flood - the Flood Management and Mitigation Programme**
Feature: the flash flood guidance system
Feature: Impact in 2009 of Typhoon Ketsana

- 7. The relationship between Mekong navigation, trade and commerce - the Navigation Programme**
Feature: the signing of the Treaty on Waterway Transportation, between Cambodia and Viet Nam

- 8. Protecting Mekong livelihoods – the Agriculture, Irrigation and Forestry Programme**
- 9. Understanding Mekong fisheries and improving productivity – the Fisheries Programme**
Feature: Fisheries and hydropower

- 10. The big picture in the Mekong – the Information and Knowledge Management Programme**
- 11. Balancing the opportunities and risks of hydropower - the Initiative on Sustainable Hydropower**
Feature: The SEA

- 12. Building the skill base to manage the Mekong – the Integrated Capacity Building Programme**
- 13. Dialogue Partners and development partners – report on achievements in 2009**
- 14. Finance and Administration: Expenditure and donor funding agreed in 2009**
- 15. List of publications 2009**

The Joint Committee may wish to take note of, and provide guidance on, the outline and structure of the MRC Annual Report 2009.

MATTER FOR CONSIDERATION

**DATE AND VENUE OF
THE THIRTY SECOND MEETING OF THE MRC JOINT COMMITTEE AND THE
FIFTEENTH DIALOGUE MEETING**

1. In relation to the co-hosted permanent location, the Sixteenth Meeting of the MRC Council agreed that MRC Governance meetings would start to rotate between Phnom Penh and Vientiane. It was therefore proposed to hold the Thirty-second Meeting of the Joint Committee in Phnom Penh, Cambodia.
2. To facilitate the travel plan arrangements of the Delegations from the Member Countries to attend the Thirty-second Meeting of the Joint Committee and to assist the Secretariat to proceed with its preparations, the Secretariat would like to propose for the Joint Committee's consideration the following dates for the next MRC Joint Committee Meeting (Working Session) back-to-back with the Fifteenth Dialogue Meeting:
 - (i) Monday 26 July 2010 for the MRC Joint Committee Preparatory Meeting;
 - (ii) Tuesday 27 - Wednesday 28 July 2010 for the Thirty-Second Meeting of the MRC Joint Committee; and
 - (iii) Thursday 29 July 2010 for the Fifteenth Dialogue Meeting.
3. The proposed dates for the Thirty-Second Meeting of the MRC Joint Committee and the Fifteenth Dialogue Meeting will be consulted with MRC Member States and Dialogue Partners.

The Joint Committee may wish to consider and advise the Secretariat on the dates for the next Meeting of the MRC Joint Committee and the Fifteenth Dialogue Meeting.

MATER FOR CONSIDERATION

PROGRESS ON THE FORMULATION OF THE MRC STRATEGIC PLAN 2011-2015

Background information

1. The Thirtieth Meeting of the Joint Committee held on 29 – 30 July 2009 in Vientiane, Laos PDR agreed that the four categories of MRC Core Functions, the IWRM-based Basin Development Strategy and the new Performance Management System (formerly results-based monitoring system) would be central to the formulation process and that one major category of MRC Core Functions comprising the seven River Basin Management Functions would need to be further defined during the Strategic Plan 2011-2015 formulation process.

2. In a general recognition of the gradual shift of the future funding, there was a general discussion on approaches to the long term funding of the MRC Secretariat. The Thirtieth Meeting of the Joint Committee took note of the number of options of future financing of the MRC. In recognition of the close link between the current discussion on the Commission's future funding needs and modalities with the discussion on the MRC core functions and the development of the Strategic Plan 2011-2015, the Thirtieth Meeting of the Joint Committee invited the Secretariat to incorporate the suggestions of funding models into the formulation process of the Strategic Plan 2011-2015.

3. The Thirtieth Meeting of the Joint Committee agreed to further define the MRC River Basin Management Functions within the formulation process of the MRC Strategic Plan 2011-2015. A framework of the four categories of MRC Core Functions was endorsed at the Meeting. River Basin Management Functions were one of these categories and were further divided into seven distinct functions. The Thirtieth Meeting of the Joint Committee also took note of the proposed classification system as Mandated (M), Derived (D), and Accepted (A) for activities falling under the MRC River Basin Management Functions.

4. Following the discussion on core functions as well as other key questions regarding strategic directions of the MRC at the Thirtieth Meeting of the Joint Committee, there was no comments or objections raised on the current strategic plan goals and the current mission statement at the Sixteenth Meeting of the MRC Council held on 26 – 28 November 2009 in Hua Hin, Thailand.

5. **Initial strategic directions:** The strategic goals for the past three Strategic Plans have changed little although there has been a re-orientation at the level of the Strategic Plan's goal towards more effective use of the Mekong water and related resources for poverty alleviation while protecting the environment. It has been further agreed at the Twenty-ninth Meeting of the Joint Committee that the emerging directions for Integrated Water Resources Management (IWRM) through the Basin Development Plan (BDP) Programme and on-going discussions on MRC core functions will inform the Strategic Plan 2011-2015 and will strengthen its strategic orientation.

6. This briefing note provides the Thirty-first Meeting of the Joint Committee with updated information on the progress of the formulation of the MRC Strategic Plan 2011-2015 of which the timeline was approved at the Twenty-ninth Meeting of the Joint Committee, and also presents issues for the Meeting to consider with regard to moving the formulation process forward.

Progress on the formulation of the MRC Strategic Plan 2011-2015

7. An overview of the progress of the formulation of the Strategic Plan 2011-2015 is annexed.

8. The Second Basin Development Plan Regional Stakeholder Consultation and Dialogue was organized as scheduled on 15-16 October 2009, where inputs from Stakeholders on development context and directions for Mekong basin development were gathered.

9. Although initially scheduled in 2009, the National Consultations were organized slightly behind schedule but have now all been completed. They were held on 30-31 December 2009 in Cambodia, 15-16 January 2010 in Lao PDR, 29 December 2009 and 18 January 2010 in Thailand, and 14-15 January 2010 in Viet Nam. Once all national inputs papers have been submitted to MRCS, a consolidated report of national inputs will be prepared and sent to the JC Members before the proposed Regional Meeting for the Formulation of the Strategic Plan 2011-2015. The Regional Meeting has tentatively been scheduled in mid-March 2010. Attendance of the JC Members to the Regional Meeting would be highly appreciated as the Regional Meeting comes at a very important time in the further refinement of the strategic directions for MRC.

10. At the Secretariat and Programme level, there have been several occasions where internal discussions on linkages between MRC level and Programme level outcomes have been raised, and preliminary linkages have been identified at an outline level.

11. Commissioning of a limited number of thematic papers on various topics is underway to help refine the goal and objective statement under the Strategic Plan. The papers would be available for review after the Regional Meeting and provide a complementary input to the next stage of formulation alongside the initial consolidation of views that would emerge from the first Regional Meeting.

Suggestion for a Revised Timeline for the Formulation Process of the Strategic Plan 2011 – 2015

12. The following is a proposal for a revised timeline of the formulation process of the Strategic Plan 2011-2015 to meet the target of having a substantively complete draft for consideration at the Thirty-second Meeting of the Joint Committee.

Overview of the revised timeline (Phase Two) as proposed:

PHASE 2: FORMULATION AND LAUNCH OF THE STRATEGIC PLAN	Timeline	Events	Outcome
	Mar 2010	31 st Joint Committee	Revised process and timeline approved
	Mar 2010	1 st Regional Meeting	National input papers presented and consolidated; Draft strategic direction discussed and endorsed in principle
	Mar/Apr 2010	Draft MRC Level Performance Management Framework developed at MRC and Draft outline of the 2011-2015 SP set out within the draft framework	Comment on the proposed strategic-level Performance Indicators;
	06 April (at the Summit)	Strategic Plan Meeting of the JC	SP outline and strategic direction discussed and endorsed; Draft thematic papers available, Poverty reduction and MDGs links with MRC work clarified
	May 2010	First draft of the Strategic Plan circulated to NMCs and Development Partners and Observers	
	Jun 2010	2 nd Regional Meeting	First draft of the Strategic Plan discussed and refined
	Jun 2010	Informal Donor Meeting 2010	
	Jul 2010	2 nd draft of the Strategic Plan circulated	
	Jul/Aug 2010	32 nd JC	Second draft of the Strategic Plan discussed and endorsed
	Jul/Aug 2010	15 th Dialogue Meeting	
	Sep 2010	Strategic Plan Stakeholder Forum	Consultation on the second draft of the SP
	Oct 2010	JC Special Session	Endorsement of the Strategic Plan 2011-2015
	Nov 2010	17 th Council / 15 th DCG	Approval of the Strategic Plan 2011-2015
	Jan 2011	Launch and implementation of Strategic Plan 2011-2015	Formal signing and launching event

The Joint Committee may wish to approve the revised timeline for the formulation process of the Strategic Plan for 2011-2015

Overview of the Progress of the Formulation of the Strategic Plan 2011-2015

	Timeline	Events	Outcome	Progress
PHASE 1: PREPARATION AND CAPACITY BUILDING IN DATA AND INFORMATION COLLECTION	Jul-Aug 2009	ICBP launched	Resources available for capacity building for Strategic Plan process	
	Oct 2009	2 nd BDP Regional Stakeholder Consultation and Dialogue	Input from Stakeholders on development context and direction	
	Nov 2009	16 th Council / 14 th DCG	High-level input on key questions and the overall approach; Development Partner inputs	No comments or objections raised on current SP goals and current mission statements
	Dec 2009 – Jan. 2010	National Consultations and commissioning of thematic papers	Discussion on MRC Core Functions; review of MRC Mission, mission and goal statements; and other key questions; Derivation of strategic directions from national inputs	All National Consultations completed, though slightly behind schedule: - Cambodia: 30-31 Dec 2009; - Lao PDR: 15-16 Jan 2010; - Thailand: 29 Dec 2009, & 18 Jan 2010; - Viet Nam: 14-15 Jan 2010 Commissioning of thematic papers: in progress
	Dec 2009	Performance Management System (PMS)	Five pilot programmes have developed their PMS	

NOTE FOR INFORMATION

PROGRESS ON THE DRAFT MRC POLICY FOR STAKEHOLDER ENGAGEMENT AT GOVERNANCE LEVEL

I. Background

1. It is increasingly accepted that sustainable development and integrated water resources management (IWRM) requires a transparent and open decision making process and organisation, in which all stakeholders have the widest possible degree of access to relevant data, information and knowledge.

2. In 2001, observer status for regional partner organisations was agreed and extended to the MRC Council and Joint Committee meetings. Public participation in the context of the Lower Mekong Basin as agreed by the Joint Committee in 1999 outlined general approach to stakeholder engagement. The MRC Strategic Plan 2006-2010 adopts an Integrated Water Resources Management (IWRM) framework in which stakeholder participation is one of the key objectives.

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

II. Introduction to the draft Policy

4. The MRC Policy on Stakeholder Engagement at the Governance Level (Joint Committee and Council) will set out the objectives, guiding principles and implementation for increased stakeholder engagement at the highest level of decision-making.

5. The MRC Policy on Stakeholder Engagement at the Governance Level (Joint Committee and Council) aims:

- To inform and improve decision-making on water resources management and development in the Lower Mekong Basin that reflects the needs of the people;
- To enhance ownership and regional coordination among a wider group of stakeholders and MRC;
- To enable greater public participation of stakeholders in MRC decision-making processes;
- To improve public access to information and understanding of the MRC;
- To enhance understanding of stakeholders and their interest and need in regional to water resources in the Lower Mekong Basin; and
- To contribute to conflict prevention and sustainability in the context of water resources development.

6. The draft Policy also aims to complement efforts by the MRC Programmes led by the BDP for broaden engagement with stakeholders in their work.

7. The draft Policy proposed that an Annual Regional Multi-Stakeholder Forum around September prior to each MRC Council Meeting is organised to ensure broad stakeholder participation in addressing the key development issues facing the Lower Mekong River Basin. The Forum would be a representative body including NGOs (international, regional, national and local), communities (locally affected peoples or their representatives), beneficiaries, academia, research organisations and scientific institutes and who would provide advice and perspectives to the MRC Council and Joint Committee on the key issues by participating in the Joint Committee and Council meetings. A main outcome of the Forum will be a joint statement prepared in English and translated into four riparian languages to present at MRC Council/Donor Consultative Group joint sessions by representatives of the CSCB. The draft Concept Note for the first Annual Multi-Stakeholder Forum is provided in Attachment 4.

III. Development of the draft Policy

8. This policy is being developed in connection with a number of policy relevant processes with regard to stakeholder engagement at the MRC, including the Basin Development Plan's Stakeholder Participation and Communication Plan (SPCP).

9. The Secretariat submitted to the Preparatory Meeting of the Twenty-ninth Joint Committee, held on 25 March 2009, a proposal of next steps which included consultation with National Mekong Committee Secretariats (NMCSs), Development Partners and stakeholders on the Policy principles. The Joint Committee agreed on the process.

10. Following the recommendation of the Seventh Task Force Meeting held on 19 May 2009, Vientiane, a Discussion Meeting involving representatives of NMCSs and Line Agencies from the Member Countries was held on 29 June 2009 in Vientiane, Lao PDR to further discuss the draft Policy on Stakeholder Engagement at MRC Governance Level. During the consultation on the draft Policy, NMCSs agreed to further consult with stakeholders through country discussion and provide comments.

11. The draft Policy was also reviewed by the Thirtieth Meeting of the Joint Committee in July 2009 and by the Ninth Meeting of the Task Force on the MRC Secretariat Organisational Structure in October 2009.

12. The Ninth Task Force Meeting took note of the information by the Secretariat and requested the Secretariat to improve the Policy proposal by including a detailed roadmap for the implementation of the policy, institutional function and structure of the body, and a tentative budget with a proposal of business plan ensuring the sustainability of the process.

13. The draft Policy was tabled for stakeholder's consultations organised in the four Member Countries in parallel with the formulation process of the Strategic Plan 2011-2015 in late December 2009 and January 2010. Comments were received from Cambodia and Viet Nam. (See attachment 2 and 3). Comments received will be incorporated.

14. The MRC, in adopting a long term process for the approval of the Stakeholder Engagement Policy, will enhance a broad consultation of Stakeholders and Member Country ownership. Furthermore, the major MRC governance's works, such as the formulation of the Strategic Plan 2011-2015 and the Performance Management System will be used as an experimental phase for finalising the mechanism proposal for implementing the Policy.

IV. Proposed approach:









15. Although the draft Policy was planned to be endorsed at the Thirty-first Joint Committee Meeting, the Secretariat acknowledges that improvements are still required. Therefore, a roadmap has been developed for the approval process and implementation of the Policy (See Attachment 1).

16. The MRC Secretariat will prepare the budget and refine implementation plan at NMCS level as well as revision of Observers status as suggested by national consultations.

The Joint Committee may wish to:

- ***Take note of the process and progress made on the draft Policy, and of the roadmap (Refer to Attachment 1) for the approval and implementation of the Policy***
- ***Endorse the objectives of the draft Policy on Stakeholder Engagement at the Governance Level (Refer to Paragraph 5);***

Attachment 1 to Appendix No.14	PHASE ONE					PHASE TWO				PHASE THREE			PHASE FOUR					
TASK	Mar-10	May-Jun-10	Jul-10	Aug-10	Sep-10	Mar-11	May-11	Oct-11	Nov-11	Mar-12	Oct-12	Nov-12	Mar-13	Jun-13	Jul-13	Oct-13	Nov-13	#####
Joint Committee endorses the objectives of the Policy	◆																	
Refinement of the Policy and preparation of implementation plan, budget and business plan		■																
Review of the Policy and its implementation plan incl. a budget and business plan			◆															
Preparation with NMCSs of the First Annual Multi-stakeholder Forum					◆													
Joint Committee endorses Stakeholder Policy						◆												
MRC Council approves Stakeholder Policy							◆											
Civil Society Consultative Board formed								■										
Civil Society Consultative Board develops joint statement; shared through MRCS and presented to Council									■									
MRC Council meets with Civil Society Consultative Board to work on observer status revision										■								

Civil Society Consultative Board organises Multi-Stakeholder Forum				
MRC Council approves changes in observer status				
Civil Society Consultative Board and other stakeholders observe at Joint Committee Meeting				
Civil Society Consultative Board attends Informal Donor Meeting				
Civil Society Consultative Board and other stakeholders observe at Joint Committee Meeting				
Civil Society Consultative Board organises Multi-Stakeholder Forum				
Civil Society Consultative Board and other stakeholders observe at Joint Council Meeting and Donor Consultative Group Meeting				
Partner Observer organisations attend Annual Dialogue Meeting with China and Myanmar				

**Comments received from Cambodia on the draft Policy for Stakeholder Engagement Policy
at the MRC Governance Level**

Regarding MRC policy for stakeholder participation, in general, the participants appreciated the draft MRC policy for stakeholders' participation at governance level, acknowledging that such MRC decentralization concept and policy at governance level would help improve future implementation of MRC projects in the basin and involvement of stakeholder. Some concerns were also raised for clarification from the MRC representative and CNMC managers. The meeting viewed that more expenditures may increase once this policy implemented and how the MRC seek funding support on this matter. The meeting was informed that this matter was already taken into account by the MRC.

Extra concerns were raised in relation to the representation of concerned stakeholders to be invited to the MRC meeting; who should be the one to be invited as there are thousands of NGOs, public institutions, civil society, etc, in Cambodia. This issue is a difficult one to be resolved and is under the consideration of the MRCS. For more understanding, the meeting was informed that so far there is no common understanding on the term "stakeholder". Different member countries may define this term differently. Thus, it will need more time for further consideration about the process and related issues."

**Comments received from Viet Nam on the draft Policy for Stakeholder Engagement Policy
at the MRC Governance Level**

- It is necessary to determine the level of involvement of the stakeholders in the MRC decision making process.
- The modality and mechanism of operation of the Stakeholder Board (part-time or full time), office and financial source should be indicated;
- Number of the participants of the Forum and the financial support should be determined;
- The implementation of this policy should be divided into different steps and after each step, there should be an assessment and lessons learnt for the next period of the implementation. Based on that, the content of the documents might need to be revised;
- It is proposed to have a focal point at the NMCS to deal with the requirements of the stakeholders.”



**Draft Concept Note
Annual Multi-Stakeholder Forum:**

“Increasing Stakeholder Engagement in MRC Governance and Strategic Directions”

9 -10 September, 2010

Venue: Either in Phnom Penh, Cambodia or Vientiane, Lao PDR

Background and Rationale

The 1995 Mekong Agreement focuses on the Cooperation for the Sustainable Development of the Mekong River Basin. It is increasingly accepted that sustainable development and Integrated Water Resources Management (IWRM) requires a transparent and open decision making process and organisation, in which stakeholders have the widest possible degree of access to relevant data, information and knowledge. Stakeholder participation is an integral part of IWRM principles and has been adopted by the MRC in its Strategic Plan 2006-2010. However, at present, the MRC has limited direction for stakeholder engagement at the governance level.

The MRC Joint Committee, at its Special Session on 27 June 2007, agreed on recommendation 37 of the Independent, Organisational, Financial and Institutional Review of the MRC Secretariat, which recommends that the MRC should “formalise a stakeholder (NGOs and Civil Society) consultative process as part of MRC annual meetings.”

In 2008 a regional meeting on MRC stakeholder engagement was held in Vientiane, Lao PDR to exchange information between the MRC and Mekong River Basin stakeholders to increase understanding of possible approaches and tools for meaningful stakeholder engagement in the MRC; to share results from an initial scoping on possible MRC-wide principles and policy implementation elements to guide stakeholder participation within the MRC Joint Committee and Council for feedback and comment.

After the meeting, MRCS started a process of interview with external and internal stakeholders to go further in the process. The Secretariat submitted to the Preparatory Meeting of the Twenty-ninth Joint Committee, held 25 March 2009, a proposal of next steps which included consultation with NMCSs, Development Partners and stakeholders on the Policy principles. The Joint Committee agreed on the process.

Following the Joint Committee recommendations, a policy on stakeholder engagement at Governance Level has been developed. An advanced report was submitted to the Seventh Task Force 19 May 2009. Following the recommendation of the Seventh Task Force Meeting, a Discussion Meeting involving representatives of NMCSs and Line Agencies from the Member Countries was held on 29 June 2009 in Vientiane, Lao PDR to further discuss the draft Policy on Stakeholder Engagement at MRC Governance Level, annexed as an Attachment. The Meeting also agreed to explore organisation of an initial regional consultation involving MRC stakeholders to ensure relevance of the Policy in relation to stakeholder expectations. In January 2010, the draft

Policy was tabled or stakeholder consultations, together with the formulation process of the MRC Strategic Plan 2011-2015.

Against this background and to allow more inputs to the draft Policy on Stakeholder Engagement at the MRC Governance Level as well as formulation process of the MRC Strategic Plan 2011-2015, the MRCS is proposing to hold a Regional Multi-Stakeholder Forum on 9-10 September 2010.

Objectives of the Forum:

The Annual Multi-Stakeholder Forum aims to contribute to the overarching objectives of the draft Policy by increasing the engagement of stakeholders in the MRC strategy development and policy reform. The Annual Multi-Stakeholder Forum aims to:

- increase participation in the MRC strategic document development and provide inputs into the Stakeholder Engagement Policy and Formulation process of the Strategic Plan 2011-2015
- prepare a joint statement on key issues facing the Lower Mekong Basin to present to the 17th Meeting of the MRC Council;
- lay a foundation for a stronger and broader recognition and support by the wider stakeholders; and
- enhance MRC decision-making through access to relevant information, discussion, views and experience from local, national and regional actors

In order to meet the objective, the Forum will bring together about 150 representatives of civil society organisations, community representatives, government agencies, international organisations, donors, academic and scientific institutions, the private sector and the media to provide inputs into the draft Policy on Stakeholder Engagement at MRC Governance Level and into the formulation process of the MRC Strategic Plan 2011-2015. The Forum will engage wider stakeholders in discussions to ensure the relevance of the MRC Stakeholder Engagement Policy and its Strategic Directions.

Key issues to be addressed at the Forum:

The Annual Multi-Stakeholder Forum will address some of the challenges facing stakeholder engagement in the MRC Governance level by cross-checking the challenges, roles, opportunity arising from the draft Policy against those expected by the regional stakeholders. The Forum will then explore regional stakeholders' perspectives/inputs that can feed into future strategic directions of the MRC, the MRC core functions as well as the refinement of the MRC strategic vision and goals. In addition, the stakeholders will discuss key issues facing the Lower Mekong Basin and then prepare a joint statement on the issues to be presented at the upcoming Council Meeting.

Forum Structure and Sessions

The Forum will be held over two days with the sessions on Stakeholder Engagement on the first day and sessions on the formulation of Strategic Plan 2011-2015 on the second day. At the closing of the Forum a joint statement summarising the main conclusions and recommendations will be prepared and submitted to the MRC Council, to be held in November 2010. Exhibition and press conference will be organised over the course of the Forum.

Date and Location

9-10 September 2010

Either in Phnom Penh, Cambodia or Vientiane, Lao PDR

Target audience

Approximately 150 participants are expected to attend the Forum. In addition to government agencies, they will include representatives of international organisations, civil society organisations, community representatives, representatives from dialogue partners, development partners, the private sector, academia, scientific and research organisations as well as the media.

Key expected outputs

- A joint statement on stakeholder engagement at the MRC Governance Level and its strategic directions prepared for submission to the Seventeenth Council Meeting
- Better understanding and reinforced commitment to the implementation of the MRC Stakeholder Engagement at the Governance Level
- Inputs into the draft Policy on Stakeholder Engagement at the Governance Level and the formulation process of the Strategic Plan 2011-2015

DRAFT SUMMARY PROGRAMME:

DAY1

Opening

- Chairperson of MRC Joint Committee 2010-2011
- Keynote1: stakeholder engagement mechanism from a regional experience

Towards an increased stakeholder engagement at MRC Governance Level and in Strategic Directions

- Parallel sessions and discussions: exploring challenges, opportunities and roles expected in the MRC Governance and strategic directions
- Wrap up
-

Lunch

Unfolding the draft Policy on Stakeholder Engagement at the MRC Governance Level

- Parallel sessions and discussions: exploring if the provisions meet regional stakeholders expectations: roles, opportunities and areas for improvement
- Wrap up
- Inputs gathered for draft joint statement on key issues facing the Lower Mekong Basin

DAY2

Engaging in MRC Strategic Directions

- Overview and discussion over the MRC Strategic Plan planning process, mandate, achievements, new development context (at Basin and national level), key issues for 2011-2015 Strategic Plan and the SP formulation process.
- Regional stakeholders' inputs into shaping strategic directions for the MRC

Lunch

Inputs feeding into the proposed MRC River Basin Management Functions and key questions

- Parallel sessions and discussions: Inputs into the proposed core functions of River Basin Management Functions
- Discussion over MRC maturity and services (i.e. delivering RBO functions, core functions)
- Other inputs into the Strategic Plan 2011-2015
- Synthesis of the Forum and next steps

Refinement of the joint statement prepared for submission to the 17th MRC Council Meeting

Closing:

Closing remark by the Joint Committee Chair 2010-2011

Forum budget

Approximately USD 100,000 supported by Development Partners.

NOTE FOR INFORMATION

PROGRESS OF THE BASIN-WIDE DEVELOPMENT SCENARIO ASSESSMENT AND THE PREPARATION OF THE IWRM-BASED BASIN DEVELOPMENT STRATEGY

1. This note provides an update on the progress of the assessment of the basin-wide development scenarios and the preparation of the IWRM-based Basin Development Strategy, using the results of the scenario assessment.

I. Assessment of the Basin-Wide Development Scenarios

Progress

2. The MRC Joint Committee (JC) in its 29th Meeting on 26-27 March 2009 endorsed the definition of nine basin-wide development scenarios that represent different hypothetical levels of water and related resources development in the Mekong River Basin (MRB), the framework to assess the scenarios and the scoping and planning of the scenario assessment. Following this endorsement, the following progress has been achieved:

- The discussion and agreement by the Regional Technical Working Group on Scenarios and IWRM-based Basin Development Strategy (RTWG) of the Terms of Reference for the assessment of socio-economic and environment impact of the scenarios (April 2009). This has led to the mobilization of the inter-disciplinary scenario assessment team comprising of international and national experts (July 2009).
- The preparation of detailed methodologies for the integrated assessment of the scenarios (hydrological, fisheries, economic, environment and social assessment), which were discussed by the RTWG and at Regional Stakeholder Forum on the Basin Development Plan in October 2009 in Chiang Rai. The assessment methodologies have been posted on the MRC website to call for wider public inputs.
- The input data of the considered scenarios have been agreed with the LMB countries and the input regarding the Upper Mekong Basin have been discussed with technical specialists from China and appropriate changes made. The GIS-databases and maps that contain all needed for the application of the detailed assessment methodology were completed. The data were collected from various sources at the local, district, sub-basin and basin levels.
- The completion of the hydrological impact assessment for the Definite Future and Foreseeable Future Scenarios, including the assessment of the impact on sediment transport and water quality. The hydrological assessment of the Long-term Scenarios will be completed in the 1st quarter of 2010.
- The preliminary assessment of the socio-economic and environment impacts of the Baseline, Definite Future and Foreseeable Future Scenarios, and the preparation of the presentation materials required to facilitate discussions of the assessment results at the national and regional levels.
- The hydrological assessment results and the preliminary socio-economic and environmental assessment results were discussed at the 8th RTWG on 1-2 February 2010, which provided comments and suggestions (see next Section).

Initial Findings

3. The on-going hydrological model runs and the socio-economic and environment impact assessment of the considered scenarios suggest the following overall findings related to the identification of the “development space” and the preparation of Strategic Guidance for the development of water and related resources in the LMB:

- The Definite Future Scenario creates a major change in flow regime by 2015 and predicts long term geomorphologic change. The large increases in dry season flow provide an opportunity for irrigation expansion in the LMB and at the same time would reduce salinity intrusion in the Delta. However, the irreversible changes caused by this scenario will also result in a range of considerable negative environmental and social impacts that need to be addressed proactively, such as the loss of flooded wetlands and forests.
- The LMB 20-Year Plan Scenario without the proposed LMB mainstream dams would add limited incremental positive and negative transboundary impacts to the impacts caused by the Definite Future Scenario. Substantial net economic benefits would be derived from the developments in this scenario, with limited fisheries, environmental and social losses compared to the Definite Future Scenario. From the single perspective of water availability, the consumptive water uses in the LMB 20-Year Plan Scenario can be sourced by the ‘new’ water that will become available through the redistribution of water from the wet to the dry season by the hydropower developments in the scenario.
- The LMB 20-Year Plan Scenario (with the proposed LMB mainstream dams) would severely affect capture fisheries production in Cambodia and Viet Nam, with the scale of impact increasing from the upstream dam locations to the downstream dam locations. This would negatively impact the food security and livelihoods of people in Lao PDR and in Cambodia, who live from capture fisheries. It would also severely affect biodiversity. Reconsideration of the plans for mainstream dams in Cambodia and the southern part of Lao PDR would reduce the negative impact considerably. In economic terms, the LMB 20-Year Scenario would benefit all LMB countries.
- From a total production perspective, the large reduction of capture fisheries production in the 20-Year LMB Plan Scenario could be offset by increases in aquaculture (including rice field and reservoir fisheries), as is currently demonstrated in the Vietnam Delta and Northeast Thailand, where water resources development has increased the benefits from fisheries. This perspective does not take into account distributional concerns and without adequate, proactive Government policies and programmes, the predicted increases in aquaculture would not benefit the poor people, who would lose their wild fishing and currently have no access to land, water and capital.
- The above initial findings are subject to change, depending on the results of ongoing work. In any case, significant risks and uncertainties will remain and they will be described. By adopting a five-year review period for the IWRM-based Basin Development Strategy and its underlying scenario assessments, there are sufficient checks and balances to address the remaining risks and uncertainties and also account for any other human and natural induced changes in the Mekong Basin.

4. The 8th RTWG meeting has discussed these findings and made the following recommendations. More comments and recommendations are expected from the ongoing national consultations to further improve the assessment:

- The early discussion of initial findings of the scenario assessment initiated the development of an overarching view of the main implications for each LMB country and the Basin as a whole. This will help each country to identify key issues that would require more detailed assessment and scope the national and regional discussions.
- The scenario assessment should continue and be completed as planned, addressing the recommendations from the RTWG and national consultations. These recommendations include: 1) the need for additional model runs and analysis to study some

changes/impacts in greater detail (e.g. salinity intrusion in the Delta, nutrient and BOD loading of the Tonle Sap Lake) and address risks and uncertainties related to dams, 2) the need for a clear presentation of the data and methodologies used to produce the assessment results, and 3) the urgent need for the provision of additional data, which would allow for a more complete social assessment of the scenarios.

- The RTWG emphasized the need to highlight the integrated nature of the assessment methodologies and results in all presentations and reports. They agreed that the planned national consultations on the scenario assessment will provide the basis for the further improvement and finalization of the assessment.
- The RTWG also discussed benefit and cost sharing that was seen as important to facilitate national discussions and regional consensus building on which basin-wide development scenario would be commonly accepted as best contributing to national socio-economic development objectives without causing unacceptable adverse transboundary impacts. It was emphasized that benefit and cost sharing should be considered across sectors and population groups in each country as well as across the Mekong countries. A concept note on benefit sharing is being prepared to support the planned national and regional consultations.

5. The assessment of the scenarios will be completed in early May when also the last phases of the Strategic Environmental Assessment (SEA) of the LMB mainstream dams will be completed. The reporting of both the assessment of the basin-wide development scenarios and the SEA will be finalized in June 2010.

II. IWRM-based Basin Development Strategy

6. The Joint Committee in its Thirtieth Meeting on 28-29 July 2009 endorsed the key principles, approach and the process to prepare the IWRM-based Basin Development Strategy.

7. Following this endorsement, the Incomplete First Draft IWRM-based Basin Development Strategy was prepared and discussed at national and regional level, including the 2nd Regional BDP Stakeholder Forum. After the Forum the draft Strategy was posted on the MRC website, together with supporting information, to call for wider public inputs.

8. Also the MRC Council at its 16th Meeting on 26-27 November 2009 approved the key principles, approach and the process to prepare the IWRM-based Basin Development Strategy.

9. In May 2010, the Complete First Draft IWRM-based Basin Development Strategy will be prepared, based on: 1) the results of national consultations of the draft final findings of the socio-economic and environment impact assessment of the agreed basin-wide development scenarios and 2) the comments and recommendations from various stakeholders at the international, regional, national and local levels. This First Complete Draft Strategy, following national consultations, will be used for informal discussion of the JC in June.

10. The First Draft Strategy together with draft final results of the scenario assessment will be discussed at the 3rd Regional Stakeholder Forum in late June 2010. Subsequently, the resulting Second Draft IWRM-based Basin Development Strategy will be discussed at the national and regional levels to reach a consensus on the “development space” and the Strategic Guidance for the use, management and enhancement of that space. The improved Second Draft Strategy will be submitted to the JC for endorsement in July 2010. In the process, practical principles, mechanisms and processes will be agreed with the key responsible agencies for the implementation of the Strategy, after the Strategy has been adopted by the Council in November 2010.

III. Roadmap ahead and important considerations

11. Attachment 1 to this Note provides the roadmap to achieve the JC's endorsement of the scenario assessment and the IWRM-based Basin Development Strategy, and the Council's approval of the Strategy. The roadmap highlights the following key milestones that have been agreed with the National BDP Units and RTWG as the top priorities for the BDP2 Programme Implementation Plan in 2010:

- May 2010: Preparation of final draft assessment results and Complete First Draft IWRM-based Basin Development Strategy
- June 2010: Informal JC discussion on the final draft scenario assessment results and the Complete First Draft IWRM-based Basin Development Strategy, followed by the 3rd Regional Stakeholder Forum on BDP to discuss scenario assessment results and the First Draft Strategy.
- August 2010: JC endorsement of the scenario assessment results and evaluation and the 2nd draft IWRM-based Basin Development Strategy.
- October 2010: JC informal discussion of the final draft Basin Development Strategy
- November 2010: Council's approval of the IWRM-based Basin Development Strategy

12. The roadmap is challenging as it requires thorough national discussions and regional dialogue, and possibly negotiations, to build consensus. The following important issues need close guidance by the JC throughout the process:

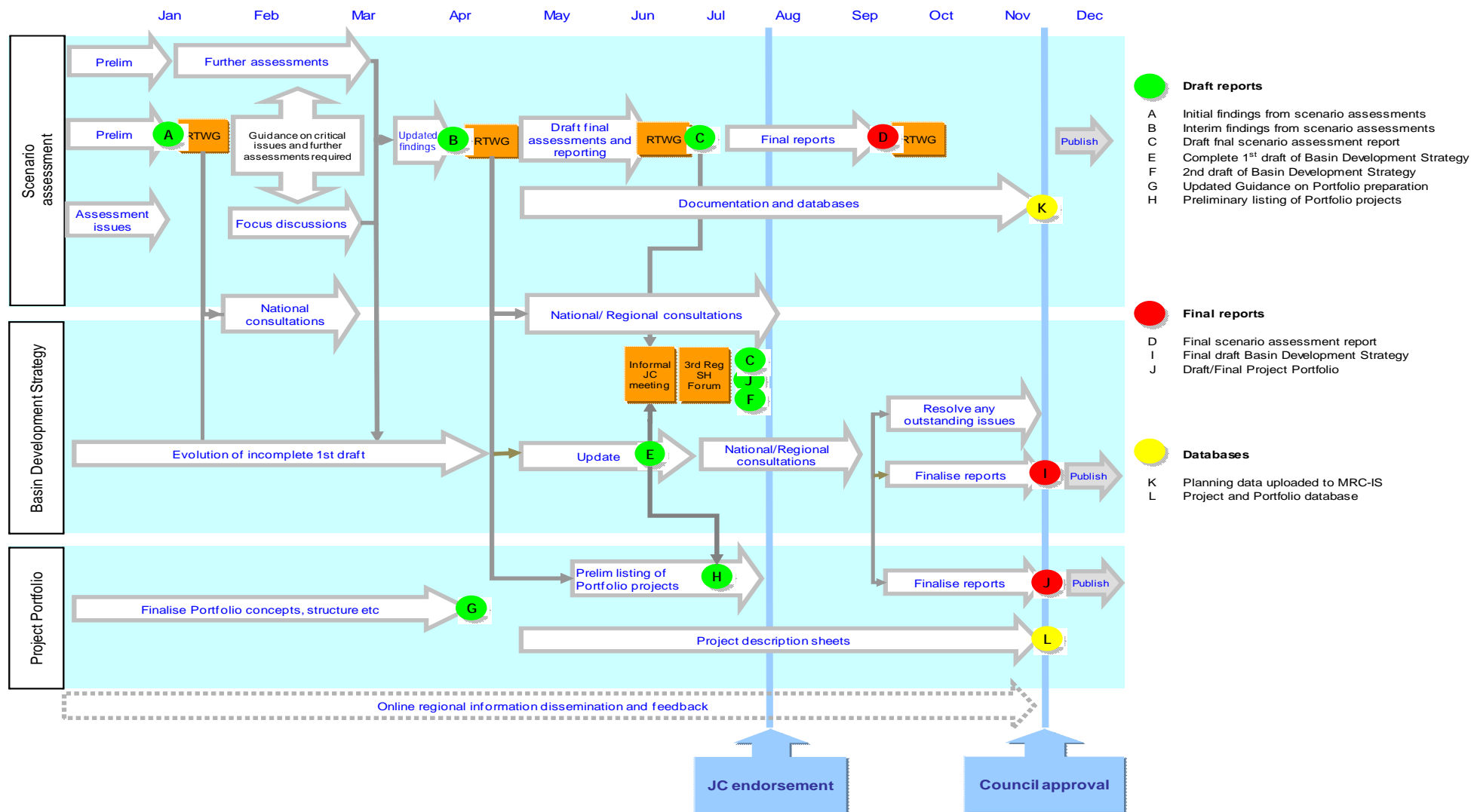
- Ensure that the national line agencies, NMCSs and other stakeholders have a good understanding of the scenario assessment results, especially: 1) the positive and negative impacts on each Member Country and their people, and on the Mekong Basin's natural resources, 2) the win-win situations and trade-offs, and 3) options for cost and benefit sharing.
- At the same time, provide inputs and recommendations to address gaps in and/or deepen the scenario assessment and the Strategy formulation process.
- Ensure that the local and national consultations and discussions help build synthesized national positions for discussion at the regional level of what would be the mutual acceptable development space for water and related resources in the LMB and the associated strategic guidance for the use, management and enhancement of that development space.

13. It is also important to emphasize the need for focused capacity building and provision of technical support to those countries and/or specific groups that need such support to meaningfully discuss the results of the scenario assessment and strategic options for water and related resources development and management. This need is being addressed by the BDP2 but support from other MRC Programmes, such as IKMP for improved understanding of hydrological results, EP, FP and others, will be very important.

The Joint Committee may wish to:

- ***Take note of the progress of the assessment of the basin-wide development scenarios and the preparation of the IWRM-based Basin Development Strategy***
- ***Take note of the preliminary findings of the scenario assessment and the issues under discussion by the RTWG, and provide guidance as needed***
- ***Take note of the Roadmap for the finalization of the scenario assessment and the preparation and adoption of the IWRM-based Basin Development Strategy, and the important considerations for the JC's guidance.***

BDP2 - Road map to an agreed Basin Development Strategy and the BDP in 2010



NOTE FOR INFORMATION

REVIEW OF THE BASIN DEVELOPMENT PLAN PROGRAMME PHASE 2 AND PREPARATION FOR THE NEXT PHASE TOWARDS A CORE PLANNING FUNCTION

1. This Note summarizes the outcomes of the 2nd Joint Donor Review of the Basin Development Plan Programme Phase 2 (BDP2), which was carried out back to back with the Mid-term Review of the Environment Programme during 4-29 January 2010. It also presents the preliminary concept and proposed process for the preparation of the next BDP phase for guidance by the Joint Committee. The next phase would aim at the “institutionalization” of the BDP process at the basin, national and sub-basin levels.

I. The 2nd Joint Donor Review of BDP2

2. The 1st Joint Donor Review of BDP2 took place from 6 to 15 May 2008, soon after the completion of the programme’s inception phase. The review concluded that the BDP2 “has taken off on a solid footing with a well managed team at the MRC Secretariat and with active engagement of NMCs” and that “the future work generally looks promising and realistic, despite understandable delays caused by an extended staff recruitment process”. The review mission noticed a strong commitment to the implementation of the BDP2 at all levels, and the willingness to share relevant data and information.

3. The BDP2 has progressed and is scheduled for completion on December 31, 2010. Critical questions facing the programme include: 1) whether the programme will achieve its objectives by the planned end date and 2) the future direction of the BDP in the context of: (i) the MRC Strategic Plan 2011-2015 and its move towards core basin management functions and (ii) accelerated water resources development in all four LMB countries and the need to facilitate and monitor the implementation of the IWRM-based Basin Development Plan.

4. Against this background, the 2nd Joint Donor Review of BDP2 was undertaken in January 2010 with the following objectives:

- To assess the overall progress of implementation of the BDP2 with regard to the delivery and quality the outputs, the achievement of the immediate objectives, and the likely outcomes;
- To assess the level of active engagement and participation in the BDP process by key national agencies and MRC Programmes and other stakeholders;
- To assess the degree to which the BDP is seen as relevant, realistic and useful by key line agencies and stakeholders outside the public sector;
- To recommend and agree with MRC on possible adjustments in programme approach, orientation, procedures, and budget; and
- To provide advice on the considered options for a continuation of the basin planning process after the BDP2 has come to an end.

5. The Donor Review Team comprised of:

- Mr. Kurt Mørck Jensen, Senior Adviser, Ministry of Foreign Affairs of Denmark, Team leader;
- Mr. Palle Lindgaard Jørgensen, Water Governance Specialist, External Consultant to Danida;
- Mr. Clive Lyle, Water Resources Planning Specialist, External Consultant to Sida (recruited by MRCS at SIDA request);

- Mr. John Dore, Water Advisor, AusAID; and
- Mr. Pech Sokhem, External Consultant to AusAID.

6. The review team met with the NMCSs, relevant line agencies, members of the national BDP working groups and the Regional Technical Working Group (RTWG), RBCs and other stakeholders in each of the Member Countries. In addition, the team met with some regional organizations and NGOs, whose work relates to the BDP.

7. The 2nd Joint Donor Review has resulted in the following main findings and recommendations:

- **General progress and quality.** In spite of the delays, *the general BDP2 progress is good. Outputs and results delivered are of high quality.* Particularly notable is the progress on the development of basin-wide scenarios and the first draft of the IWRM-based Basin Development Strategy. The outputs of BDP2 have attracted much attention and interests from the Mekong countries and a wide range of stakeholders in the region.
- **IWRM-based Basin Development Strategy.** The “development space” should be defined more clearly and the Basin Development Strategy be completed with the “triple bottom line” assessments. The basin development framework in the Strategy with Strategic Guidance, procedures and guidelines should be completed to ensure that developments take place within the boundary of the ‘development space’. The Strategy should include a session on confidence and uncertainties in the “development space”, the implications for space integrity and the plausible range of impacts on environment and social conditions.
- **Transboundary water governance.** The establishment of the BDP planning process has made an important contribution to a strengthened transboundary governance system for the Mekong River Basin. The IWRM-based Basin Development Strategy has the potential of being a cornerstone of the transboundary governance system. The basin planning is now informed by both expected development activities on the mainstream and upstream in China and by planned activities in the countries. The big challenge now is to bring the Strategy forward as a respected guiding instrument for decision making in the LMB riparian countries.
- **Stakeholder participation.** BDP2 has identified ways to engage stakeholders more directly in the BDP process and is commended on attracting a diverse audience to its 2nd Regional Stakeholder Forum. It is recommended that stakeholders should be involved as early as possible also in more strategic discussions. This would imply engaging stakeholders actively in the national and regional discussions on the scenario assessment and the Basin Development Strategy and undertaking the 3rd Regional Stakeholder Forum earlier than August/September 2010.
- **Country ownership.** There has been good participation of NMCs in BDP2 but the level of line agency engagement is less clear. Overall understanding of the BDP2 by NMCs and the representatives involved from line agencies also seems good. The need therefore is to further mainstream BDP work beyond NMCs and into relevant national line agencies.
- **Coordination with MRC Programmes.** Basin development planning including the scenario assessment relies on inputs from other MRC programmes. BDP2 has worked efficiently on drawing information into a common framework, allowing comparison of scenarios. However, the task is huge and remains as a challenge that needs to be addressed in the next Strategic Plan period, if not driving basin development planning forward will continue to demand considerable inputs from external consultants.

- **Programme management.** The BDP2 is well managed. Good procedures are in place for quality assurance of data, models and outputs from consultant and expert work and for peer review. In order to maintain high standards and follow the practice of other international river basin organizations, the Review Mission maintains its recommendation from the 1st joint donor review of BDP2 on the need for an external quality assurance. The review recommends that an international scientific panel with combination of internationally and regionally recognized experts in relevant areas of river basin planning be established within the next month and a meeting organized as soon as possible.
- **Completing the BDP2 during 2010.** BDP2 should focus on meeting the objectives and completing the outputs as well as on anticipating and planning future activities in the next MRC Strategic Plan. Key outputs to be achieved in 2010 include: 1) the completion and approval of the Basin Development Strategy, addressing the above-mentioned recommendations; 2) the documentation of lessons learned from this BDP process to guide future BDP activities as well as other MRC activities; 3) the provision of capacity building to support the implementation of Component 1 and 2 and 4) the establishment of the external quality assurance mechanism. With the pressures to finalize the scenario assessment and the Basin Development Strategy there is the risk of not leaving sufficient time for the NMCs, line agencies and other actors to be fully on board. The risk can be managed by further engaging the NMCs, line agencies and stakeholders in the process and BDP2 has the means and experience to do this. It is also important to make clear how the present Strategy will be updated, further developed and carried forward into a next five-year rolling process.
- **BDP in the future.** In line with the move toward core functions of the MRC, the Review Mission finds that many activities could be implemented through integration into a core river basin management function that provides monitoring, assessment and forecasting information in support of planning and management of sustainable development in the Mekong Basin. It is recommended that the MRCS prioritizes work on clarifying and defining the future core river basin management functions of the Secretariat and the suggestion for a River Basin Management Centre (as described in the Review Aide Memoire of the Environment Programme) is assessed along with alternative arrangements.

II. Plan to complete the BDP2

8. The 10th Coordination Meeting of BDP2, which focused on the plan to complete BDP2 and the concept and process to prepare for the next phase, was held on 7-9 January 2010. Similar to the recommendation from the 2nd Joint Donor Review, the meeting agreed that the BDP2 should be completed by the end of 2010, as planned.

9. Country group discussions highlighted more details on expected results of BDP2 by its completion as below:

Outcome 1 – IWRM-based Basin Development Plan

- Approval of the scenario assessment and the selection of preferred scenarios, for which the completion of Sub-area profiles is crucial;
- Approval of the IWRM-based Basin Development Strategy;
- Provision of strategic guidance in the IWRM-based Basin Development Strategy for the development water and related resources in critical sub-areas;
- Project Portfolio and also a “National Portfolio”;
- More involvement of the stakeholders (CSOs, more line agencies, media, etc.); and
- Capacity to implement the Strategy and to use BDP products in national planning.

Outcome 2 – Knowledge base and assessment tools

- BDP database transferred to countries;
- National databases;
- 2010 Planning Atlas down to sub-area level;
- State of the Basin Report; and
- Pilot use of the DSF at sub-area level.

Outcome 3 – IWRM Planning Capacity

- Provision of IWRM training at national and sub-area levels;
- Provision of training on negotiation and facilitation skills;
- More involvement of national experts in regional activities;
- Transfer of knowledge and skills to national levels; and
- Translation and dissemination of BDP key documents for national uses.

10. The overall plan to complete BDP2 by the end of 2010 was discussed and agreed. A detailed PIP for 2010 has been prepared for implementation. *The 2010 PIP includes the preparation of the next BDP phase for endorsement by the JC in July 2010 and the Council's approval in November 2010, and start of implementation in early 2011.*

III. Preparation for the next BDP phase towards core planning support function of the MRC

The initial concept

11. The critical foundation for the next phase of the BDP is the approval of the IWRM-based Basin Development Strategy, which, as highlighted by the Joint Donor Review, would be the “a cornerstone of the transboundary governance system in the Mekong River Basin”. Country group discussions during the 10th BDP2 Coordination Meeting emphasized that an approved Basin Development Strategy demonstrates that the established BDP process has matured to a level that allows the next phase of the BDP to:

- Integrate national and regional water related planning for sustainable development and poverty reduction;
- Serve as the framework for transboundary water cooperation to build trust and coordination, and guide coordinated and balanced development;
- Be regularly updated to guide water and related resources development in the LMB in the rapidly changing regional context;
- Further strengthen the participatory BDP planning process and provide planning support to national agencies;
- Deliver the core river basin management functions of the MRC; and
- Support the development of a stronger role of the NMCSs in Mekong water resources development and management.

12. The Country group discussions also outlined a **vision for a sustainable BDP process** that is **integrated into the national planning process** through:

- Stronger implementation of MRC procedures;
- Strengthened national legal framework to support the integration of the BDP;
- Full funding by Member Countries based on a carefully designed timeframe; and
- Implementation by Member Countries (i.e. implemented by line agencies, coordinated by NMCs, and facilitated by MRCS), with the knowledge base, tools and capacity in place, and with external support as required.

13. With this vision, the 10th BDP2 Coordination Meeting agreed that the next phase of the BDP should focus on the ***institutionalization of the BDP process at all levels (MRC, national and sub-basin)***, supported by capacity building, technical assistance, and practical tools for national agencies (NMCSs, LAs, RBOs, and others).

14. The meeting also emphasized that the next BDP phase should be delivered based on a “MRC core functions approach” instead of a programme approach. In this approach, the activities would be as much as possible implemented by the appropriate national agencies, and with inputs from other river basin management functions (i.e. data acquisition, monitoring and assessment), while the basin development planning function would play a coordinating and facilitating role. The possible mechanisms, including working groups and networks, were also presented and discussed. As such, it will be of critical importance to:

- Ensure that the formulation of the next BDP, as well as the next phase of other MRC Programmes (EP, IKMP, FP, FMMP, and AIP) will be based on river basin management core functions and directed at a common objectives and milestones.
- Ensure the close coordination among the MRC Programmes during their individual formulation process, as well between programme level formulation and the preparation of the Strategic Plan 2011-2015. This should include efforts to facilitate joint national and regional consultations on the concepts and detailed programme and strategy documents.

15. The 2nd Joint Donor Review of the BDP2 also provided suggestions for the MRC level basin development planning to focus on the further development of the IWRM-based Basin Development Strategy, the mainstreaming of the development space in national planning, decision-making and governance processes, the management of the master project database of significant projects, the identification of significant transboundary projects, the development of a regional network of RBOs, and reporting on the implementation of the Basin Development Strategy (amongst others through the State of the Basin Report). All of this should be done in closer linkage with: 1) the implementation of the existing procedures and guidelines, as well as the possible development of additional guidelines, and 2) the implementation of the Basin Development Strategy at the national level, which brings together line agencies, uses a river basin approach, and facilitates simplified country reporting to MRC of cumulative non-significant projects.

The process

16. As agreed during the 10th BDP2 Coordination Meeting, a note ***“Concept and Process to Prepare the Next BDP Phase Towards a Core Planning Support Function”*** will be prepared by mid February 2010, based on the discussion at the coordination meeting, the current definition of the core functions of the MRC, and the ongoing discussions on the MRC Strategic Plan 2011-2015. This note will be used to solicit the demands for BDP products and services by BDP’s primary clients at the national and sub-basin levels.

17. Finally, the 10th Coordination Meeting of the BDP2 agreed with the following process and milestones to prepare for the next phase of the BDP:

Concept note prepared by RBDP team	Mid February 2010
National consultation and discussion with MRC Programmes on the Concept	March 2010
Design document prepared	April 2010
National and regional consultations on design document	April – May 2010

Submission of design document to the Joint Committee for endorsement	July 2010
Submission of the design document to Development Partners for appraisal	August – October 2010 ¹
Submission of the design document to the MRC Council for approval (incorporating recommendations from Development Partners' appraisal)	November 2010
Development Partner(s)' approval and funding agreements	January 2011

The Joint Committee may wish to:

- ***Take note of the main findings and recommendations of the 2nd Joint Donor Review of BDP2***
- ***Provide guidance for the BDP2 to follow up on the recommendations***
- ***Provide guidance on the initial concept and proposed process to prepare the next BDP phase***

¹ This is based on the informal discussion with DANIDA, who has planned for submission of the proposal for the next BDP for DANIDA Board approval in January 2011 – to be confirmed by ICCS.

NOTE FOR INFORMATION

MID-TERM REVIEW OF THE ENVIRONMENT PROGRAMME AND PREPARATION FOR THE NEXT PHASE OF THE ENVIRONMENT PROGRAMME TOWARDS THE CORE RIVER BASIN MANAGEMENT FUNCTION OF THE MRC

1. This Note summarizes the outcomes of the Mid-term Review of the Environment Programme (EP) 2006-2010, which was carried out as a Joint Donor Review by Sida and Danida back to back with the 2nd Joint Donor Review of the Basin Development Plan Phase2 during 4-19 January 2010. It also presents a tentative plan for the preparation of the next EP for guidance by the Joint Committee. The next phase would aim at alignment with the River Basin Management Function of the MRCS Core Management Functions and the direction of the next MRC Strategic Plan, 2011-15.

I. Mid-term review of the Environment Programme

2. An Environment Programme has been ongoing and supported by donors, primarily Sweden and Denmark, since 1996. The current phase of the EP is a five year programme from 2006-2010.

3. Joint donor reviews of the EP by Sida, Danida and the Swiss Development Corporation (SDC) were conducted in November 2002 and January 2004. Sida held annual consultations with MRC in 2007 and 2008 / 2009 including discussions on the EP. Donors also follow the progress of MRC and its programmes through participation in Informal Donor Meetings and Donor Consultative Group Meetings. The Mid-term Review of the MRC Strategic Plan 2006-2010 conducted in 2008 also included a review of the EP.

4. The Joint Review by Sida and Danida in January 2010 covered an assessment of the EP's progress as well as recommendations on the future directions of the EP. The next generation of environmental activities of the MRC was considered closely linked with the broader discussions of the 'Long Term Core Management Functions of MRC' and the planning process towards the next MRC Strategic Plan 2011-2015. The Joint Donor Review was undertaken with the following objectives:

- To assess the achievements of the EP 2006-2010, the progress of implementation against outputs and indicators as set out in the Environment Programme Document 2006-2010 and the likelihood of achieving the immediate objectives during the programme period.
- To assess the alignment of the EP implementation with the MRC Strategic Plan 2006-2010, the Mid-term Review of the Strategic Plan and the MRC Organisational Review.
- To provide recommendations as to appropriate adjustments of the EP in order to achieve the objectives of the EP 2006-2010 Programme Document and to align with the MRC Strategic Plan 2006-2010 implementation and the outcomes of the MRC Organisational Review. This may include among others considerations regarding adjustment of priorities and adjustment of activities.
- To assess the contributions from and the integration of the EP in the processes leading to the definition of the Long Term Core Functions of MRC and the next MRC Strategic Plan 2011-2015
- To provide recommendations on the future direction of the EP towards the EP 2011-2015 and the EP contributions to the formulation of the next MRC Strategic Plan 2011-2015 based on lessons learned and on-going processes.

5. The Review Team comprised:
 - Mr. Kurt Mørck Jensen, Senior Adviser, Ministry of Foreign Affairs of Denmark, Team Leader
 - Mr. Palle Lindgaard Jørgensen, Environment and Water Governance Specialist, External Consultant to Danida
 - Mr. Martin Hollands, Environmental Specialist, External Consultant to Sida
6. The Review Team met with the NMC Secretariats, relevant line agencies, and other stakeholders in each of the Member Countries. In addition, the team met with regional organizations and NGOs, whose work relates to the EP.
7. The Mid-term Review has resulted in the following main findings and recommendations (see Draft Aide Memoire in Separate Attachment).
 - **Progress of EP:** Overall the Review Mission (RM) found that the EP has been well managed and has implemented a wide range of activities according to its programme document. The outputs delivered are all of very high quality and technical standard. The program has taken wise decisions in the way it prioritized activities given that it has only had 50% of its planned budget during the first four years of its implementation.
 - **Support to and engagement with MRC Member Countries:** The findings of the EP Mid-term Review were similar to what was found during the recent Mid-term Review of the MRC Strategic Plan 2006-2010. This included: limited tangible benefits for Member Countries; being reactive rather than proactive, lack of sense of real cooperation; lack of impact on country planning and management directions; lack of Member Country cooperation with initiatives; too much focus on MRC processes and insufficient outward looking to the needs of the countries or its stakeholders.
 - **Monitoring and reporting:** The EP monitors its progress against overall programme indicators and more detailed component objectives and outputs. The system works well in recording delivery of outputs. The quarterly, semi-annual and annual progress reporting is sufficient and appropriate.
 - **Cooperation with other MRC programmes:** There has been a significant improvement over the last two years in the integration of the EP with other MRC programmes. However, this needs to be taken further.
 - **Coordination with other regional organizations:** Collaboration between the EP and others has improved greatly over the last two years. However, more could be done regionally with e.g. the Environment Operations Center under the Greater Mekong Sub-region (GMS) Program and the UNDP/UNEP Poverty and Environment Initiative.
 - **Financial status:** In assessing progress versus the actual expenditures, the RM found that the EP has used the funds efficiently and has actually been able to achieve more than what would be expected in view of only half of the budget being available.
 - **Recommendation 1: Assessment of progress of the EP.** The RM has presented detailed recommendations on how to complete the activities and deliver the intended outputs of the EP during the last year of its implementation.
 - **Recommendation 2: Engagement of Member Countries.** The EP at the MRC Secretariat, working in collaboration with the NMC Secretariats, should engage more closely with national planning agencies in the MRC Member Countries to better understand their information needs and support their informed decision making.

- **Recommendation 3. Capacity building in Member Countries.** The EP supported, by the NMC Secretariats, should assess - and implement where relevant - how the EP capacity building efforts would benefit from stronger coordination with national capacity building on environment.
- **Recommendation 4: Completion of activities in 2010.** Rather than trying to catch up on all its planned outputs, the EP should give priority to:
 - i) Activities essential for assessing the environmental impacts and consequences of development; and
 - ii) Finalizing agreements on procedures and other instruments, including the Transboundary Environmental Impact Assessment, to support environmental cooperation.
- **Recommendation 5: Programme management.** 'Results chains' should be established showing where the EP activities can actually deliver and not only contribute to the objectives.
- **Recommendation 6: National ownership and stakeholders.** In collaboration with the NMC Secretariats the EP should enhance the dialogue with all relevant stakeholders and potential partners to get more national ownership and commitment.
- **Recommendation 7: Climate change.** The Climate Change and Adaptation Initiative (CCAI) should be managed in close coordination with the MRC programmes including the EP, BDP and IKMP during 2010.
- **Recommendation 8: Future direction of the EP.** Selected core functions from the EP, the BDP, the IKMP and elements of the FP should be integrated under a *River Basin Management Center* at the MRC Secretariat during the next Strategic Plan period 2011-2015. The CCAI and regional component of the MIWRM Project would be anchored at the *Center*.
- **Recommendation 9. Establishing a River Basin Management Center.** In order to prepare for the establishment of the *River Basin Management Center* at the MRC Secretariat during the next Strategic Plan period 2011-2015, the EP should engage with the BDP, IKMP, the FP and the 'operational programmes' (e.g. the FMMP, the NAP, and the ISH) in developing the common objective, the outputs and the activities of the *Center*.

II. Completion of the ongoing EP 2006-2010

8. EP activities in 2010 will focus on completion of the EP 2006-2010 as outlined in the EP Work programme 2010 and in accordance with the recommendations provided by the Mid-term Review. This is made possible by the secured funding from Sida, Danida and AFD for 2010.

9. The recommendations related to the future direction of EP will assist the preparation of the programme document for the next phase of the EP.

III. Preparation for the next EP towards core river basin management functions of the MRC

10. The formulation of the EP 2011-2015 programme document will be guided by the following principles based on the Member Country considerations as expressed in the 'Long term core management functions of MRCS', the Mid-term Review of the MRC Strategic Plan 2006-2010, the Mid-term Review of the EP 2006-2010:

- Sustainability of development including environmental and social concerns will remain key aspects for MRC to consider in the future
- Transfer of implementation of agreed methodologies, procedures, guidelines and other activities to Member Countries will increase
- Capacity building, environmental awareness raising and education in Member Countries shall be improved
- Overall assessment and reporting will be undertaken by MRCS based on Member Country national reporting and assessment
- Preparedness to respond to emerging issues will be ensured in collaboration between MRCS and Member Countries

11. The further elaboration of the recommendations by the Mid-term review of EP and the 2nd Donor Review of BDP2 concerning the implementation of the MRCS River Basin Management Function will shape the design of the next EP. The design of the next EP as an important part of the River Basin Management Function of MRCS will also depend on how other core management functions will be delivered.

12. The River Basin Management Function of the 'Core Management Functions of MRC' includes 7 components:

1. Data acquisition, exchange and monitoring
2. Analysis, modeling and assessment
3. Planning support
4. Forecasting, warning and emergency response
5. Implementing MRC procedures
6. Supporting dialogue, coordination and transboundary governance
7. Reporting and dissemination

13. The Mid-term Review Mission recommended that the following components/activities of the EP would be carried over and strengthened to fulfill the River Basin Management Function:

- Basin wide social and environmental (including biodiversity and wetlands) assessment and reporting based on national monitoring and reporting (current EP functions responding to core function components 1, 2, 7 and supporting 3);
- Support (including capacity building and technical assistance) to the implementation of MRC procedures and application of decision support tools including the PNPCA, Procedures on Water Quality and Transboundary Environmental Impact Assessment (current EP functions responding to core function components 3, 5 and 6);
- Response to emerging issues (e.g. climate change; chemical pollution; other pressures not known or of limited importance currently and therefore limited current understanding of consequences);
- Awareness raising and capacity building will be cross-cutting aspects for all activities (current EP functions responding to core functions components 6 and 7).

14. The formulation process will also embody the approach of the MRC Performance Management System currently under development.

IV. Next steps

15. A note "*Concept and Process to Prepare the Next EP towards the MRCS River Basin Management Function*" will be prepared by 1 March 2010 based on the current definition of the core functions of the MRC (endorsed by the Joint Committee), the ongoing discussions on the MRC Strategic Plan 2011-2015 and the assessments and recommendations made by the EP Mid-term Review. This note will be used to solicit the demands for EP products and services by EP's primary clients at the national and regional level.

16. The following outlines the proposed process and milestones to prepare for the next phase of EP:

Concept note to be prepared by EP for circulation	1 March 2010
National/regional consultation on the Concept	Mid-March 2010
Design document prepared for circulation	April 2010
National and regional consultations on Design document	April – May 2010
Finalization of the design document and submission to the Development Partners	June 2010 ¹
Submission to JC for endorsement	July 2010
Submission to Council for approval	November 2010

The Joint Committee may wish to:

- ***Take note of the main findings and recommendations of the Mid-term Review of EP***
- ***Provide guidance for the EP to follow up on the recommendations***
- ***Provide guidance on the initial concept and proposed process to prepare the next EP document***

Attachment:

Separate Attachment: 2nd Draft Aide Memoire of the Joint Donor Review to the Development Assistance to the Environment Programme 2006-2010

¹ This is based on the information that proposal should be submitted by June if funding agreement to be concluded by end of 2010 to start the implementation in early 2011 – to be confirmed by ICCS.

NOTE FOR INFORMATION

PROGRESS ON IMPLEMENTATION OF MRC CLIMATE CHANGE AND ADAPTATION INITIATIVE

I. Background

1. At its Fourteenth Meeting in November 2007, the MRC Council requested the Secretariat to develop an initiative to support the Member Countries in their efforts to deal with the impacts of Climate Change in the Mekong River Basin.
2. In response to the MRC Council's request, the Secretariat prepared a concept note of Climate Change and Adaptation Initiative, and successfully formulated the Climate Change and Adaptation Framework during 2008 – 2009 through a broad national consultation with NMCs, line agencies, key national experts and regional partners.
3. At the Twenty-ninth Meeting of the MRC Joint Committee held in March 2009, the Joint Committee endorsed the MRC CCAI Framework as presented in its planning framework or logframe. The CCAI Framework document was finalised considering the Member Country comments and following this appraised by development partners leading to an official launch and partial funding support of CCAI implementation since August 2009. The CCAI workplan for 2010 was approved by the Seventeenth Meeting of the MRC Council in November 2009.

II. Key Progress of CCAI implementation and funding status

4. In the second half of 2009, the institutional arrangement at the Secretariat under the Environment Division was established, namely the Office of Climate Change Adaptation, and staff recruited including task leader, communications officer and secretary. The planned staffing of the Office of Climate Change Adaptation was completed in February 2010. In addition, the establishment of the CCAI Steering Committee as an institutional arrangement for CCAI oversight is being finalized. MRC Member Countries were requested to nominate members to the Steering Committee according to agreed TOR through letters sent to NMCs in December 2009.
5. A Regional Technical Workshop on Application of Modelling Tools for Climate Change Impact and Vulnerability Assessment was held in September 2009 to disseminate results of modelling of potential impacts of climate change on the Mekong River Basin and to share experiences with regional and international experts. Proceedings of the workshop are available at the MRC website. The technical outputs of the Workshop will be taken up for further development of methodology and a tool for climate change impact assessment and adaptation planning under the CCAI.
6. The CCAI activities for the second half of 2009 focused on priority activities according to 2009 CCAI workplan. Among them were the selection of Member Country demonstration sites, which has been discussed with the NMC Secretariats and line agencies through a number of national consultation meetings. Each Member Country agreed on a demonstration site for piloting activities of adaptation planning for the CCAI Intermediate Phase and has scoped and defined their local demonstration site activities for implementation during 2010. The demonstration site activities will be implemented by national teams with appropriate support from the MRC Secretariat through 2010. The results will be used as input to the detailed formulation of the Phase 1 (2011-2015) and justify the

relevance and value added of the CCAI activities for the Mekong basin for further fund raising.

7. The CCAI communication and awareness raising activities have been started and made considerable progress through products such as posters displayed at the SEA games event, a mini cartoon booklet of Climate change issues for distribution in English and riparian languages, and the launch of the CCAI website in December 2009.

8. CCAI has gradually established partnership arrangements and working relations with implementing partners; such as SEA START RC, Japanese Institute for Irrigation and Drainage (JIID) in 2009 and planned to explore more partnership arrangements through 2010.

9. Funding commitment for CCAI activities has been ensured as follows:

- Additional amount of US\$ 2.7 million has been committed by AusAID in addition to the previously committed amount of US\$ 1 million for funding CCAI until mid 2013;
- SIDA has committed US\$ 1.15 million until the end of 2010 through EP;
- Finland has committed US\$ 1.8 million for 2011-2015 through IKMP, ISH and ICBP.
- Funding has been pledged from Danida from 2011 as part of the future funding to the Secretariat for BDP, EP, FP and CCAI at US\$ 8 million.

10. The total fund committed by November 2009 is US\$ 7.15 million. Funding gap up to 2015 is US\$ 7.85 million.

III. Next Steps

11. Focus will be placed on an implementation of 2010 CCAI activities which are crucial for delivering knowledge and lessons learned from Member Country demonstration site activities as a baseline for the next CCAI implementation phase (2011-2015).

12. Efforts to strengthen CCAI governance, capacity building and awareness raising and stakeholder participation will be emphasized. Institutional arrangements, partnership and working relations with core implementing partners, will be established supporting the Member Countries.

13. The Mekong Panel on Climate Change (MPCC) will be activated in the second semester by initiating a consultation meeting to define and explore its mode of operandi, terms of reference, membership, and potential synergy with relevant regional knowledge platforms.

14. The Secretariat will prepare a CCAI Framework document for the next phase of MRC Strategic Plan (2011-2015) and submit it for the Joint Committee and Council approval by 2010.

The Joint Committee may wish to

- ***Take note of the progress on CCAI implementation and funding status;***
- ***Provide guidance to the MRC Secretariat on the next steps of CCAI.***

NOTE FOR INFORMATION

PROGRESS ON THE STRATEGIC ENVIRONMENTAL ASSESSMENT OF PROPOSED HYDROPOWER DEVELOPMENTS ON THE LOWER MEKONG MAINSTREAM

I. Background

1. The MRC Strategic Environment Assessment (SEA) of the 12¹ proposed hydropower developments, Lao - Thai and Cambodian reaches of the Mekong mainstream was launched in April 2009. The SEA comprises 4 main phases: (i) scoping, (ii) baseline assessment, (iii) impact (opportunities & risks) assessment, and (iv) avoidance, enhancement and mitigation assessment. The work is being undertaken in a participatory process in partnership with NMC Secretariats and a wide range of national stakeholders. The SEA is on course to complete in July 2010.

2. The broader purpose of the SEA to identify the potential development opportunities and risks, as well as contribution of these proposed projects to regional development by assessing alternative mainstream hydropower strategies. In particular, the SEA focuses on the regional distribution of costs and benefits with respect to economic development, social equity and environmental protection.

3. The SEA will enhance the baseline information and assessment framework for government review of project-specific EIAs prepared by developers in a timely way. It is also designed to inform how the MRC can best enhance its support to Member Countries when the PNPCA process is triggered for an individual mainstream proposal. The SEA findings will be fed into the BDP process and inform steps that MRC programmes may consider in the next MRC Strategic Plan Cycle (2011-2015) to address knowledge gaps that are identified concerning mainstream development proposals.

4. In December 2009 the Scoping phase of the SEA was completed with the submission of the five volumes of the Inception Reports and supporting materials. These were circulated to NMCS and placed on the MRCS website in January 2010 for all stakeholders to access, including:

- Volume I: The Main Inception Report
- Volume II: Mainstream project profile summaries
- Volume III: National scoping consultation summaries
- Volume IV: SEA Theme papers and additional studies proposals
- Volume V: The SEA Communications, Consultations and Capacity Building Plan

5. The SEA Inception Report presents the outcomes of the scoping consultations as well as the methodology and design of the SEA for the subsequent phases. Excellent cooperation was received to move forward with support of the National Mekong Committee Secretariats and MRCS programmes coordinated by the MRC Initiative for Sustainable Hydropower.

¹ The number has increased to 12 to include the Thakho run of river project being proposed for another stream of the Mekong in the Khone falls area and for which some initial information has been provided in drafting this note. The preliminary information has been formally sent by LNMC to MRC for circulation to other Member Countries and was just initial information provided to the consultant for their study. An earlier version of the Thakho project was formally notified to the MRC in July 2001, but it was effectively dropped by the developer at that time and the prior consultation process did not take place

6. In November 2009, China appointed a strategic partner for the SEA and arrangements were made with China's Ecosystem Study Commission for International Rivers (ESCIR) to collaborate in a programme of technical exchange on SEA matters and assessment concerning the influence of Lancang-Mekong dams on lower basin. Through ESCIR, the relevant agencies in Yunnan Province are involved and a mission from MRC to Yunnan was conducted in December 2009 as the first stage in this cooperation with ESCIR. This cooperation includes joint working sessions to ensure mutual understanding of the hydrological, morphological and environmental analysis, exchange visits and ESCIR participation in the key regional workshops the SEA will hold in 2010.

II. Progress in the Baseline and Impact Assessment Phase

7. Work on the baseline phase of the SEA was started in December 2009 in parallel with completion of the Scoping Phase. This phase involved gathering information in each country and at regional level on the most important development concerns and analyzing their past trends and current status. The preliminary stages of the baseline assessment were presented in a multi-stakeholder regional workshop in Phnom Penh 27-28 January 2010. The draft baseline report was circulated and posted on the MRCS website at the end of February 2010.

8. In late February 2010, the SEA team began work on the impact assessment phase. This will systematically consider the cross-sector development risks and opportunities of the mainstream developments with reference to the baseline projections of key themes. Scenarios "with and without" various groupings of mainstream developments will be assessed against a projection of the baseline trends. These assessments are coordinated with the BDP scenario analysis work and IWRM strategy development.

9. One challenge going forward with the SEA in 2010 has been to maintain the strategic orientation and stay within the budget allocation for the SEA process, while allowing flexibility to focus on issues of greatest concern to particular stakeholder interests. There are of course limits to how in-depth the SEA can and should be in terms of analysis of specific issues and stakeholder consultation. In a strategically oriented process like the SEA, stakeholder consultation is typically managed through representative approaches.

10. Recognizing there are strongly held views on mainstream dams, and recognizing one purpose of the SEA is to inform and prepare stakeholders and decision-makers for subsequent dialogue, it is important for the SEA to clearly indicate the range of convergent and divergent views on the key themes and issues identified in the Scoping phase.

III. Updated Schedule for SEA Completion

11. The SEA is scheduled to complete in the third quarter of 2010. The current SEA schedule is noted in Attachment 1 to this Briefing Note. Key events include the regional consultation meetings on the impact phase (opportunities and risks) scheduled 29-30 April 2010 in Bangkok, Thailand and the regional workshop on the final phase scheduled 24-25 June 2010 in Can Tho Viet Nam.

The Joint Committee may wish to take note of the progress with the SEA of proposed mainstream dams.

Four phases of MRC's SEA of proposed LMB mainstream hydropower developments.

SEA phase	Main activities
Scoping phase February – October 2009	<ul style="list-style-type: none"> • National consultations • Definition of scope of the SEA • Refinement of methods
Baseline assessment November 2009 – January /February 2010	<ul style="list-style-type: none"> • Analysis of past trends and current situation in the key development issue • Identification of government policies, plans and targets for the key issues
Impact (risk and opportunities) assessment February– April 2010 29-30 April 2010 in Bangkok	<ul style="list-style-type: none"> • Analysis of future trends in these issues: <ul style="list-style-type: none"> (i) Without the hydropower development – important as the basis for assessing the affects of hydropower (ii) With the hydropower development – identification of opportunities and risks according to a number of development scenarios • Assessing the combined/cumulative effects on future trends in the key issues
Avoidance, enhancement & mitigation April – July 2010 24-25 June 2010 in Can Tho	<ul style="list-style-type: none"> • Identifying avoidance, enhancement and mitigation measures – for example <ul style="list-style-type: none"> (i) Measures to address the opportunities and risks of greatest concern (ii) Improved institutional arrangements and management procedures (iii) Project specific recommendations (e.g. timing and sequencing; project design and appraisal) (iv) Future studies and monitoring

NOTES FOR INFORMATION

PROGRESS ON THE FORMULATION OF THE FLOOD MANAGEMENT AND MITIGATION PROGRAMME PHASE 2

1. After the devastating floods of 2000 the MRC Member Countries agreed to formulate a regional Flood Management and Mitigation (FMM) strategy to reduce the loss of lives and infrastructure, while preserving the environmental benefits of the floods, through more effective cooperation in dealing with floods. The FMM strategy was endorsed by the MRC Council at the end of 2001.
2. The Council requested the Secretariat to develop a FMM Programme (FMMP) to translate the vision into actions and into tangible results. By the end of 2004 six development partners had committed to the implementation of the FMMP with a budget of around US\$ 20 million. The implementation of the FMMP was subsequently initiated and, by mid 2005, core staff had been contracted.
3. The FMMP with its present budget of US\$ 27 million is to be completed by the end of December 2010. A Regional Flood Management and Mitigation Centre has been established in Phnom Penh; its systems are operational and increasingly products are developed and shared with the MRC member countries and other stakeholders.
4. The implementation period 2004-2010 has laid a solid foundation for the provision of regional FMM services and products; however it is obvious that for coping with the increasing demands of the Member Countries and achieving sustainability of the Regional Flood Management and Mitigation Centre (RFMMC), additional external support for a consolidation phase is required over a number of years.
5. The Danish and Netherlands Embassies in Hanoi, Vietnam facilitated a Review Mission of Components 1, 2, and 3 in the 1st quarter of 2009. This followed an earlier review of Components 4 and 5 conducted by GTZ. The conclusions of the 2009 Review Mission report underline the fact that sustainability needs to be secured in the next phase of FMMP from 2011-2015, in line with the forthcoming MRC Strategic Plan period. The Thirtieth Meeting of the MRC Joint Committee on 29-30 July 2009 took note of the progress of the programmes under Technical Support Division, including the issue which was discussed during 7th FMMP Steering Committee on 26 June 2009, in which participants concluded to formulate as soon as possible second phase of FMMP.
6. The proposal for the formulation process was discussed at the Steering Committee meeting in June 2009. The formulation phase was initiated in September 2009 and an early draft including process design, required budget and timeframe was circulated for internal consideration within MRCS in October 2009. An updated version (version 2) of the Terms of Reference (ToR) has subsequently been shared for comments with the NMC Secretariats, and Development Partners. Comments will be processed by end of January 2010 (see Attachment).
7. It is scheduled that the MRCS will place the ToR for formulation of the second phase of FMMP on the MRC website by the beginning of February 2010. It is expected that funding for the formulation by Development Partners can be committed by end February / early March 2010.

8. The selection and recruitment of a team of Consultants is scheduled in the first half of March 2010. The formulation process, including the national and regional consultations, will require a maximum of 4 months. Therefore the design of the second phase FMMP will be presented to the JC for consideration at the latest by mid July 2010.

9. The MRCS is coordinating closely with the development partners to inform the development partners about the achieved outputs of FMMP (phase 1), the conclusions and recommendation of the Review Mission report, the ToR for a second phase of FMMP, and the options for funding of the second phase FMMP.

10. A number of Development Partners have verbally expressed interest in continuing the support of FMMP, including the US Agency for International Development (USAID), the Asian Development Bank, the Gesellschaft für Technische Zusammenarbeit (GTZ), the Royal Netherlands Embassy in Hanoi and the European Commission in Bangkok.

11. Development Partners have recognized the specific role the FMMP can play in developing an adaptation programme to mitigate the negative impacts of increasing floods due to climate change, especially related to the Cambodian floodplain and the Mekong Delta, and this aspect will be coordinated with MRCs' Climate Change and Adaptation Initiative.

12. Formulation of FMMP2 will take into account the emerging direction of the MRC Strategic Plan 2011-2015 which is also currently being formulated.

13. Development Partners are expecting that MRC Member Countries will gradually assume more ownership for FMMP, as well as a larger share of the costs for the development and operations of the RFMMC in a second phase FMMP.

The Joint Committee may wish to:

- ***Take note of the progress on the formulation of the FMMP Phase 2; and***
- ***Advise the Secretariat in relation to increased involvement of Member Countries in functions and financing of FMMP, the close interaction with development partners and the specific role that FMMP can play in the development of an adaptation programme to mitigate the negative impacts of floods due to climate change.***

**NOTE FOR INFORMATION ON THE PROGRESS
OF FORMULATION OF THE FISHERIES PROGRAMME PHASE 3**

1. After initial discussions of the Fisheries Programme Phase 3 (FP3) planning process at the FP2 Co-ordination meeting in Ho Chi Minh City in May 2009, TORs for an international consultant to assist the process were drafted. In October 2009, Professor Sten Sverdrup-Jensen, Innovative Fisheries Management, Aalborg University, Denmark, who has experience with the Fisheries Programme from its inception, was commissioned for the consultancy.
2. Professor Sverdrup-Jensen visited MRCS in November 2009 and met with the CEO and relevant MRC programmes and initiatives. He also met with members of the FP Steering Committee/Technical Advisory Board (TAB)
3. A Brainstorming Workshop with line agencies held by the FP in Phnom Penh on 20 November 2009 was attended by FP National Component Coordinators and a draft Initial Concept Note for Consultation on FP3 was completed on 14 January 2010. The Initial Concept Note for Consultation will then be discussed in a second Brainstorming Workshop scheduled on 2 February 2010 in Vientiane with involvement of National Mekong Committees, TAB members and National FP Component Coordinators and MRC Programmes
4. The main aspects proposed for consideration in FP3 as compared to the ongoing FP2 are:
 - Increased focus on impacts of hydropower projects on LMB fish resources and mitigation measures;
 - Increased focus on increasing livelihoods opportunities from fisheries, including development of small-scale aquaculture of indigenous fish species.
 - A two-level programme approach including Core outputs/activities (those MRC needs to do to remain relevant to clients), and complementary outputs/activities (those MRC should do to remain a "world class" RBO unit)
 - Riparianization of Technical Assistance (employment of riparian fisheries experts);
 - Formulation of FP3 will take into account the emerging direction of the MRC Strategic Plan 2011-2015 which is also currently being formulated.
5. The funding level envisaged for FP3 is US\$ 2.5 million per year covering core and complementary activities.

The Joint Committee may wish to take note of the progress of the initial stages of formulating the MRC Fisheries Programme Phase 3 and provide advice on its direction and subsequent stages in the process.

NOTE FOR INFORMATION

PROGRESS ON THE FORMULATION OF THE INFORMATION AND KNOWLEDGE MANAGEMENT PROGRAMME, PHASE 2

1. Phase I of the Information and Knowledge Management Programme (IKMP) was designed as a cross cutting programme of the MRC which provides information and knowledge services to other programmes and member countries. As it was formulated in December 2006 through the approval of the MRC Council, IKMP aimed to build a solid foundation of data, information and knowledge products, systems and services that supports the goal of the Mekong River Commission
2. The activities of IKMP have been carried out with funding from the governments of Australia, Finland and France with a total of US\$ 14,114,000. The IKMP has strategic importance to sustainable development of the Mekong Region and its links to supporting achievement of the Millennium Development Goals. The increased population and development pressures necessitate improved understanding of the river basin conditions, management options and environmentally, socially and economically sound practices. Information together with capacity building creates the basis for balanced development that benefits especially the poorest part of the population without jeopardising the natural functioning of the river system. IKMP, as well as the whole MRC, serves the interests of Member Countries through providing necessary basic data on the water resources management and development as well as information on the consequences of proposed developments. Decision makers need to be aware of the costs and benefits of the management and development alternatives, for instance the value of hydropower development needs to be balanced against fisheries losses and flood control needs to consider impacts on agricultural and fisheries productivity. The shared nature of the water resources requires both a local and regional view on the issues.
3. As the current phase of IKMP (Phase 1) will end in December 2010. However as a core service provider, the key functions of IKMP are still needed for the Member Countries and MRC programmes and it is a necessity to formulate a second phase of IKMP. A Mid-term Review (MTR) Mission for IKMP Phase I was carried commissioned by Finland and other Development Partners in October 2009. The conclusions of the MTR report underline the fact that sustainability needs to be secured in the next phase of IKMP from 2011-2015, in line with the MRC Strategic Plan period and which supports the implementation and delivery of Core River Management Functions of the MRC.
4. To prepare for the formulation of programme document for IKMP Phase 2, a concept note was developed and submitted to Finland for initial consideration. The concept note was received a number of positive comments from Finland with strong commitment for financial support for the period of 2011-2015. In parallel, the Terms of Reference (TOR) for formulation of IKMP phase 2 was prepared and discussed in the 6th meeting of Programme Coordination Committee of IKMP in December 2009 (the TOR is presented in Attachment). The process of programme document formulation of IKMP Phase 2 was also developed and shared with Member Countries.
5. IKMP has shown a strong commitment in mobilizing its internal resources for formulating the programme document Phase 2. It is scheduled that a number of brainstorming meetings, national and regional consultations will be conducted in the first quarter of 2010 before a draft programme document of IKMP Phase 2 is drafted by April

2010. This will be followed by three months for getting comments, advices, and inputs from stakeholders including IKMP Phase 2 potential donors, Member Countries and other MRC programmes on the draft programme document in order to finalize it by June 2010. The final version of the programme document will be submitted and presented for endorsement at the Thirty-second Meeting of the JC in July 2010.

6. Some Development Partners have expressed their interest in supporting IKMP for its second phase; especially Finland and in principle have accepted principles outlined in the concept note for IKMP phase 2 (2011-2015) prepared in April 2009.

7. The formulation of IKMP Phase 2 is essential for the MRC in order to continuously provide services and capacity building; transfer knowledge to line agencies of Member Countries in modeling, river monitoring, database management etc which are still considered as “knowledge gaps” in the region.

The Joint Committee may wish to:

- ***Take note on the progress of the formulation of the IKMP Phase 2; and***
- ***Advise the Secretariat to continue close interaction with Development Partners and coordination with Member Countries for an effective formulation of the IKMP phase 2.***

TERMS OF REFERENCE (TOR)

Formulation of Programme Document for the Information and Knowledge Management Programme Phase 2

1st Draft

I. Rationale

1.1. Programme Background

Phase 1 of the Information and Knowledge Management programme (IKMP) was designed as a cross cutting programme of the MRC which provides information and knowledge services to other programmes and member countries. As it was formulated in December 2006 through the approval of the MRC Council, IKMP is to build a solid foundation of data, information and knowledge products, systems and services that supports the goal of the Mekong River Commission

The main objectives of the MRC IKMP phase 1 are:

- Provision of fundamental data and information services
- Provision of integrated information and knowledge products and services
- Improvement of IKMP systems and tools

In order to achieve the main objectives and to operate as a cross cutting programme, the IKMP phase I was designed to include 5 components as follows

- Programme Management (IKMP Component 1)
- Hydro-meteorological Data (IKMP Component 2)
- GIS and Databases (IKMP Component 3)
- Modeling Services (Component 4), and
- Communication and Knowledge Management (Component 5)

The activities of IKMP have been carried out within funding from the governments of Finland, France and Australia with a total of US\$ 14,114,000. The IKMP has strategic importance to sustainable development of the Mekong Region and links to Millennium Development Goals. The increased population and development pressures necessitate improved understanding of the river basin conditions, management options and environmentally, socially and economically sound practices. Information together with capacity building creates the basis for balanced development that benefits especially the poorest part of the population without jeopardising the natural functioning of the river system. The IKMP provides direct guidance to development and investments taking into account environmental and livelihoods impacts, and thus will contribute to balanced development and poverty reduction in alignment with the Millennium Development Goals.

IKMP, as well as the whole MRC, finally serves the interests of the member countries. IKMP provides necessary basic data on the water resources management and development as well as information on the consequences of the developments. The decision makers need to be aware of the costs and benefits of the management and development alternatives, for instance the value of hydropower development needs to be balanced against fisheries losses and flood control needs to consider impacts on agricultural and fisheries productivity. The shared nature of the water resources requires both a local and regional view on the issues.

1.2. Needs for formulation of the IKMP phase 2

As current phase (I) of IKMP is going to end in December 2010, when almost key functions of IKMP are still needed for the member countries and MRC programmes, it is a necessity to formulate the second phase of IKMP in order to:

- Support ongoing activities from phase I.
- Consolidate the outputs/achievements from phase I and sustain the results of IKMP.
- Continuously provide services and capacity building; transfer knowledge to line agencies from member countries in modeling, river monitoring, database management etc which are still considered as “knowledge gaps” in the region.
- Take lead in the implementation and delivery of 2 Core River Basin Management Functions that are identified in the next Strategic Plan (SP) of the MRC 2011-2015, including the functions of “Data Acquisition, Exchange and Monitoring” and “Analysis, Modeling and Assessment”.

Moreover, the operation of IKMP phase 2 will significantly contribute to the MRC in implementing activities as follows

Effectively maintain, consolidate and strengthen the network of water related monitoring stations that provide near real-time data on hydro-met, water quality and sediment conditions. With support from GIS and remote sensing tools, the fishery resources, biota and ecosystem are monitored regularly. Data and information are collected, collated and quality assured and registered in the MRC Master Catalogue. The aim is to make the catalogue available on MRC’s web site for people to search and download available data or request data subject to agreed conditions under the Procedures for Data and Information Exchange and Sharing and related MRC policies (e.g. in relation to copyrights, copying or shipping costs of publications).

Continues to improve the monitoring system of water level and rainfall at its automatic stations and will support Member Countries with sediment monitoring and discharge measurements at selected stations, with appropriate improvements to existing installations. A sediment monitoring system is being set up as sediments are extremely important as natural fertilizers in flooded areas, sediment flows influence bank erosion and deposition and in recognition that sediment transport in the Mekong mainstream and tributaries is expected to substantially change with the construction of hydropower dams. These dams themselves provide a new source of hydro-meteorological and related data obtained by the private sector developers and it will be important for countries to put in place necessary regulatory mechanisms for the data to be made available to both relevant national agencies and the MRCS.

Periodic upgrades and new model development is underway to establish a more comprehensive analytic toolbox for MRC, including time series and spatial analysis capability. A framework of indicators will also be developed more generally for MRC to routinely use in the analysis and assessment of results.

The analysis of climate change effects and their influence on water resources will overlay the entire basin-wide modeling work to provide an assessment of additional changes to be expected in the medium to long term. Downscaling of Global Climate Change scenarios and modeling of the hydrological consequences has already increased the knowledge and awareness of climate change impacts on river flows and produced information about the combined effects of climate change and development. Assessment of climate vulnerability and the resilience of population to climate change are fundamental activities of the Climate Change Adaptation Initiative (CCAI) for which knowledge from the modeling team on the likely scale of changes is essential. Uncertainty of the global climate change modeling and downscaling methodologies will be a major challenge.

At a more general level, MRC can provide an overall assessment of the condition of the water and related resources of the Basin on a regular basis. These assessments would track trends over time and highlight the key drivers of change and approaches to address them.

Opportunities to partners with other organizations in preparing such assessments can be explored.

II. Objective of Formulation Mission

The main objective of formulation mission is to develop the programme document for IKMP phase 2 which will be endorsed by the MRC Joint Committee then approval by Council and agreed by Finland for financial support.

III. The Process for formulation of IKMP phase 2

The Concept Notes with initial activities for IKMP phase 2 was developed and submitted to Finland in Mid 2009. The concept note was accepted in principles by the Ministry of Foreign Affairs of Finland with a strong commitment of funding for period of 2011-2015. In addition, Finland clearly mentioned that IKMP, based on the results from its Mid-term Review in September-October 2009, will develop the programme document by using internal resources and submit to Finland for consideration of funding before the end of 2010.

A programme document including institutional framework, management structure and implementation arrangements for the IKMP phase 2 will have to be designed by current employed staff of IKMP in consultation with member countries, donors and other MRC programmes. The formulation process will be conducted through a “participatory approach” in a form that allows all stakeholders including National Mekong Committees (NMCs), National Line Agencies (LAs), other MRC programmes and development partners (particularly Finland) to be involved in most steps of the formulation process and being kept up to date with development of the process and its results.

A number of brainstorming meeting, national and regional consultations will be conducted in first quarter of 2010 for collecting data and information to serve the formulation process of IKMP phase 2. As it was agreed in the 6th meeting of IKMP Programme Coordination Committee in December 2009, a set of questionnaires will be developed and circulated to stakeholders for brainstorming before national consultation takes place. The process through consultation with stakeholders is proposed with timeframe as follows:

Timeline	Event/Activity	Output
April 09	Prepare the draft concept note for IKMP phase 2	First draft of the concept note submitted to Finland for initial consideration
October 09	IKMP Mid-term Review	Final report with recommendations on moving forward
December 09	6 th PCC meeting of IKMP	Informed process
January 10	Survey by questionnaires	Data and information collected - needs
February 10	National consultation meetings	National inputs – needs for drafting the programme document
	Meeting with other programmes of the MRC	Inputs – needs from other programmes
March 10	6 th SC meeting of IKMP	Informed progress and first draft version of the concept note
	Develop the second version of the concept note for IKMP phase 2 – circulate for comments	Draft version of concept note for IKMP phase 2

	Submit to Finland for consideration of Quality Assessment Board	Final version of concept note for IKMP phase 2 – Approved by Finland in 2 months
April 10	Develop programme document	1 st draft version of programme document for IKMP phase 2
May 10	Circulate for comments from stakeholders	2 nd draft version of programme document
June 10	Regional workshop on finalizing the programme document	Comments, guidelines for draft final version of programme document
July 10	Submit to and present at the 32 nd meeting of the MRC Joint Committee	Endorsement from JC
Jul-August 10	Submit full version of programme document of IKMP phase 2 to Finland for funding	Approval of programme document by Finland
September 10	Prepare for Funding Agreement between Finland and the MRC on funding IKMP phase 2 and other Finland supported programmes	Funding Agreement signed
October 10	Start developing Programme Implementation Plan (PIP)	Draft version
November 10	Submit the programme document of IKMP phase 2 to the 17 th meeting of the MRC Council	Approved by Council
December 10	Finalized PIP for IKMP phase 2	Final PIP for 2011-2015

IV. Strategy and Approach

Main parts of the current phase of IKMP under Finland funding are going to end by December 2010. To ensure the smooth operation of IKMP and maintain its key functionalities in serving the clients, the programme document of IKMP phase 2 including the programme implementation plan (PIP) must be ready for implementation by December 2010. It means that all approval process and funding agreement should be in progressed by September 2010. A number of key tasks will be undertaken as follows to achieve the expected results:

- Review and assessment of all relevant documents of the Information and Knowledge Management Programme including, programme document phase 1, PIP, progress reports, technical reports, draft version of the MRC Strategic Plan (2011-2015), IKMP Mid-term Review (MTR) report, other programme papers and draft paper of the MRC Core Functions etc.
- Review and assessment of current modality of IKMP including the structure of the programme, component in a “service and result-oriented approach” which would provide an overall picture of what modality would be appropriate for IKMP phase 2 in order to provide better services and products to clients in the coming years.
- Conduction of national and regional consultations with NMCs, Line Agencies other stakeholders including interaction with the development partners for identifying the needs and expectations of all stakeholders from IKMP phase 2.

- Identification of institutional framework, management structure and implementation arrangement (structure, positions, key functionalities) that IKMP phase 2 should have in order to perform and implement the 2 core river basin management functions (no.1 and No.2) that were defined in next Strategic Plan (2011-2015) of the MRC.
- Revising of the draft concept note for IKMP phase 2 (revise from the existing version that was prepared in April 2009). This draft will be submitted to Finland by end of March 2010 for quality assessment and funding consideration.
- Draw of mechanism for coordination and cooperation where IKMP phase 2 could operate as a cross cutting programme to serve member countries (especially relevant agencies) and other programmes of the MRC.
- Preparation of a full programme document for IKMP phase 2 which includes a management structure, key expected outcomes and a comprehensive logical framework with specific and measurable indicators.
- Internal interaction with MRCS for adjusting and revising the draft programme document.
- Consultation with member countries on IKMP phase 2 document for technical and management issues as well as financial issues through meeting, workshop and other communication tools (fax, email etc).
- Finalization of the programme document and development of the PIP for the implementation of IKMP phase 2 (2011-2015)
- Assistance to coordination of funding arrangement

V. Expected Outputs

The formulation mission needs to deliver outputs as follows:

- Records of inputs from different national and regional consultations
- A final concept note of IKMP phase 2
- A description of institutional framework and management structure of the IKMP phase 2 including core functionalities and key products and services.
- A detailed logical framework with specific and measurable indicators, mean of verification for the IKMP phase 2.
- A completed version of programme document for the IKMP phase 2 and a draft version of programme implementation plan for 2011-2015.
- Signed Agreement between the Ministry of Foreign Affairs of Finland and the MRC concerning financial support to the IKMP phase 2.

VI. Resources Allocation

Human resources for the formulation mission

The mission of formulation of IKMP phase 2 will be conducted through mainly utilizing resources of current IKMP. It means that no external resources such as regional or international consultant will be hired for information and data collection or designing of the programme document of the IKMP phase 2. Instead, the existing IKMP staff will be mobilized to conduct the mission. The inputs of human for the mission include:

Title	Man-day input	Key task
The IKMP Programme Coordinator (PC)	70	Data collection, national and regional consultation, preparation of concept note design of structure, log-frame and completed programme document etc
The IKMP Chief Technical Advisor (CTA)	40	National and regional consultation, assistance to PC, development of PIP
The Senior Modeling Advisor	40	National and regional consultation. Support on modeling issues
Component Managers	4*10	Inputs and technical assistance to PC
IKMP National Unit Coordinator	4*10	National consultations, assistance to PC
Staff from other programmes of the MRC	6*5	Inputs and technical assistance
Senior Staff of the MRCS	7*5	Inputs, advices and coordination
OCEO	10	Advices, coordination for inputs and guidance
Regional or International English (technical) Editor	10	Editing the programme document for the IKMP phase 2

End of document

NOTE FOR INFORMATION

THE STATE OF THE BASIN REPORT 2010

I. Introduction

1. In 2003, the Mekong River Commission (MRC) produced the first State of the Basin Report (SBR). The Report was seen as one step in the process of reviewing the status of the Basin and how it changed, contributing to the commitment of Cambodia, Lao PDR, Thailand and Viet Nam to collaborate for a sustainable use, management and conservation of water and related resources in the Mekong River Basin. It was envisaged during the preparation of the first SBR that it would be updated every five years.

2. From May 2009 MRC has been preparing the SBR 2010. A consultation process with the Member Countries was undertaken in November 2008-January 2009 revealing that the Member Countries appreciated the SBR 2003, considered an updating as the appropriate approach to produce the SBR 2010, and expressed that the process of producing it should allow for proper consultation with Member Countries and stakeholders. An outline of the SBR 2010 was presented and approved with some comments at the 30th Meeting of the Joint Committee in July 2009 in Vientiane This Note for Information presents the key aspects of the consultation process in the Member Countries and how comments were incorporated into the final report, which will be launched in connection with the MRC Summit during 2-5 April 2010.

II. Production and finalization of the second State of the Basin Report.

3. The aim of the SBR 2010 is to contribute to a better understanding and dialogue among the range of stakeholders who will determine the future of the Mekong River Basin.

4. Information in the report is drawn from the wealth of data, information, knowledge and studies in MRC possession as well as other recent, relevant literature from other sources. The SBR 2010 was produced by MRCS staff with inputs from consultants for a few of the aspects. An experienced managing editor has edited the report to produce a coherent, well written report.

5. The 1st draft of SBR 2010 was circulated to the Member Countries by 27 November for four weeks. Comments were received from the countries in January 2010. The comments were very helpful in pointing out mistakes and misunderstandings and in indicating sections that were difficult to read or even confusing.

6. The comments have been incorporated to the extent possible given the available data and information. The structure of the report has been retained as the outline and structure were already agreed by the Member Countries as mentioned above. Comments about the structure of sub-chapters have been very helpful to improve the logical flow of the text. A short sub-chapter has been included on tourism development and impacts of tourism following a specific request.

7. Data have been updated in many chapters and cross checking for consistency undertaken throughout. It will be indicated that the data sources are MRC data unless other sources are specifically mentioned which will hopefully leave the reader with a good impression of the wealth of information available at MRC.

8. Following comments from Member Countries, the main report and a summary have been finalized. The summary will be produced as a separate booklet in English and in each of the four riparian languages to broaden dissemination of the messages and issues included in the SBR 2010.

9. The report will soon be sent for printing in order to have it ready for the launch at the MRC Summit.

The Joint Committee may wish to take note of the information provided on the State of the Basin Report 2010.

NOTE FOR INFORMATION

MRC'S ROLE IN GROUNDWATER MANAGEMENT

1. Following the request to revitalise and include considerations of groundwater into the work of MRC made in the Seventh Meeting of the Task Force on the MRC Secretariat Organizational Structure held on 19 May 2009 in Vientiane, MRCS, in September 2009, prepared a background note on "Scoping MRC's Role in Groundwater Investigations in the Lower Mekong Basin" to stimulate internal discussion about the possible role and involvement of the MRC in groundwater related issues in the Lower Mekong Basin (see Separate Attachment).
2. The background note was drafted in advance of a regional brainstorming meeting on groundwater in the region organized by IUCN's Regional Water and Wetlands Programme, which was held in Bangkok on 28 September 2009 and involved a number of international organizations. The initial note was circulated within the Secretariat for review and comment and provides:
 - A cursory review of MRC's previous involvement in quantitative and qualitative groundwater investigations in the Lower Mekong Basin, and;
 - An initial proposal of potential areas where the MRC may become active in the future.
3. Within the framework of 1995 Agreement and the current Strategic Plan 2006-2010, the potential roles of MRC relating to the groundwater resources of the basin could include:
 - Research on the relationships between surface and groundwater, in particular on groundwater re-charge and the contribution of groundwater to the surface base flow in the dry season.
 - Monitoring of quantitative and qualitative properties of aquifers and use of groundwater.
 - Providing guidance to groundwater management and development, in particular on aquifers with significant impact on the Mekong mainstream, and trans-boundary aquifers.
 - Capacity development of national line agencies on quantitative and qualitative issues relating to groundwater.
4. MRCS presented ideas from the Note to the brainstorming meeting mentioned above and the following were conclusions and action points suggested for the MRC:
 - The meeting confirmed the value of the approach and work packages proposed in MRC's note for internal discussion;
 - There may be some value in the organizations concerned maintaining a loose collaborative partnership under a "Mekong groundwater programme". However, the MRC should retain independence in this area to ensure that work undertaken with respect to groundwater meets the remit of the MRC, in particular regards to cumulative and transboundary effects.
5. Four initial work packages were proposed in the Scoping paper namely;
 - *Synthesis of previous work*
 - *Desk-top groundwater sector review*
 - *Geological and hydro-geological maps*
 - *MRC groundwater strategy and action plan*

These initial work packages would be implemented under the framework of the IKMP. With resource requirements for external services order of about USD 100,000, funding could be sought from the MRC Water Management Trust Fund, under its window for 'Responsive Programme Development' and the implementation timeframe could be 12 months. MRCS can initiate the proposed review and concept paper leading consultations with national agencies and a full proposal.

The Joint Committee may wish to take note of the initial steps in defining MRC's role in groundwater management and provide guidance for next steps.

NOTE FOR INFORMATION
PROGRESS ON THE DEVELOPMENT OF THE REGIONAL KNOWLEDGE HUB ON
TRANSBOUNDARY WATER RESOURCES MANAGEMENT

1. KnowledgeHubs is the term used to describe the Asia-Pacific Water Forum (APWF) network of regional knowledge hubs. Each hub is a center of excellence committed to improving water security in the Asia-Pacific region by promoting knowledge sharing and championing feasible solutions for its priority water topic. Together, the hubs collaborate to generate and share knowledge and develop capacity in more than a dozen water domains.
2. The MRC has been identified as a candidate “*KnowledgeHub* on Trans-boundary Water Resources Management” (TWRM) and further exploration and development of this into an accepted *KnowledgeHub* has been taken into consideration by the MRC. The idea of MRC acting as a regional knowledge Hub for Transboundary Water Resources Management under the Asia Pacific Water Forum initiative was first produced in the briefing note on regional cooperation presented in the joint session of the Fifteenth MRC Council and Thirteenth Donor Consultation Group on 7 November 2008¹.
3. A number of meetings and consultations have been held between MRC, APWF and ADB representatives and potential key partners to register MRC as a candidate for the *KnowledgeHub* on Trans-boundary Water Resources Management in Asia. The APWF has proposed the MRC as a candidate for the *KnowledgeHub* on TWRM and it has been identified in the Website of APWF at www.apwf-knowledgehubs.net
4. The envisaged scope of the KnowledgeHub is the promotion of Trans-boundary Water Resources Management in shared river basins of Asia which cross boundaries between countries, states and provinces. The full name of the Hub has been identified as the “APWF Regional Knowledge Hub for Trans-boundary Water Resources Management”, in briefly referred to as “*Asia Trans-boundary Water KnowledgeHub*”.
5. A draft of preliminary Business Plan was prepared by MRCS and submitted to APWF in June 2009. A presentation of the draft business plan was made for peer review at the 1st Annual Progress Review Meeting of APWF KnowledgeHubs in Singapore on 24 June 2009. The peer review panel (formed of 3 member Hubs – IWMI, IWC and ICIMOD) agreed that the Business Plan of MRC is well written, concise and very much in line with MRC’s mandate and experience. It was also concluded by peer review panel that MRC is a valuable asset to the objective of APWF and can contribute significantly to strengthen and deepen the knowledge on TWRM. However, there were some concerns raised about the scope of new knowledge hub (to avoid overlapping with existing hubs in the region); timeframe of product deliverables; and demand driven knowledge products etc which need MRC to incorporate in

¹ The text of paragraph 42 of Briefing Note for Agenda item JC is reproduced below for ease of reference.

Information and Knowledge Hub

42. “The availability of high-quality, objective and accessible information and knowledge is key to successful and effective natural resources management and decision making. The MRC is recognized as the centre of excellence and repository for data and information on the Mekong River System. Against this background the ADB, with a range of partners, is building up a network of regional water knowledge hubs, an activity started at the Asia-Pacific Water Forum. MRC is well placed to take up such a central role for the Mekong for transboundary water resources management”.

its detailed business plan as well as in the implementation processes. With these comments, the peer review panel fully recommended MRC to be the member of APWF KnowledgeHubs for TWRM. It should be noted that the coverage of the Knowledge Hubs go beyond the geographical scope of the host organization to provide access to broader experience in the Asia Pacific region as a whole.

6. Following the recommendations from the APWF peer review panel, the draft business plan of MRC was endorsed by the APWF Governing Council on 26 June 2009. The endorsement by APWF Governing Council has created a possible foundation for the MRC to start up the process of hosting the *KnowledgeHub* for TWRM in Asia.

7. The business plan of the knowledge hub for TWRM was presented for endorsement at the Thirtieth Meeting of the MRC Joint Committee (JC) in July 2009 and received a number of comments from JC members. Thailand commented that the Knowledge Hub on TWRM questioning whether the Knowledge Hub had been agreed in principle among MRC Joint Committee Members. Thailand also informed the Meeting of the Bangkok Declaration Plan of Action, resulting from UNEP's Meeting on Transboundary Water Governance held on 20-22 May 2009 in Bangkok, which supported Thailand in setting up a knowledge centre on freshwater transboundary governance. Consequently, this is being considered by Department of Water Resources (DWR) in Thailand. In addition, Lao PDR suggested to include capacity building in the Business Plan for the Regional Knowledge Hub on TWRM, especially on wetlands mapping. In conclusion, the JC meeting called for a close coordination in developing this Knowledge Hub in order to allow synergy with similar initiatives conducted at national level.

8. Following up on suggestions from the Thirtieth Meeting of the JC, the business plan was presented for technical comments at the Third Meeting of IKM Technical Assistance and Coordination Team (TACT) in September 2009. The meeting took note and agreed in principle on the concept and business plan of the knowledge hub but raised certain concerns about the ambitious work-plan and fund raising issue.

9. In addition to the TACT meeting, the knowledge hub for TWRM was then presented for approval at the 5th Meeting of IKMP Steering Committee (SC) in September 2009. At the meeting, the SC requested IKMP to indicate how the countries could get benefits from this initiative. The detailed information of the Hub establishment and timeframe for implementation of the Hub are required to elaborate. In conclusion, the SC took note and requested IKMP to further develop the concept note of the establishment of the Knowledge Hub in detail in order to get approval from the JC in March 2010.

10. A mission was made by IKMP to Department of Water Resources of Thailand to visit and discuss about the potential cooperation between the Knowledge Hub for TWRM and the proposed knowledge centre for Freshwater Transboundary Governance in Thailand. The mission concluded that the establishment of two hubs must be coordinated in order to avoid overlapping and allow synergy between the two hubs and one approach would be for any such national centres to be defined as key partner organizations of the TWRM Knowledge Hub.

11. Based on the recommendations and requests from previous JC, IKM TACT and SC, the business plan of the knowledge hub for TWRM is being revised and updated in more detail. The updated version of the business plan will be circulated prior to the Thirty-first Meeting of the JC. The implementation plan including timeframe and funding arrangements have been re-developed which take into account comments and concerns outlined above.

12. Based on the revised draft business plan, the MRC Secretariat seeks approval of the Joint Committee to proceed with identifying financial support and developing a tentative work-plan for 2010. It is expected that the source of Development Partner funding for the Knowledge Hub would be different to that normally associated with funding MRC's core programmes and therefore this is not seen as competing for the same funds. The

Knowledge Hub for TWRM would then be officially announced at the 15th year anniversary of the MRC in April 2010.

The Joint Committee may wish to:

- ***Take note of the progress on development of the Regional Knowledge Hub for TWRM, and***
- ***Consider and approve use of the revised Draft Business Plan of the Regional Knowledge Hub for TWRM for fund raising purposes and its announcement at the forthcoming MRC Summit.***

NOTE FOR INFORMATION

ANNUAL REPORT ON THE IMPLEMENTATION OF THE PROCEDURES ON DATA AND INFORMATION EXCHANGE AND SHARING (PDIES) AND ON THE IMPLEMENTATION OF THE PROCEDURES FOR WATER USE MONITORING (PWUM)

1. The PDIES and PWUM were approved by the Council in November 2001 at its Eighth Meeting held in Bangkok, Thailand, and in November 2003 at its Tenth Meeting held in Phnom Penh, Cambodia respectively.
2. PDIES describes Objectives, Principles, list of datasets, Implementation Arrangements and Custodianship for Data and Information Exchange and Sharing. PWUM describes Objectives, Principles and the Water Use Monitoring as systems, and Institutional arrangements. Guidelines have been issued for both PDIES and PWUM.
3. PDIES was assigned for implementation to IKMP as part of the IKMP Programme document and at the end of the Water Utilisation Programme (WUP), PWUM was assigned to IKMP under the revised Term of Reference of the Technical Assistance and Coordination Team (TACT).
4. PDIES is an integral part of IKMP as it deals with data and information exchange and sharing. PWUM is logically to be contributed to and shared by many other MRC programmes as it includes collection of data and diversified information related to a number of sectors, for example irrigation, hydropower and other infrastructure.
5. The implementation of the PDIES and PWUM has been carried out under IKMP's work plan and has been reported at the regular TACT meetings. The progress has been annually reported to MRC JC Meetings.

Present status

PDIES:

6. PDIES has been in effect since 2003. The MRCS-Information System (MRC-IS) was updated regularly until that time. During the period 2003 and 2008, the updating was sporadic. For example the updating of Hydro meteorological data has not been done since 2000 for some stations and 2003 for other stations. Data requests may have been sent by individual programmes to Line Agencies and datasets received were not available to all MRC Programmes.
7. This situation led to the renewal of emphasis on the PDIES operation by making standardized request forms filled by programmes and sent on behalf of MRCS. This coordinated approach started in January 2009 and continued during the year, based on an exhaustive data and information needs assessments listing MRC programme and NMC priorities. The priority list contains more than 50 highly requested datasets. Highest on the list are hydro-meteorological datasets, sediment data, Digital Elevation Model, land coverage, socio-economic data etc.
8. The needs of data request were presented and discussed in a number of IKMP meetings including Steering Committee, Programme Coordination Committee and TACT. National consultations were conducted between MRCS and line agencies from Thailand, Lao PDR, Cambodia and Vietnam. Based on the request, most of hydro-meteorological data using for updating model simulation have been received from Member Countries which is

updated to the year of 2006. Other requests on updating of sediment, infrastructure, socio-economic data etc were officially sent to member countries in March and June 2009. As a result, some of requested data have been received from countries while the others are still pending. The current status of official data request is presented in attachment of this note.

PWUM:

9. The PWUM has been in effect since 2003. At the time of its assignment to IKMP in early 2008 the Procedure had not been implemented and no operation took place. The plan for its implementation has subsequently been discussed at TACT meetings. From the beginning this has been considered a difficult task as it spans many sectors in each country, many programmes at MRC and inter-basin use and intra-basin diversion of water.

10. A complete monitoring system is currently financially out of reach for IKMP and a more strategic approach is required. It was therefore suggested at TACT meetings to establish data exchange between MRCS-Information System (IS) and relevant Line Agencies for major water use areas like irrigation and hydropower and for technical intra- and inter-basin diversion structures based on existing information in the countries as required by the implementation guidelines. For the additional smaller scale water uses, modeling (simulation) were suggested.

11. Funding for the implementation of some initial activities of PWUM such as national consultations, meetings of national and regional working groups and technical set up works has been secured under commitment of financial support from M-IWRM Project. Discussion and consultation have been made between IKMP and other programmes (BDP, AIFP etc) on mobilizing resources for the implementation of PWUM in a cooperative manner.

12. To date, it has been difficult to obtain basic major water use and infrastructure data at country level under PWUM. BDP has however access to a considerable amount of information as part of its sectoral assessments and sub-area planning exercises. At the TACT meeting on 23 September 2009 it was therefore decided to commission a regional consultant to assist in the implementation of PWUM, following a roadmap developed by IKMP. This has been included in the IKMP Work Plan 2010.

Activities for year 2010 and forward

PDIES:

13. For year 2010, the continued operation of PDIES is included in the IKMP work plan 2010. This includes establishment of new agreements for regular updating of time series, spatial and non-spatial datasets (see table in Attachment), and to cooperate with data custodian Line Agencies to generate new datasets not presently existing. This will include land coverage; Digital Elevation Model; Flood extent, depth and duration; Primary production and Socio Economic data etc. The intention is also to establish a satellite base image dataset which is of high priority. The complete lists can be found in: *Data acquisition and generation plan, June 2009*, available at NMCS offices.

14. Activities from the M-IWRM project will include capacity building at Line Agencies related to Quality Assurance and Metadata creation. This will be the first step in enabling the data custodians to handle these tasks prior to data exchange or sharing and at a later state to fully take over all tasks including being data and information hubs.

PWUM:

15. At the TACT meeting on the 23 September 2009 in Bangkok it was decided to contract a consultant to assist in the preparation of an implementation plan for PWUM. The consultant will be required to work with Member Countries to develop the initial WUM plans. The consultant will work closely with MRC Programmes, NMCS's, and be supervised by IKMP team. The plan will follow the Procedures and guidelines approved by the JC.

16. The procedure and guidelines mention only surface water and water diversion. However the Water Use definitions by BDP and AIFP have a wider range and a decision needs to be made on the scope of monitoring data that PWUM needs to cover.

17. IKMP has prepared a roadmap for 2010. Using the PWUM as a foundation, the intention is to define what 'Water Use' includes also considering BDP and AIFP definitions of Water Use, namely:

- Direct use: Irrigation, Dams, Domestic, Industrial, Diversion etc
- Indirect use: Fisheries, Navigation, Tourism, etc
- Infrastructure for Water Use

19. The PWUM will consider the following water sources: Surface water types (river, lakes, dams etc) and ground water types (Water supply plants, wells etc). Based on the above classifications:

- Propose limits for direct and indirect monitoring (calculations) for each class. (E.g. size of irrigation schemes for direct monitoring, size for indirect (calculation / modeling) of use)
- Propose possible methods for both direct and indirect monitoring. (Including overview of present data and information available at MRCS)

20. Relating to the ToR for a regional consultancy to make a project proposal report, implementation will also involve Line Agencies that have not previously been cooperating with MRCS and it will involve operations by other MRC programmes to maintain and update relevant databases, for example on irrigation and hydropower.

Key issues for consideration

21. In line with the procedures and guidelines, additional attention is required to ensure timely delivery of officially requested datasets and datasets to be shared according to existing agreements.

22. Support from national agencies related to Water Use Monitoring is required especially related to agencies responsible for Irrigation, Hydropower, Groundwater, and other technical infrastructure that have not previously been cooperating with MRCS.

The Joint Committee may wish to take note of the progress on the Implementation of the Procedures on Data and Information Exchange and Sharing and on the Implementation of the Procedures for Water Use Monitoring and provide guidance on more effective implementation of the Procedures.

NOTE FOR INFORMATION

ANNUAL REPORT ON THE PROCEDURES FOR NOTIFICATION, PRIOR CONSULTATION AND AGREEMENT (PNPCA)

I. Introduction

1. In accordance with Article 5 - Reasonable and Equitable Utilisation - of the 1995 Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin, the Procedures for Notification, Prior Consultation and Agreement (PNPCA) were proposed as one element in the establishment of Procedures and Rules for Water Utilization and Inter-basin Diversions.
2. The Procedures for Notification, Prior Consultation and Agreement were adopted by the Council at its Tenth Meeting in November 2003. In addition, related Guidelines for the implementation of the approved procedures have been developed and approved by the Joint Committee at its Twenty-second Meeting in August 2005. MRCS Internal Procedures have been drafted in November 2005 to help the MRCS in the implementation of the procedures.
3. This briefing document constitutes the annual report on PNPCA implementation status and effectiveness, including matters for consideration by and decision of the Twenty-ninth Joint Committee Meeting, as stipulated as a requirement in the approved PNPCA (Section 7.b.).

II. Achievements and Progress

4. The Twenty-seventh Meeting of the Joint Committee held on 1 April 2008 took note of progress report on implementation of the PNPCA with appreciation. The Secretariat was requested to continue to report annually on the implementation of the PNPCA. The meeting agreed that the PNPCA should be applied in the Mekong Spirit of cooperation and its intention for information exchange. In particular, Member States were encouraged to share preliminary information on proposed mainstream projects that require Prior Consultation. This preliminary sharing would take place through the Secretariat and is relevant for projects where sufficient information is not yet available for Prior Consultation under PNPCA, for example where feasibility studies are not yet complete. This would ensure that all Member States are fully briefed on emerging proposals. The meeting further encouraged the Secretariat to facilitate such information sharing and continue to improve technical aspects of the PNPCA.
5. As of 5 January 2010 a total of 33 projects covered by 30 notifications were submitted by Member Countries. There has been only one notification submission for Prior Consultation (Thakho Hydropower project on the Mekong Mainstream by Lao P.D.R. at the Fourteenth Meeting of the Joint Committee, Phnom Penh, Cambodia, 2001) which was at that time then effectively dropped. No submission for specific agreements has been received. The table annexed as Attachment 1 provides a record of Notifications received so far, with the notifying country, the details on the project and the date of submission of the Notification. Following agreement of JC members, a summary list of notified projects was distributed to MRC Development Partners in November 2008 and this practice will be continued on an annual basis as part of the annual Informal Donor Meetings
6. Since the Twenty-ninth Meeting of the MRC Joint Committee, the MRC Secretariat received new notifications on the Srepok 4A and Sesan 4A Hydropower Projects submitted by Viet Nam. In early 2010, the Secretariat also received a notification on Nam Ngum 5 hydropower project submitted by Lao PDR.

III. Further Improvement of the PNPCA

7. In light of the increased number of water resources development projects being planned or considered on the Mekong mainstream, it is likely that a Prior Consultation process will be undertaken in early 2010. Currently, the PNPCA and the Guidelines of PNPCA (G-PNPCA) do not set-out in detail the timeline and phasing for a Prior Consultation. The timeline for Prior Consultation shall be six months from the date of receiving documents on Prior Consultation and if necessary an extended period shall be permitted by decision of the JC. The G-PNPCA recommends that the Prior Consultation submission should at a minimum be at least six months before intended commencement of project implementation taking into account that the MRC Secretariat needs up to one month for its internal process. This timeline is very limited and an earlier start would be beneficial to the process for all parties. The PNPCA and G-PNPCA also provide several options to assist the Joint Committee in the evaluation of the proposed project.

8. However, no information is provided on the process and phasing to establish these different bodies. More recently an associated activity has been to establish a technical review group among the Member Countries for the discussion on preliminary design guidance for proposed mainstream dams. Following the request of the Twenty-seventh Joint Committee Meeting to enhance the Prior Consultation process, the Secretariat suggests further discussions with Member States to formulate the details of such process with the help of international expertise where required.

9. Within the framework of the newly approved Mekong IWRM-Project, the MRC Secretariat will conduct expert panel(s) to support the implementation of the PNPCA. This activity will establish what actions are necessary to implement the PNPCA and technical guidelines effectively and in particular in the context of future prior consultations on mainstream dams. The MRC Secretariat will also monitor proposed water resources initiatives in LMB Countries and strengthen information sharing on water use. This activity will establish mechanisms for LMB Countries via the line agencies and NMCs to provide updates on their development intentions and to notify the MRC of any initiatives that require to be taken up in the PNPCA.

The Joint Committee may wish to take note of implementation status of PNPCA and advise the Secretariat on how to enhance the PNPCA implementation.

NOTE FOR INFORMATION

PROGRESS ON A MULTIVARIATE APPROACH TO DEFINING “SIGNIFICANCE” IN REGARD TO THE TRIBUTARIES OF THE MEKONG RIVER SYSTEM

1. Following the guidance from the Joint Committee in its Twenty-Ninth Meeting on 29 March 2009, a Technical Review Group (TRG) was constituted to provide technical review and comments from the perspective of the four member countries on both the preliminary design guidance for mainstream dams and the draft outline and approach for a ‘Multivariate Approach to Defining “Significance” in Regard to Tributaries of the Mekong River System.’ The first TRG meeting was held at the MRCS, Vientiane, on 22 May 2009.

2. The conceptual and methodological approach for the multivariate work was presented. The link to the PNPCA and other MRC Procedures was explained. TRG members agreed that there was considerable value in incorporating bio-physical and social criteria in the establishing the significance of tributaries and the direction of the multivariate work. It was further discussed that:

- The multivariate approach was a new topic for many Members. More time was needed to fully digest the concepts and methods.
- A national workshop for line-agencies in each country would add value to (i) explain the conceptual approach (ii) explore practical issues in the application, and (iii) explore opportunities for data improvement.
- Subject to available funds, MRCS should consider supporting these workshops.
- In the meantime, Members could provide feedback on any data issues on the material circulated in the meeting.

3. Further work on the significance paper will now be funded under the Mekong IWRM Project and coordinated by the TCA. A tender for related consultancy services for 10 work packages was advertised and closed on 30 September 2009. Only ten applications for five different work packages (project management, GIS application, aquatic ecology (fish), aquatic and terrestrial ecology and communication) were received. No application was received for the other five work packages (hydrology, sedimentology, navigation, hydropower and socio-economic). Out of the ten applications only two candidates were considered qualified for the work they applied for, i.e. work package 2: GIS application and work package 5: aquatic ecology (fish). Negotiations with the consultants selected for work packages 2 and 5 are ongoing. Consultants for work packages 3 (Hydrology) and 8 (Hydropower) have been identified and are being recruited.

4. Following internal discussions on the approach, and taking into account the delay due to unsuccessful procurement process, the Secretariat will directly engage experts who have previous experience with MRC in the above subject areas. The Navigation Programme has been successful in identifying a person to help in work package 7 on navigation. IKMP and Fisheries Programme are refining the ToRs for work package 2 and 5 and should be ready to contact the consultants soon. Other programmes are identifying suitable qualified consultants and the extent to which the work can be combined with that for the Planning Atlas being developed by BDP will be explored further.

5. It is expected that the consultants will be able to start the work soon with a view to completing the first draft of the report for consideration by the TRG in late May 2010 after which a revised version can be submitted for consideration by the Thirty-second Meeting of the Joint Committee.

The Joint Committee may wish to take note of the progress in preparing a report on a multivariate approach to defining “significance” in regard to the tributaries of the Mekong River System

DRAFT BUDGET FOR 2010 RELOCATION

Expenditure item	Estimate
<u>I. Personnel related costs</u>	
Severance payments	24,014 (*)
Compensation of unused annual leave	2,469
Post assignment travel	14,000
Shipment of personal effects	33,462
Relocation grant	120,222
Recruitment costs (incl. advertising costs)	17,700
Training, handover and coaching costs	26,800
Sub-total of (I)	238,667
<u>II. Building improvement</u>	
Building modification	42,200
Air conditioners	12,100
Blinds	800
Non-life insurance	2,400
Sub-total of (II)	57,500
<u>III. Furniture & equipments</u>	
- Furniture for conference room, VIP room & staff	38,770
- Movable filing compactor for archive room	4,500
- PABX	9,400
- 1 city car	28,500
Sub-total of (III)	81,170
<u>IV. Improvement of IT/Communication system incl. SOLOMON financial sys.</u>	
	70,500
<u>V. Shipment of work-related items</u>	
	30,500
<u>VI. Task forces travel</u>	
	23,600
<u>VII. Contingency (3%)</u>	
	15,063
<u>GRAND TOTAL</u>	517,000

(*): Severance payments will not be incurred if the impacted Lao GS staff will be selected for vacant positions at MRCS in Vientiane.

CLOSING STATEMENT

by

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Permanent Secretary
Water Resources & Environment Administration
Member of the MRC Joint Committee for the Lao PDR
Chairperson of the MRC Joint Committee for 2009/2010**

***Excellency Mr. Pich Dun
Secretary General of Cambodia National Mekong Committee
Alternate Member of the MRC Joint Committee for Cambodia
Cambodia National Mekong Committee***

***Mr. Phonechaleun Nonthaxay
Director-General
Department of Water Resources
Secretary General of Lao National Mekong Committee Secretariat
Alternate Member of the MRC Joint Committee for Lao PDR***

***Dr. Saksit Tridech
Permanent Secretary
Ministry of Natural Resources and Environment
Vice-Chairman of Thai National Mekong Committee Secretariat
Member of the MRC Joint Committee for Thailand***

***Dr. Le Duc Trung
Director General
Secretary General of Viet Nam National Mekong Committee Secretariat
Member of the MRC Joint Committee for Viet Nam***

***Distinguished Representatives of the Union of Myanmar
Distinguished Representatives and Observers
Ladies and gentlemen***

I note with notable satisfaction that we have arrived at a successful outcome of our proceedings over the past two days. The Mekong spirit of cooperation and trust has once again been prevailed during our discussions. This has, indeed, allowed the MRC to promote our shared vision for the benefit of the Mekong people's well-being.

With effective participation and collaboration from all Joint Committee Members and delegations, a number of important decisions have been taken. Now allow me to review with you some of the major attainments being achieved together at this meeting:

- Several undertakings and Programmes of MRC are moving forward swiftly. In particular the fruitful outcomes of the formulation process of the MRC Strategic Plan 2011-2015 from national consultations with Member Countries and wider stakeholders. This has shown higher degree of ownership, participation and will be widen perspectives as well as directions that help guide our mission in the next five years.
- We have fulfilled our duty by guiding the Secretariat in its work. We have a clear path forward until the next working session of the Joint Committee and in preparation for the Seventeenth Meeting of the Council.

- The financial situation of the MRC is sturdy, all Programmes can run effectively, and that thanks to the generous cooperation from our Development Partners
- Format of the draft annual report 2009 with some recommendations for improvements has been approved.
- Key Elements of the MRC Stakeholder Engagement Policy at Governance Level, Climate Change and Adaptation Initiative as well as the concept of Knowledge Hub on Trans-boundary Water Resources Management have been provided
- Guidance on Additional elements of operating expenses budget for 2010 relating to the MRC decision on the MRC Secretariat permanent co-hosted location has been articulated
- Decision is taken on the extension of diverse programs, namely: Basin Development Plan, Flood Management and Mitigation, Fisheries, as well as Information and Knowledge Management Programme.
- The Basin-wide Development Scenarios Assessment and the preparation of the IWRM-based Basin Development Strategy have been taken note. This will indeed assist the MRC Programmes to move ahead.

Excellencies

Distinguished Delegates

Ladies and Gentlemen

In concluding, allow me to once again express my truthful appreciation to all distinguished Delegates for their valuable guidance, to the Lao National Mekong Committee, to Mr. Bird, and the staff of the MRC Secretariat for the organization of this successful Meeting. I wish all the Joint Committee Members, delegates and observers a safe journey home.

For those of you who can find the time and who have not yet done so, we welcome you to discover the charm of Luang Prabang City, one the World Heritage.

With this, I declare the Meeting closed.

Thank you