
Economic and Social Commission for Asia and the Pacific

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Review of issues pertinent to the subsidiary structure of the Commission, including the work of the regional institutions: Environment and development

Report of the Mekong River Commission^{**}

Summary

The present document contains an overview of the Mekong River Commission Annual Report for 2015.

The Commission may wish to take note of the report.

Overview of the Mekong River Commission Annual Report 2015

1. 2015 was a very significant year for the Mekong River Commission (MRC) as it was the fifth and final year of the implementation of the MRC Strategic Plan 2015, and it also marked the 20th Anniversary of the founding of the organization.
2. This occasion makes it an appropriate moment for reflection as we are looking back to the 1995 Mekong Agreement, which was a coming-of-age for this river basin organisation, as the responsibility for its management was put into the hands of our four member States: Cambodia, Lao PDR, Thailand and Viet Nam.
3. Importantly, the organization has adopted a set of mutually accepted and fair objectives as well as principals of cooperation for the sustainable development and utilization of the water and its related resources of the Mekong River Basin.
4. A milestone in the water cooperation was the adoption of the Basin Development Strategy in 2011, which for the first time, the Lower Mekong Basin countries set out how they will share, utilise, manage and conserve the water and related resources of the Mekong to achieve the goals of the 1995

^{*} E/ESCAP/72/L.1.

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Mekong Agreement. These strategic priorities were implemented over the last five years through the MRC's Strategic Plan 2011-2015, Regional Action Plans and four National Indicative Plans of the Member Countries. Progress monitoring has indicated that by the end of 2015, over three-quarters of the strategic actions in the Strategy were achieved by MRC Programmes, national line agencies and river basin organisations.

5. This year, the Basin Development Plan Programme (BDP) along with the Strategic Plan team has finalised the Basin Development Strategy 2016-2020, which outlines the development opportunities and strategic priorities and actions that move national planning towards basin-wide optimal and sustainable development in the Mekong Basin. The Strategy, results of a two-year stakeholder engagement process, has finally been endorsed and approved by the MRC Joint Committee and Council respectively.

6. The Secretariat has also finalised the MRC Strategic Plan (SP) 2016-2020, which addresses the priorities and actions in the Basin Development Strategy at the regional level. It sets out the challenges that lie ahead as it provides five-year outputs for the MRCs to deliver. The SP has also been endorsed and approved by the MRC Joint Committee and Council, respectively.

7. The secretariat is now in the third year of implementing the Roadmap for decentralisation following the agreement of the Joint Committee and that of the Council in March and June 2014, respectively. The Roadmap entails firstly the decentralisation of the core river basin management functions (CRBMFs) to be implemented at the national level (Batch 1 for the last SP period, and Batch 2 for this period starting in 2016) and centralization of the core functions to be implemented at the regional level (centralised activities); secondly restructuring of the MRC Secretariat, thirdly staffing reform and lastly financial reform.

8. The Batch 1 comprises 5 activities, for which the decentralisation of 2 activities has been completed by the end of 2015 for all the four member States, and another one for Thailand and Viet Nam. Two other activities will continue to be further decentralised during 2016-2020, with the financial support from the MRC regional level phased out by 2017 for one activity for all 4 member States, and for the other activity by 2020 for Cambodia and Lao PDR. Regional support for the decentralisation of these activities and of 4 additional activities of Batch 2 during next 5 years has already been included in the new Strategic Plan, using the newly established Basket Fund. National level implementation of the Batch 1 and Batch 2 activities was also included in the updated NIPs. This is to ensure that national activities, contributing to the MRC's regional cooperation are well imbedded in the national systems.

9. On restructuring, the secretariat has also made progress with the Council's approval of the new structure of the Secretariat which was expected to come into effect July 2016. The new structure is composed of four divisions, namely Administration, Environmental Management, Planning and Technical Support. The secretariat has already planned the transition to the new structure, which involves movement of work and authority from old Divisions/Sections to new Divisions (this was indicated in the AWP 2016 implementation), and movement of people (this will be in the recruitment plan).

10. As for the staffing plan for the new structure, the secretariat has also prepared this based on the analysis of the recommendations from the

Roadmap as well as the necessity to cover the core functions and SP activities. Decision on this plan from the Joint Committee is needed as time (2-3 months) is required to prepare and recruit the new staff for the new structure, in which incumbents for key positions are expected to be on board in July, as specified in the recruitment plan.

11. With regard to the financial reform, the secretariat has finalised an Operational Guideline of the MRC Basket Fund based on the concept note. The document was approved by the JC at the 22nd Council Prep Meeting on 13 January 2016 in Phnom Penh, Cambodia. However, Annexes (except Annex 4 – TOR of the Budget Committee) are to be discussed at the 29th JCTFM slated for March 2016. In addition, the Secretariat is in the process of implementing a new Financial Management Information System (FMIS) with new accounting software (MS Dynamics NAV 2015), working closely with the vendor (NaviWorld Viet Nam). The new FMIS is in the go-live phase and will be operational in February 2016.

12. The year also saw the second time of implementation of the Procedures for Notification, Prior Consultation and Agreement that fall under the 1995 Mekong Agreement. In July 2014, Lao PDR submitted the Don Sahong Hydropower Project for Prior Consultation. As the process has a set six-month time period, it was therefore completed on 24 January 2015, at which point the MRC's technical review and the Member Countries' responses to the proposed project through the Reply Forms were then presented at the Special Session of the MRC Joint Committee on the Prior Consultation Process. Furthermore, the outcome of the regional public consultation in Pakse, Lao PDR was also disclosed at the Special Session.

13. The general response of Cambodia, Thailand and Viet Nam was that more in-depth transboundary environmental and socio-economic impact assessments should be conducted and therefore agreement could not be reached on the project. The decision was passed from the MRC's Joint Committee to the Council who decided in June that due to the differing views of whether the consultation process should come to an end, that the matter should be resolved through diplomatic channels.

14. In 2015, the Drought Management Programme conferred with line agencies of Thailand and Viet Nam that are working on drought monitoring and forecasting work regarding the development concept of a regional drought monitoring and forecasting system. This system has been scheduled to be developed in 2016. The Programme also identified the locations of five new hydro-met stations for Cambodia and equipment is to be provided for 20 hydro-met stations.

15. Additionally, the Climate Change and Adaptation Initiative published a draft report on regional policy analysis on climate change and adaptation, and an agreement was reached among the member States on the climate change and development scenarios to be used for a basin-wide assessment.

16. This year the Navigation Programme succeeded in establishing a Master Plan for Regional Waterborne Transport along the Mekong river system, and also evaluated the aids to navigation systems in Cambodia and Viet Nam as well as provided equipment to ensure safe navigation along important stretches of the Mekong River in those countries.

17. The Council Study on Sustainable Management and Development of the Mekong River Including the Impacts of Mainstream Hydropower Projects has also made significant progress this year to gain a more complete and

fundamental understanding of the impacts, both positive and negative, of water resources developments in the Lower Mekong Basin to support informed basin planning and decision making.

18. Further work continued on the finalization of the pending Procedures and technical guidelines and their realistic implementation through the Mekong Integrated Water Resources Management Project (M-IWRMP). A MRC Joint Platform was established to take a fresh look at the Procedures as tools for cooperation, and also bring the ongoing development of the technical guidelines as well as the required capacity-building processes, under one roof. In order to encourage transboundary dialogue, M-IWRMP has also been supporting five transboundary projects between bilateral partners on specific issues including wetlands management, communication outreach, fisheries management and significant water resources management.

19. Collaboration with China continued throughout the year through the sharing of hydrological data on the Mekong-Lancang River and information related to the operations of the Jinhong reservoir, as well as the organization of technical visits and exchange meetings. In April, a Chinese scientist team conducted joint assessments on water level fluctuations at hydro-met stations in Chiang Sean, Thailand and Luang Prabang, Lao PDR. Additionally, China continued to participate in MRC's Junior Riparian Professionals (JRPs) Programme by sending two JRPs in early 2015.

20. China also co-organised the 2nd MRC-Ecosystem Study Commission or International Rivers Symposium on Environmental Protection from Large Infrastructure Projects in the Lancang and Mekong River Basins in Ho Chi Minh City, Viet Nam from 1-2 July 2015. Further collaboration with MRC took place at the 7th World Water Forum in Daegu, Republic of Korea as a presentation was given by China's Ministry of Natural Resources at MRC's side event during the forum.

21. MRC also disseminated information and raised awareness of its work by conducting four special sessions at the 2015 Greater Mekong Forum on Water, Food and Energy in Phnom Penh, Cambodia, which was held from 21-23 October 2015.

22. Although Development Partners' support ended for some of the programmes in 2015, various agreements have been signed with Australia, Japan, USA, Switzerland, France and Germany that go beyond 2016. The secretariat would like to extend our gratitude to our Development and Dialogue Partners for their continued support, so that we can more effectively respond to the structural, operational, staffing and financial reforms in the coming year. MRC is convinced that with continued support and cooperation among the member States, Dialogue and Development Partners, and other stakeholders, the member States will transform the organization into the one that makes the use of water and the natural resources in the Mekong Basin ecologically sustainable, economically viable and socially equitable manner for the benefits of current and future generations through its knowledge base, strengthened cooperation and mutual trust and respect.