



# Strategic Plan

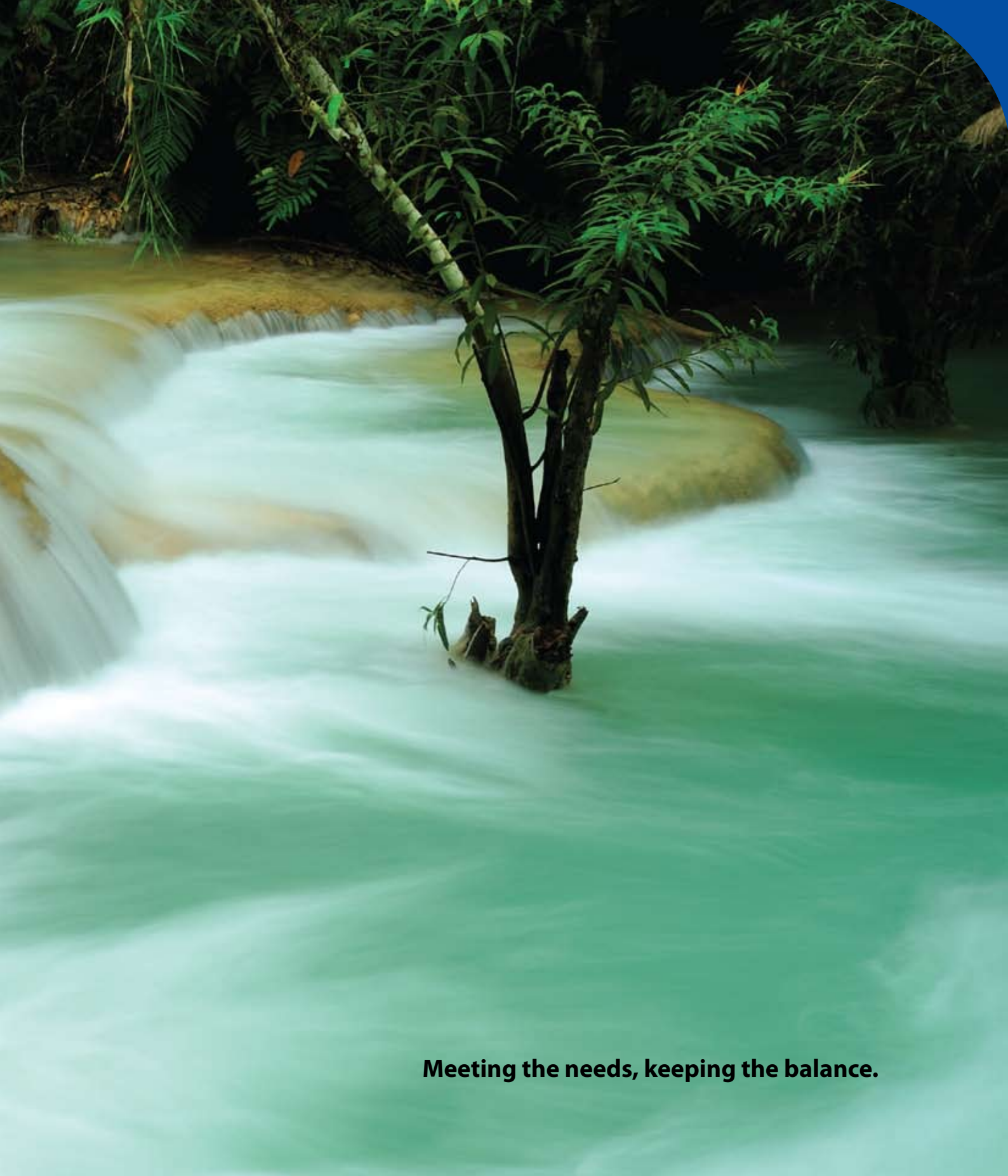
## 2011-2015



**Mekong** River Commission

Cambodia • Lao PDR • Thailand • Viet Nam  
For sustainable development





**Meeting the needs, keeping the balance.**



# Note for the reader

**This document presents the Mekong River Commission's Strategic Plan for the fiscal years of 2011 through 2015.** This Strategic Plan not only has the consensus of the MRC's Member Countries but also reflects, to the greatest extent possible, the feedback received from our stakeholders, on the key challenges and opportunities facing the Mekong River Basin and those collective actions needed to address the challenges and capitalise on the opportunities.

The multi-stakeholder and Member Country-owned process for the preparation of this Plan is outlined below.

## **Phase 1: Data collection and capacity building**

The key challenges in the Mekong River Basin and the strategic directions for the MRC Strategic Plan 2011-2015 were defined through a series of national consultations organised by Member Countries with assistance from the MRC Secretariat, and by an initial consultation with a wide range of stakeholders on the Plan formulation at the Basin Development Plan Multi-stakeholder Forum.

### **October 2009 – February 2010:**

- ♦ BDP Stakeholder Forum (October 2009)
- ♦ The 16th Meeting of the MRC Council (December 2009)
- ♦ National consultations (December 2009 – February 2010)

After national consultations with line agencies and other key stakeholders, the Member Countries prepared national papers to provide inputs to the Strategic Plan (February – March 2010).

A technical paper on the organisational structures and financial arrangements of other international river basin organisations was commissioned to provide a comparative analysis and lessons learned for the MRC in the formulation of its new strategic plan.

## **Phase 2: Formulation of the Strategic Plan**

During the formulation process there were extensive consultations with various groups of MRC stakeholders, namely the Member Countries and their agencies, the Dialogue Partners and the Development Partners. There were also consultations with other MRC stakeholders. These included NGOs, civil society organisations, and the academia and research institutes. During this process, MRC also called for stakeholder inputs to a draft of the Strategic Plan on its website.

### **March 2010 - January 2011:**

- ◆ First Regional Consultation with Member Countries (March)
- ◆ The Thirty-first Meeting of the MRC Joint Committee (March)
- ◆ National consultations in the four Member Countries (June, November)
- ◆ Informal Donor Meeting (June)
- ◆ Second Regional Consultation with Member Countries (August)
- ◆ The Thirty-second Meeting of the MRC Joint Committee (August)
- ◆ Regional Stakeholder Dialogue (September)
- ◆ Joint Contact Group Meeting between Member Countries and representatives of MRC Development Partners (September)
- ◆ First meeting of the MRC Joint Committee Working Group (October)
- ◆ The Special Session of the MRC Joint Committee (October)
- ◆ Second meeting of the MRC Joint Committee Working Group (November)
- ◆ The Preparatory Meeting of the MRC Joint Committee and the Seventeenth Meeting of the MRC Council (January 2011)

# Acknowledgements

**The Mekong River Commission Strategic Plan 2011-2015 is the result of a full year of consultations** with a wide range of MRC stakeholders. These consultations began in October 2009, continued through to November 2010 and ended with approval by the MRC Council in January 2011. The Mekong River Commission would like to acknowledge our gratitude for the support, guidance and valuable inputs received from the Member Countries and their agencies, the MRC Dialogue Partners and Development Partners, and the representatives of civil society during the formulation process of this Strategic Plan.

The MRC also gratefully acknowledges the financial support for the development of the Strategic Plan received from the Australian Agency for International Development (AusAID), Denmark, Finland, L'Agence Française de Développement (AFD), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and Sweden's International Development Agency (SIDA).



# Message from the Chairperson of the MRC Council for 2010-2011

It has been over a year since the MRC first met to discuss the upcoming future of the MRC with government agencies and stakeholders, which included our Dialogue and Development Partners. Our aim was to formulate a strategic plan that captured the future needs of the Lower Mekong Basin, and a way forward on how to address the basin's challenges over the next 5 years.

Climate change is one of our basin's most prevalent and complex environmental challenges. The Mekong River Basin stands to suffer from climate change due to the intensification of flood and drought conditions amid lacking resources for mitigation measures and a higher proportion of people living a subsistence lifestyle. As one of our strategic goals, the MRC works towards preparing for climate change adaptation so it does not affect quality of life for the basin's people.

Climate change is not our only concern in the Lower Mekong Basin. Like the Mekong's environment, the MRC as an organisation is also in transition. For the first time, the MRC has set a target for financial autonomy by 2030 with the highest commitment of its Member Countries. Through this commitment, Member Countries uphold a full sense of country ownership and responsibility, both collectively through the MRC and individually through each government, working towards the future of the organisation and the basin.

As presented in this document, our strategic focus transcends boundaries and redefines our region from a basin-wide perspective. Our unique approach to transboundary development is also reflected in another landmark strategy - the Integrated Water Resources Management-based Basin Development Strategy. We hope that the implementation of our transboundary approaches will lead our Member Countries towards greater country ownership and unity throughout the region by prioritising the needs of the Mekong River and its peoples.

The common ground we have agreed on, which guides us into the next five years of regional sustainable development of the Mekong's water resources, is built upon an understanding of what our challenges are and how our decisions will impact the future of the whole basin.

Without a doubt, the Mekong's water resources are precious to its people and Mekong countries. The



Mekong River's water resources behold vast development potentials and fragility. Future decisions on how to sustainably maximise its benefits will likely impact not only the river's environment, but the rapidly growing economies of Cambodia, Lao PDR, Thailand and Viet Nam. Our strategic directions for the next 5 years consider how to strike a balance between Mekong countries' ambitions to develop their economies and the intensified pressures that the river's resources are experiencing.

For the MRC and its Member Countries, strategic planning is therefore a critical process for articulating our shared visions for the Mekong River Basin and for building the partnerships that are necessary for different organisations and governments to work together towards common goals.

I therefore take this opportunity to proudly present the bigger picture of the next five years, 2011-2015, for the Mekong River Commission. Our Strategic Plan resonates with the strength of our Heads of Governments' commitments expressed in their joint Hua Hin Declaration made at the First MRC Summit in April 2010. It not only sets a milestone for the past 15 years of MRC cooperation, but also boldly sets forth the direction and actions we will take together.



**H.E. Dr. Pham Khoi Nguyen**

Chairperson of the MRC Council for 2010/2011

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# Abbreviations and acronyms

|      |   |
|------|---|
| AIP  | Agriculture and Irrigation Programme                |
| BDP  | Basin Development Plan Programme                    |
| CCAI | Climate Change Adaptation Initiative                |
| CEO  | Chief Executive Officer                             |
| CF   | Core Function                                       |
| DMP  | Drought Management Programme                        |
| EIA  | Environmental Impact Assessment                     |
| END  | Environment Division                                |
| EP   | Environment Programme                               |
| FAS  | Finance and Administration Section                  |
| FMMP | Flood Management and Mitigation Programme           |
| FP   | Fisheries Programme                                 |
| GMS  | Greater Mekong Sub-region                           |
| HDI  | Human Development Index                             |
| HRS  | Human Resources Section                             |
| IAI  | Initiative for ASEAN Integration                    |
| ICBP | Integrated Capacity Building Programme              |
| ICCS | International Cooperation and Communication Section |
| IKMP | Information and Knowledge Management Programme      |
| ISH  | Initiative on Sustainable Hydropower                |
| IWRM | Integrated Water Resource Management                |
| JC   | Joint Committee                                     |
| LDC  | Least Developed Countries                           |
| LMB  | Lower Mekong Basin                                  |
| MDG  | United Nations' Millennium Development Goals        |

|         |   |
|---------|---|
| M-IWRMP | Mekong Integrated Water Resource Management Project           |
| MOU     | Memorandum of Understanding                                   |
| MRC     | Mekong River Commission                                       |
| MRC-IS  | Mekong River Commission's Information System                  |
| MRCs    | Mekong River Commission Secretariat                           |
| NAP     | Navigation Programme  |
| NMC     | National Mekong Committee                                     |
| NMCS    | National Mekong Committee Secretariat                         |
| OEB     | Operating Expenses Budget                                     |
| OSP     | Office of the MRC Secretariat in Phnom Penh, Cambodia         |
| OSV     | Office of the MRC Secretariat in Vientiane, Lao PDR           |
| PDIES   | Procedures for Data and Information Exchange and Sharing      |
| PMFM    | Procedures for the Maintenance of Flows on the Mainstream     |
| PMS     | Performance Management System                                 |
| PNPCA   | Procedures for Notification, Prior Consultation and Agreement |
| PWQ     | Procedures for Water Quality                                  |
| PWUM    | Procedures for Water Use Monitoring                           |
| RBC     | River Basin Committee   |
| RBM     | River Basin Management  |
| RBO     | River Basin Organisation                                      |
| SEA     | Strategic Environmental Assessment                            |
| SOB     | State of the Basin  |
| Tb-EIA  | Trans-boundary Environmental Impact Assessment                |
| TCU     | Technical Coordination Unit                                   |
| WMTF    | Water Management Trust Fund                                   |
| WSC     | Watershed Committee   |
| WSMP    | Watershed Management Project                                  |

## Visions and Mission

### VISION for the Mekong River Basin

An economically prosperous, socially just and environmentally sound Mekong River Basin

### VISION for the Mekong River Commission

A world class, financially secure, international river basin organisation serving the Mekong countries to achieve the basin vision

### MISSION of the Mekong River Commission

To promote and coordinate sustainable management and development of water and related resources for the countries' mutual benefit and the people's well-being

The Vision for the Mekong River Basin, and the Vision and Mission of the Mekong River Commission formulated in 1999 when the first MRC Strategic Plan was developed remain relevant today.







# Executive Summary

**At the first Mekong River Commission (MRC) Summit in April 2010**, the Heads of the four MRC Member Governments reiterated the objective of their cooperation as first set out in the 1995 Mekong Agreement and reaffirmed their political commitment to its implementation.

The Strategic Plan 2011-2015, reflecting this commitment, presents a framework for the transition of the MRC detailing how the MRC will achieve greater relevance through more sustainable operations and greater stakeholder ownership as it reaches a new level of maturity through implementation of its core river basin management functions and a more effective integration with national systems.

The Integrated Water Resources Management (IWRM)-based Basin Development Strategy, approved in January 2011, will exert a significant influence on the implementation of this Strategic Plan.

## Development opportunities and challenges

Achieving higher levels of economic and social development remains a pressing priority for all Member Countries, with poverty alleviation, central to national socio-economic objectives, being one of the main aims of water resources management in the Mekong Basin.

The Basin already faces many complex challenges. These will be exacerbated by the impacts of climate change to which the Mekong Delta is especially vulnerable in terms of sea-level rise and sea water intrusion. Addressing these challenges will require better coordinated and collaborative responses by the Basin Governments, particularly in terms of implications for food security, water quality, biodiversity and aquatic ecosystems. Existing uses of the abundant natural resources of the Mekong Basin are integral to livelihoods of millions of people in the Basin but these uses are now under threat.

Hydropower developments on the Lancang-Mekong provide many opportunities, but have also changed the context for the development and management of the Lower Mekong Basin (LMB) water and related resources. Some of the consequences will be positive and others potentially negative. Addressing these will require further cooperation with the People's Republic of China (China) and the Union of Myanmar (Myanmar).

There has been a revival of interest in mainstream hydropower in the LMB resulting from a number of factors related to rapidly rising energy demand and minimising carbon emissions. An example is

the proposed first mainstream dam development project in the Lower Mekong Basin's Xayaburi, Lao PDR. A proposal for this was submitted to the MRC for the Prior Consultation process as established under the MRC Procedures for Notification, Prior Consultation and Agreement (PNPCA) in October, 2010. How this prior consultation process is taken forward by the MRC together with the Member Countries under the facilitation and advisory role of the MRC, will set an important precedent for other proposed LMB mainstream developments currently in the pipeline; some of which are expected to be submitted to the MRC during this Strategic Plan period.

Plans for irrigation development together with the various hydropower projects will have a significant effect on the use and consumption of the Basin resources. For example, intensified drought risks may lead to the revival of some country plans to utilise water from the Mekong mainstream to complement national approaches for the mitigation of drought impacts.

The growth in intensive agriculture required to meet the increasing demand for agricultural products will result in an increased demand for water while the accompanying increased use of pesticides will endanger both water quality and biodiversity.

## MRC's role and core functions

The long-term vision of the MRC suggests its role will be promoting the harmonisation of benefits shared among the Member Countries, monitoring the environmental health, and undertaking environmental and social impact assessments, and, where needed, strategic impact assessments.

Playing a direct role in certain areas such as fisheries-based livelihoods and prevention of losses from floods, the MRC is able to influence the overall objectives of basin management towards pro-poor outcomes by providing policy and strategic advice.

Core River Basin Management Functions are central to defining the role of the MRC in both the short- and long-term. They cover the full range of MRC's mandate, and help move the discussion beyond the prevailing short-term emphasis on time-bound programmes.

The four categories of MRC core functions comprise:

- ◆ Secretariat Administrative and Management Functions
- ◆ River Basin Management Functions
  - (1) Data acquisition, exchange and monitoring
  - (2) Analysis, modelling and assessment
  - (3) Planning support
  - (4) Forecasting, warning and emergency response
  - (5) Implementing MRC Procedures
  - (6) Promoting dialogue and communication
  - (7) Reporting and dissemination
- ◆ Capacity Building and Tools Development Functions
- ◆ Consulting and Advisory Services

This Strategic Plan period will be a transition period towards full implementation of its core functions and a new modality of implementation.

## Principles underlying the Strategic Plan 2011-2015

Underlying the goals and actions set out in this Strategic Plan are certain values and principles of sustainable development shared by the Member Countries. They include:

- 1. Continuing the comprehensive implementation of IWRM** so that trans-boundary water governance becomes more integrated and responsive thus ensuring equitable sharing of benefits and minimising risks associated with any development interventions.
- 2. Stimulating pro-poor development:** The MRC provides guidance for balanced development and equitable utilisation of Basin water and related resources with medium to long-term impacts on poverty alleviation and environmental sustainability.
- 3. Protecting the environment:** In addition to providing a robust understanding and knowledge of the Basin environment, environmental monitoring and management capabilities, the MRC will respond to the trans-boundary and basin-wide challenges to assess potential environmental impacts of planned developments in the Basin.
- 4. Dealing with climate change effects:** Adaptation and coping with climate change is a regional priority. The MRC aims to provide a platform for knowledge sharing and information exchange to strengthen protection from and adaptation to the changes in the Mekong environment and climate.
- 5. Achieving country ownership towards financial autonomy by 2030:** As stated by the Heads of Government of the MRC Member Countries at the First MRC Summit, MRC core functions will be fully financed by Member Countries by 2030. A roadmap to initiate this transition will be prepared in the first year of this Strategic Plan.
- 6. Closing the gap – the “Integration” agenda:** The different development levels and capacity gaps among the Member Countries require prioritised funding and capacity building consistent with the approach of the Association of Southeast Asian Nations (ASEAN).
- 7. Taking a “Whole of basin” approach:** Cooperation with the upper riparian countries is crucial for the sustainable management of the Mekong River Basin. More comprehensive cooperation with the MRC Dialogue Partners, China and Myanmar, will improve the management of the whole Basin.
- 8. Enhancing stakeholder participation and gender mainstreaming:** Transparent basin-wide dialogue together with intensified and structured public participation is needed to realise the full benefits of IWRM and effective Basin management. Mainstreaming a gender perspective in MRC development efforts, with inputs from and equal participation of both men and women at all levels, ensures that MRC programmes benefit both men and women equally.
- 9. Promoting transparency and openness:** Transparency and openness continue to be improved through MRC efforts in communicating with its stakeholders and implementation of the MRC Communication Strategy and Policy on Disclosure of Data, Information and Knowledge adopted in 2009.

**10. Encouraging aid effectiveness and donor harmonisation:** Improving aid effectiveness and donor harmonisation aims to better coordinate assistance and syntheses amongst the Development Partners for efficiency and synergies.

**11. Building strategic partnerships with other regional initiatives and other international river basin organisations:** Building partnerships with other regional initiatives optimises benefits and minimises risks of water-related conflicts. Cooperation with other international river basin organisations through technical exchanges, capacity building and sharing of best practices in dealing with the complex issues of managing trans-boundary rivers is beneficial.

## Strategic Goals 2011-2015

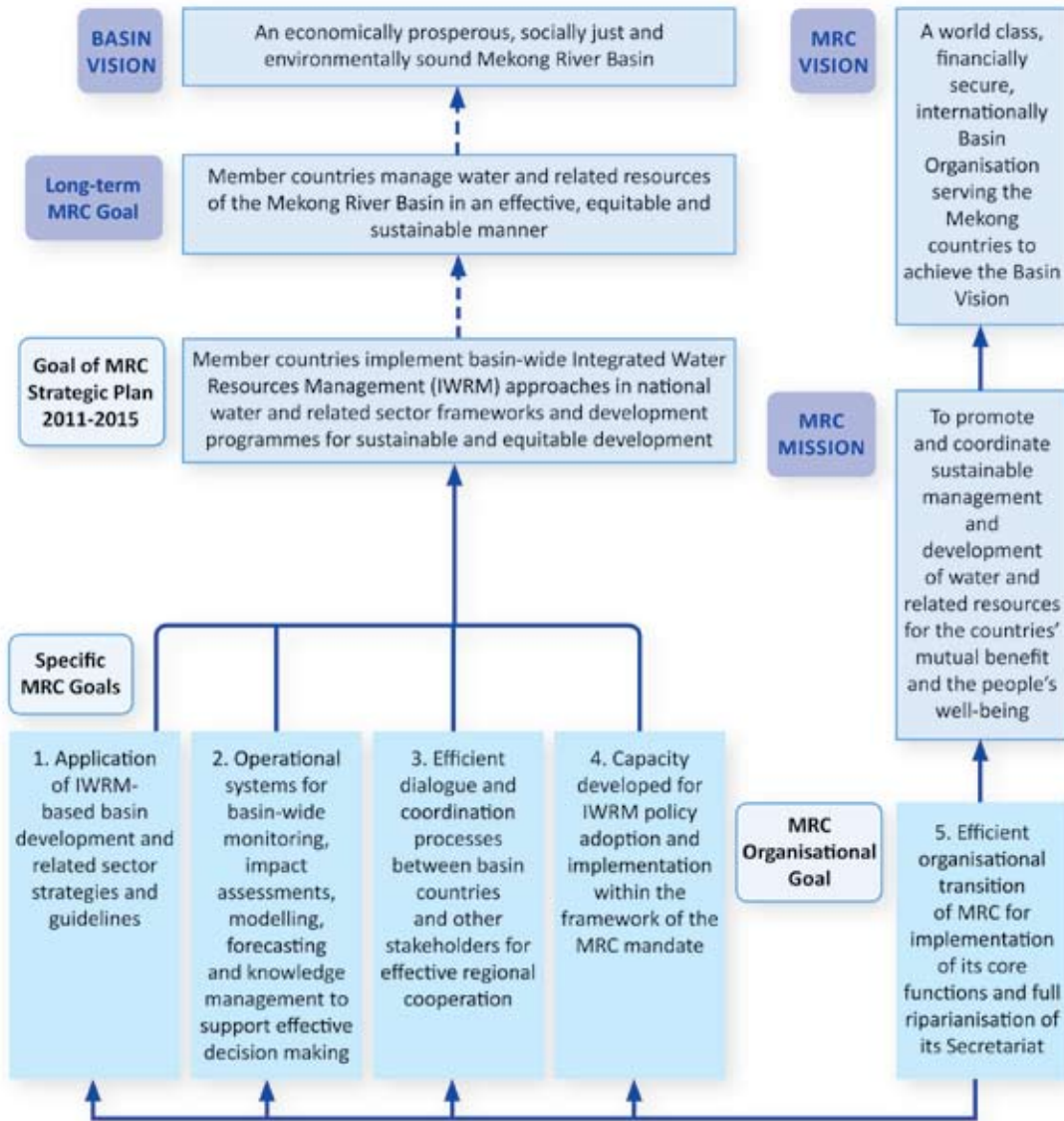
The MRC Goals for 2011-2015, formulated in alignment with the organisation's two main focus areas for the period of this Strategic Plan, are:

- ♦ support for the implementation of the IWRM-based Basin Development Strategy to address the urgent needs and priorities for the integrated management of water and related resources of the Mekong River Basin towards 2030; and
- ♦ transition towards the implementation of the MRC core functions and increased Member Country contributions to the delivery of these tasks.

The framework of this Strategic Plan 2011-2015 comprises a long-term goal supported by an overarching 5-year Goal, four Specific Goals and one Organisational Goal for achievement in the next five years.

This Strategic Plan 2011-2015 embodies a more outcome oriented focus with each of the Strategic Goals accompanied by a set of outcomes, implementation targets and indicators for performance management and evaluation. Priority actions to achieve each Strategic Goal are also outlined.

The Goals of this Strategic Plan 2011-2015 emphasise the continuation of the important role of the MRC in providing support to its Member Countries for the full implementation of IWRM and of MRC core functions, and, in particular, the seven River Basin Management Functions and related capacity building.



## Strategic plan implementation: The core functions approach

A key emphasis and focus of the implementation of this Strategic Plan is to manage the continuing and gradual transition of the MRC so that, beginning in 2011 and gradually over the next 20 years, the MRC Member Countries will directly implement and finance certain selected core functions.

**Coordinated programme planning and management:** The MRC programmes remain the main vehicle for the fulfilment of the MRC Mission and the implementation of MRC core functions. A significant change in this Strategic Plan is a more coordinated approach towards achievement of basin management objectives through a common focus on core functions, and new working arrangements building on recent experience and structured cooperation. Prioritisation of the linkages between MRC core function implementation with MRC programmes and programme planning for 2011-2015 has been aligned with this Strategic Plan and the 5-year planning cycle.

**Linkages between national and regional efforts:** To improve the linkages between the MRC programmes and Member Country agencies and prepare for decentralisation, the MRC will further explore existing and new institutional mechanisms for the implementation of the core River Basin Management Functions.

**Funding approach:** The approach of this Strategic Plan 2011–2015 initiates greater Member Country financing and sets the foundation for “overall work programme support” as a flexible basket funding mechanism to implement the MRC core functions in the future. The MRC Water Management Trust Fund (WMTF) established in 2005 provides one such mechanism.

As the organisation focus moves beyond the development of tools and the establishment of databases to playing a greater role in coordination and management, the Work Programme Budget is projected to gradually decrease in size to a level such that financing will be wholly supported by the Member Countries in 20 years. This will not be fully realised during this Strategic Plan cycle.

Changes to the MRC budget terminology will be introduced in 2011 in order to demonstrate greater clarity in budget allocation and funding sources. These will reflect the strategic direction of the MRC in the implementation of its core functions and enable better reporting of the gradual increase in Member Country financial contributions to the organisation.

**Member Country contributions:** The Government contributions from each Member Country to the Work Programme Budget will depend on the each country’s financial status and will need to reflect the ASEAN Integration Agenda. Various alternative approaches will be examined as part of the MRC Transition Roadmap. These will include variable levels of contribution and direct bilateral assistance to individual countries to support their contribution to regional activities.

The future size of the MRC Secretariat will be determined by the scale and sources of funding for both the Corporate Services Budget and Work Programme Budget, and by the long term

financial sustainability of the MRC. This requires an extensive analysis of which and when specific core functions can be transferred to the Member Country agencies. This analysis and resulting roadmap will be completed by the end of 2011.

Projections of future budget needs are expected to be clearer by the end of 2011, at which time the existing formula for Member Country contributions to the MRC will be reconsidered to determine if any changes are necessary to meet the original Member Country pledges of a fully self-financed MRC Corporate Services Budget (formerly the Regular Budget) by 2014.

**Aid effectiveness:** The strengthened ownership of the MRC by its Member Countries is expected to improve alignment and harmonisation of aid by decreasing the reliance on the Development Partners through concentrating efforts on funding the core functions and a gradual move to financial sustainability. Discussions on enhanced donor harmonisation offer the opportunity to increase MRC aid effectiveness. Since “conventional” support from donor agencies to the MRC has been channelled through MRC programmes, steps towards the harmonisation of programme level support will be accelerated during this Strategic Plan cycle.

**Human resources and capacity development:** The human resources and capacity development plan will be aligned with the seven river basin management functions and will target gaps in the National Mekong Committee Secretariats (NMCSs), respective line agencies and the MRC Secretariat (MRCS). A detailed competency needs analysis and assessment for each Member Country will be prepared.

**Approach for the transition:** In the long-term, the MRCS will have a “facilitation, coordination and advisory” role in the management of the Mekong River Basin and will provide technical assistance of regional and basin-wide dimensions.

Three main factors have been identified for determining which activities can be decentralised and which should remain under MRCS implementation: (1) Impartiality, (2) National competencies, and (3) Financial capability.

The approach for the long-term Vision is phased, and is one where a transition period is needed to prepare the MRC and its Member Countries for a new implementation modality, and where a roadmap for the change is calibrated with a clear timeline and milestones for necessary steps.

## **Performance management, monitoring and evaluation**

The MRC uses monitoring, evaluation and performance assessments at various levels. Progress made towards the Basin Vision is monitored through the State of the Basin Report produced every five years while progress in achieving the MRC Goals and outcomes set out in the Strategic Plan is assessed and updated regularly through MRC Annual Performance Reports with links to performance monitoring reports of the MRC Programmes. Staff performance in contributing to the MRC outcomes is assessed through individual Performance Appraisal Reviews.





# CHAPTER I

## Introduction

### 1.1 Scope of the Strategic Plan

The Strategic Plan 2011–2015 presents the direction and implementation framework for the Mekong River Commission (MRC) to achieve the goals of the 1995 “Mekong Agreement on the Cooperation for Sustainable Development of the Mekong River Basin” (the 1995 Mekong Agreement). The Plan also presents a framework for the transition of the MRC to an organisation of greater relevance, with more sustainable operations and greater stakeholder ownership as it reaches a new level of maturity through implementation of its core river basin management functions and a more effective integration with national systems.

The Integrated Water Resources Management (IWRM)-based Basin Development Strategy, approved by the MRC Council in December 2010, is a cornerstone for this Plan and provides the overall framework within which coordinated implementation of MRC programmes can achieve a common goal and better serve MRC Member Countries and their people.

By building on the organisational foundation and institutional development, this Strategic Plan enhances the role of the MRC as a knowledge-based inter-governmental river basin organisation. Similarly, it builds upon the achievements of previous Strategic Plans as demonstrated by the continuing protection of the Basin water and related resources through effective environmental governance by the MRC and its Member Countries, and through the strong sense of regional cooperation and improved national capacity.

In addition, this Plan builds on the accomplishments of the MRC since the signing of the 1995 Mekong Agreement. These include an improved understanding of the natural resources and socio-economic characteristics of the Lower Mekong Basin (LMB) and its river systems, extensive modelling and forecasting capacity, agreed Procedures under the 1995 Mekong Agreement, an overarching IWRM-based Basin Development Strategy, safer and easier cross-border navigation and trade on trans-boundary waterways, and improved predictive and planning capacity to address climate change. A major milestone was the successful organisation of the first MRC Summit in 2010 which is now institutionalised as part of the MRC governance structure with Meetings of Heads of Government every four years.

The following sections of this Chapter summarise the MRC mandate and some fundamental elements that underpin this Strategic Plan 2011-2015. Chapter II then outlines the Basin development context, setting the scene for the formulation of this Strategic Plan, and describing the

core functions and role of the MRC in response to the emerging new challenges and opportunities in the Basin. The principles underpinning this Strategic Plan 2011-2015 are also outlined. Chapter III provides a hierarchy of the goals and outcomes defining this Strategic Plan. Chapter IV details its implementation while Chapter V describes how this will be monitored and the achievements assessed and verified.

## 1.2 MRC Mandate under the 1995 Mekong Agreement

The 1995 Mekong Agreement provides the legal mandate of the Mekong River Commission. It defines the scope of the work and cooperation related to coordinated and joint planning for balanced and socially just development in the Mekong River Basin while protecting the environment and maintaining the ecological balance.

The Agreement also sets out a framework for the achievement of the strategic objectives of IWRM, recognising that development decisions by sector agencies in the sovereign riparian countries of the Mekong River Basin may have trans-boundary consequences, and that the MRC as an inter-governmental river basin organisation is reliant on the endorsement of its approaches by its Member Countries.

Article 1 of the Agreement calls for “cooperation in all fields of development, utilization, management and conservation of water and related resources to optimize the multiple use and mutual benefits and minimize the harmful effects”, while Article 2 charges the MRC with the responsibility of formulating a Basin Development Plan for “the development of the full potential of the Mekong River Basin waters” which is grounded on protection of the environment, natural resources, aquatic life and conditions, and ecological balance of the Mekong River Basin (Article 3). Article 4 recognises that any Basin Development Plan should be based on respect for sovereign equality and territorial integrity while Article 7 ensures the right of each country to develop projects, provided that they cause no harm to others.

Ultimately, the objective of cooperation among Member Countries is to promote an optimal and well-balanced development of the Basin while ensuring the equitable sharing of benefits among all users of Basin water and related resources and preventing any harmful effects from hindering the continued functioning of the Mekong River systems and so ensuring the continuation of the multi-generational benefits that the Mekong River Basin brings to all its people (Article 1).

## 1.3 Approaches of past Strategic Plans

Although the MRC Vision and Mission statements have remained relevant since the first Strategic Plan, what has evolved in subsequent Strategic Plans is the re-orientation of the focus of MRC work areas to better fulfil the Mission and to move forward to a more comprehensive implementation of the 1995 Mekong Agreement.



Table 1: Summary of the approaches of past Strategic Plans

| 1999–2003   | 2001–2005   | 2006–2010   |
|---|---|---|
| <p>Project approach: Direction was organised around sector programmes and projects.</p> <p>MRC interventions were focused at project level.</p> | <p>Programme approach: A shift in strategic direction with the focus moving towards a basin-wide and programme approach.</p> <p>MRC interventions were through the provision of policy and technical advice from a basin-wide perspective.</p> <p>Each NMC had its own Strategic Plan 2001–2005.</p> <p>A high priority was given to knowledge generation.</p> <p>Cooperation between the MRC and China on data sharing during flood seasons began in 2002.</p> | <p>Strategic goals were reoriented towards support to pro-poor development.</p> <p>Updated programme structure in a cross-cutting programme and sector programme matrix, underpinned by the Basin Development Plan process.</p> <p>Engagement with civil society and the private sector</p> |

## 1.4 Foundations of future Mekong cooperation

Cooperation in the coordinated planning of the Mekong countries has a long history, dating back to the establishment of the Mekong Committee under the auspices of the United Nations in 1957. The 1995 Mekong Agreement with its commitment to coordinated planning and joint management of the Mekong River Basin for its sustainable development raised this cooperation to a new level.

Since the signing of the Mekong Agreement in 1995, the MRC's achievements have demonstrated the extent to which a river based organization can impact a region through the strengthening of cooperative governance and the building of national capacity. The MRC has successfully forged alliances and working relationships with its Dialogue Partners, namely the People's Republic of China (China) and the Union of Myanmar (Myanmar), and with a range of international organisations including the Association of Southeast Asian Nations (ASEAN), the Greater Mekong Sub-region (GMS), the Asian Development Bank (ADB) and the World Bank to further promote the sustainable development and management of the Mekong Basin's water resources.

The achievements of the MRC cut across sectors, and reach beyond boundaries. Together with its Member Countries, the MRC has realised opportunities to promote the sustainable development of the Mekong River Basin aimed at securing the livelihoods of over 60 million people dependent on its water and water related resources. Impacting on the everyday lives of the riverine communities, the MRC's regional cooperation continues to reduce the risks of regular flooding and to promote the beneficial effects of the annual flood pulse. At the governance level, the MRC has developed legal frameworks for cross-border navigation, contributing to improved safety standards and efficient international river trade, and ultimately, to greater navigational freedom. Responding to the changing environment of the Mekong and to the national interests of the Member Countries, the MRC has developed a trans-boundary analysis of the opportunities and risks of mainstream hydropower development. As the MRC takes action on all aspects of the future of the Mekong River, it has developed a regional understanding of the aquatic biodiversity and fisheries of the Basin through support to environmental decisions, and now aims to assist riverine communities adapt to the consequences of climate change.

### 1.4.1 Highest political commitment to Mekong cooperation for sustainable development of the Basin: First MRC Summit 2010

Held in April 2010, the first MRC Summit celebrated 15 years of the achievements of the MRC and its Member Countries in the joint management of the Mekong River Basin. For the first time, the Heads of Government of the four Member Countries gathered together to discuss issues of mutual interest and reaffirmed their political commitment to the principles and implementation of the 1995 Mekong Agreement.

Sustainable management of Basin water resources was highlighted as crucial to the economic and social well-being of the riparian population and to the poverty alleviation efforts of the Governments of the Basin countries, especially under the accelerated development of water and related resources and the increasing challenges brought about by climate change.

At the Summit, China demonstrated its commitment to strengthening cooperation with the MRC and the Member Countries through exchange and sharing of data and information, and various other aspects of cooperation including navigation, the Strategic Environmental Assessment (SEA) for hydropower and environmental protection to address climate change, agriculture and irrigation, flood prevention and disaster mitigation, and the exchange of technical staff. The Heads of the MRC Governments reiterated the long-held view that China and Myanmar become Members of the MRC.

The Heads of Government also recognised the extensive opportunities and the associated environmental and social challenges to be faced over the next decade as the Asian economies continue to grow rapidly, and climate change effects intensify. Nine priority areas of action were identified by the Heads of Government in the Summit Declaration as the focus of the MRC in the coming years.

Table 2: Priority areas of action (from First MRC Summit-Hua Hin Declaration, 2010)

1. Adopting and implementing the IWRM-based Basin Development Strategy
2. Intensifying efforts to effectively manage the risks from flood, drought and sea level rise including establishment of forecasting and warning systems across the whole basin
3. Facilitating an international legal framework that encourages river navigation and trade
4. Researching and addressing the threat to livelihoods posed by climate change and cooperating with other regional partners in addressing haze pollution
5. Monitoring and taking measures to improve water quality in priority areas of the Basin
6. Sustaining the existing and future uses of water and related resources, and aquatic biodiversity, wetlands and forests in the Basin
7. Identifying and advising on the opportunities and challenges of hydropower and other infrastructure development in the Basin, especially risks as they pertain to the protection of food security and livelihoods
8. Continuing to improve the implementation of the PDIES, PWUM, PNPCA, and PMFM and finalise the PWQ
9. Exploring and identifying opportunities for expansion of cooperation between the organisation's current Dialogue Partners and Development Partners, in particular to address common water resources and climate change challenges, as well as identifying new Development Partners and other stakeholders

In terms of the sustainability of the organisation itself, it was agreed that the MRC would become financially independent by 2030. The MRC was encouraged to further explore modalities for implementing the decentralisation of some of its core river basin management functions.

Having received recognition at the highest political level, an MRC Summit will now be convened every four years to provide oversight and direction to MRC activities and monitor its results.

#### **1.4.2 Increased Partnerships with Upstream Riparian Countries**

Partnerships with the MRC Dialogue Partners of China and Myanmar have been considerably strengthened and raised to a higher level of constructive and active cooperation. Over 14 years, China and Myanmar have demonstrated an increasing commitment to cooperation, including the exchange of more data and information on the status of upstream developments and joint capacity building activities. Two events – the 2008 flood and the 2010 extreme dry season have demonstrated the value of the independent analysis that the MRC can provide and highlighted areas where more cooperation is needed in the future.

In 2002, the MRC cooperation with China under the Dialogue Partner relationship was strengthened with the signing of a Memorandum of Understanding (MOU) on the provision of daily river flow and rainfall data from two monitoring stations in Yunnan Province during the wet season. These data provide input to generate a regional daily forecast of downstream water levels at key points on the Mekong River thus providing two- to five-day warnings of critical flood conditions. In 2008, this MOU was renewed and since then mutual understanding of the technical issues has been further strengthened by China by arranging study tours and training courses for agencies in MRC Member Countries and MRCS staff.

Joint workshops on navigation safety have also been organised by the MRC and China, and for basin planning, exchange visits by the respective modelling teams to share information, discuss the analysis and explore the consequences of various development scenarios on river flows.

In recent years, the MRC Secretariat has cooperated with Myanmar in a number of areas, such as improving the MRC hydro-meteorological coverage by exchanging hydro-meteorological monitoring and water quality data, and by technical and expertise exchanges in flood and flood prevention. A number of areas such as navigation safety, strategic environmental assessment, and continued sharing of hydro-meteorological data with Myanmar have been explored with potential for future technical cooperation.

### 1.4.3 MRC Reaching Maturity

After 15 years of operations, the level of institutional and organisational development of the MRC is now such that it has become an organisation which is not only well-recognised in the sustainable management of the Mekong River Basin but also better known worldwide.

This maturity is also apparent in the institutional mechanisms already in place for national line agencies to implement certain core river basin management functions. Certain designated agencies are implementing water quality monitoring under the Environment Programme through the provision of the necessary capacity building to national laboratories with technical and financial support from the MRC Secretariat and Member Countries. In addition, Regional Working Groups were established by the Water Utilisation Programme (WUP) between 2000 and 2008 for the formulation of the MRC Procedures. Furthermore, the BDP basin planning process set up National Working Groups, Sub-area Working Groups, Regional Technical Working Groups, with coordination mechanisms by the NMC Secretariats in each country.

Over the last ten years, a set of fundamental Procedures and associated technical guidelines on reasonable and equitable utilisation of the waters of the Mekong River system, required under the 1995 Mekong Agreement, has been developed and gradually approved by Member Countries for implementation.

Momentum has been built up for the MRC to continue its efforts in strengthening ownership by the Member Countries and for a wider uptake of MRC products into the national administrative and planning processes.

## 1.5 IWRM-based Basin Development Strategy

In 2005, Member Countries adopted the strategic directions for IWRM in the LMB (see Table 3 for an IWRM definition in the context of the Mekong River Basin). This is the foundation for the establishment of the Basin Development Plan (BDP) planning process, an important contribution to a strengthened trans-boundary governance system for the Basin.

Reflecting the Member Countries' shared views on the future, the IWRM-based Basin Development Strategy approved by the MRC Council in December 2010 forms the overarching strategic framework for development-oriented work of the MRC over the next five years. It provides a framework for trans-boundary governance of this development process, including alignment of national plans and projects, basin management processes and the identification of strategic analyses to address current knowledge gaps. The Basin Development Strategy will be refined and updated every five years.



Table 3: Integrated Water Resources Management definition in the Mekong River Basin context

The Global Water Partnership's (2000) definition of IWRM, considered as highly relevant from a Mekong Basin perspective, was adopted in the Strategic Directions for IWRM in the LMB and approved by the MRC Council in 2005.

*IWRM is a process that promotes the coordinated development and management of water, land and related resources, in order to maximise economic and social welfare in a balanced way without compromising the sustainability of vital ecosystems. IWRM emphasises integration of the management of land and water resources, of surface water and groundwater, of upstream and downstream uses, of sectoral approaches, of economic production and environmental sustainability, and of the state and non-state stakeholders. (Global Water Partnership, 2000)*

IWRM is not an end in itself but a means of achieving three key strategic objectives:

- ♦ **Efficiency**, since, given scarcity of resources (natural, financial and human), it is important to attempt to maximise the economic and social welfare derived not only from the water resources base but also from investments in water services provision.
- ♦ **Equity** in the allocation of scarce water resources and services across different economic and social groups is vital to reduce conflict and promote socially sustainable development.
- ♦ **Sustainability**, as ultimately all attempts at water management reform will fail if the water resources base and associated ecosystems continue to be regarded as infinitely robust and we continue to put at risk “the water system that we depend on for our survival”

The Strategic Directions for IWRM in the LMB highlight the shared principles of IWRM and the priority IWRM key result areas.

| Agreed Priority IWRM Key Result Areas  | Shared Principles of IWRM   |
|--|---|
| <ul style="list-style-type: none"> <li>♦ Economic development and poverty alleviation</li> <li>♦ Environmental protection</li> <li>♦ Social development and equity</li> <li>♦ Dealing with climate variability</li> <li>♦ Information based planning and management</li> <li>♦ Regional cooperation</li> <li>♦ Governance</li> <li>♦ Integration through basin planning</li> </ul> | <ul style="list-style-type: none"> <li>♦ Institutional and regulatory frameworks with clear pathways of accountability – establishing the ethic and performance of good governance</li> <li>♦ Knowledge-driven planning and management, with open sharing of information</li> <li>♦ Community and stakeholder participation – partnerships between government and community for demand-responsive approaches to development</li> <li>♦ Integration and coordination of policies and programs across sectors, countries, competing stakeholder interests and levels of government – achieving an acceptable balance between economic, social and environmental benefits and impacts</li> </ul> |

Source: “Strategic Directions for IWRM in the LMB” (2005)





# CHAPTER II

## Emerging Challenges and Opportunities for Sustainable Mekong Development, and the Role of the MRC

Since the livelihoods and food security of the approximately 60 million people living in the Lower Mekong Basin (LMB) are closely linked to the Mekong River and its resources, its careful management is crucial. This Chapter outlines the challenges in monitoring, research and management requiring further cooperation over the next few years. Many of these activities already form the core functions of the Mekong River Commission (MRC). The MRC State of the Basin Report 2010 (SOB 2010) provides a detailed examination of these challenges<sup>1</sup>.

### THE MEKONG CONTEXT

#### Population and livelihoods

In the past decade, the LMB population, comprising mainly rural dwellers, has increased by about 12 percent. However this increase has not been uniform and it is expected to continue to increase in the coming decades but at a slower rate. Population growth together with the changing consumption patterns due to the expanding LMB economies will increase the demand for electricity and food, putting more pressure on Basin water resources used for energy generation and for irrigated agriculture.

The diverse Mekong ecosystem supports a wide variety of livelihoods and provides food security for most of the Basin's rural population. Rice production, wild fisheries, and other aquatic products, livestock and wildlife are the main food sources.

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<sup>1</sup> Data quoted in this Chapter comes from the MRC State of the Basin Report 2010.

## Human development context

The United Nations Human Development Index (HDI) ranks the LMB countries as “medium human development” countries. Despite the impressive economic growth of the past decades, disparities still exist between the LMB countries with social inequity between rural and urban populations increasing. Economic growth through the utilisation of natural resources is identified by most of the LMB countries as one way of addressing the inequitable sharing of resources and benefits. The MRC will be required to play a greater role in responding to these complex issues and in meeting the related provisions of the 1995 Mekong Agreement.

All the LMB countries are making progress towards the achievement of the Millennium Development Goals (MDGs), although the pace differs. Thailand has achieved most of the targets ahead of schedule and has set even more ambitious MDG ‘Plus’ targets. Viet Nam is well on track to achieve the MDGs for extreme poverty, hunger, education, gender and access to water, while targets for HIV/AIDS, malaria and other diseases, and environmental sustainability, still remain challenges. Although Cambodia is on track to achieve several global MDGs and localised MDG targets, it is not close in many critical areas related to food security, poverty reduction, education and sustainable social and economic development. Lao PDR is on course to attain the first MDG by halving poverty by 2015 and has made significant progress on expanding access to safe water and sanitation. However, an important constraint in Lao PDR is the lack of information on many of the development areas.

## The economies of the Lower Mekong Basin

The LMB economy is one of contrasts with varied levels of linkages and dependence between the Basin population and its markets (both local and global). The vast majority of the population practice subsistence livelihoods closely linked with the seasons and depending on the wide diversity of aquatic plants and animals. This high degree of dependence on water resources implies a great vulnerability to any decline in the availability, quality or diversity of the national resource base. In recent years, the Basin countries have accelerated the development of regional water resources with the aim to boost economic growth and expand public expenditure for meeting socio-economic targets. Lao PDR and Cambodia aspire to graduate from the Least Developed Countries (LDC) status in the next decade.

- ♦ **Forests and forestry:** 43 percent of the LMB land area is forests. Forest cover in Lao PDR and Cambodia is considerably greater than that in Viet Nam and Thailand. Deforestation rates are higher in the former two countries. Global and national economic development continues to exert considerable pressure on the LMB forests. Increasing demand for agricultural and forest products, and the need for agricultural land is driving deforestation and degradation, with an associated reduction in biodiversity and watershed related assets.

- ♦ **Agriculture and irrigation:** Agriculture in the LMB comprises a mix of subsistence and commercial production. Agricultural production has been shaped by a drive towards modernisation and trade expansion, and by the continued importance of the sector for local and global food security, and as a source of income. While rice is likely to remain the most important agricultural commodity, a significant trend is the spread of plantations for commercial production of rubber and energy crops. This comes as a result of a rise in energy prices and the related demand for bio-fuels, and of increased demand for agricultural products in general. The area under irrigation has expanded in all four LMB countries. While in Cambodia and Lao PDR food security is still a major concern, the focus in both Thailand and Viet Nam, where most of the installed irrigation infrastructure is found, is on intensifying production.
- ♦ **Fish and fishery:** The inland fisheries of the Mekong Basin are among the world's largest and are central to feeding the Basin population for whom fish and other aquatic products are the main source of animal protein and a vital source of micronutrients. The economic value of fish produced in the Basin is extremely high even without taking into account the value of subsistence fisheries and the many tens of thousands of processing and other fishery enterprises. Migratory fish constitute a large proportion of the total fish catch. The tropical flood pulse provides environments for the annual production of large numbers of fish fry thus making fish production very resilient to fishing pressures. Any changes to the flood-pulse through, for example, the construction of dams, weirs or other infrastructure are likely to result in reduced fisheries production and have significant basin-wide economic and social impacts.
- ♦ **Hydropower development:** Mekong Government policies promote the use of water resources to generate electricity, not only for national consumption but also for export to earn foreign exchange for funding the country's socio-economic development objectives. It also catalyses the mutually beneficial expansion of cross-border power trade to support regional economic integration and the attainment of energy security goals. The Mekong Basin has become one of the most active regions for hydropower development with the recent completion of the fourth Chinese dam, Xiaowan, on the Lancang–Mekong in Yunnan Province, with three more under construction or planned before 2025, and with extensive tributary development and revival of interest in mainstream dam projects in the LMB.
- ♦ **Waterborne transport and trade:** The Mekong River provides a well-used and important trade route between the Basin countries, particularly between China and northern Thailand, and between Cambodia and Viet Nam. Navigation agreements play an important role in developing the trade potential of the River, but the environmental management of waterways remains a challenge due to the lack of consistent safety standard and limited equipment and resources to manage potential risks and to respond to any dangerous leakages and oil pollution.
- ♦ **Mining and other industries:** Recent changes in legislation and the encouragement of direct foreign investment have led to a marked increase in mining activities in the LMB. The past decade has seen the arrival of large multi-national mining enterprises, particularly in Lao

PDR. However, environmental controls in this emerging industry remain limited. The main areas of concern include increased soil erosion, chemical contamination, and untreated industrial waste water.

## The ecological health of the Mekong River

In general, the water quality of the Mekong River remains good, however, around certain densely populated areas and areas of intensive agriculture and aquaculture some deterioration is present. Industrial wastewater treatment is limited and the handling and disposal of industrial hazardous waste is insufficient. Industrial water pollution occurs mainly around factories and downstream of major urban areas. As both industrial sector and urban areas are expected to expand, this pollution will increase over the coming years unless regulatory frameworks are more effectively enforced. For example, current routine water quality monitoring does not cover toxic pollutants. Although there have been no indications of basin-wide or trans-boundary concern, there have been local incidents of toxic pollution by heavy metals and persistent organic compounds. These should be seen as early warning signs to address.

The importance of the direct use of wetlands for rice cultivation and freshwater capture fisheries is well known, but other less obvious indirect uses are just as important. For example, during the wet season, natural wetlands absorb floodwaters that could otherwise be disastrous. The surface area of Cambodia's Great Lake expands by as much as four to five times during the wet season. Without this natural absorptive capacity, Phnom Penh would be completely flooded every year. Many of the larger cities in the Basin, including Vientiane and Phnom Penh, discharge their urban wastewater into large natural wetlands thus achieving a significant level of treatment before the wastewater flows into the river. Since wetlands form the transition zone between water- and land-based ecosystems, a small difference in the amount, timing or duration of water flows can result in a profound change in the nature of the wetland and its unique plants, animals and processes.

The extent of the renowned Mekong Basin biodiversity is still not fully understood and new species are discovered every year. Presently, the fauna includes 14 critically endangered species (including the Irrawaddy dolphin), 21 endangered species and 29 vulnerable species. Accelerating economic development, population growth and increased consumption patterns are putting pressure on the environment, which could change the habitats and the mechanisms that sustain the high productivity of the ecosystems.

## MAIN DEVELOPMENT CHALLENGES AND OPPORTUNITIES

The socio-economic and sectoral plans of all the LMB countries include the development of water resources for irrigation, hydropower, flood management, domestic water supply and sanitation in order to boost economic growth, reduce poverty and meet the UN MDGs. As a result the Mekong

River Basin faces a number of challenges not only from these developments but also from the expected impacts of climate change. Addressing these challenges will require better coordinated and collaborative responses by the Basin Governments, particularly in terms of implications for food security, water quality, biodiversity and aquatic ecosystems.

A range of short- to medium-term IWRM challenges need to be addressed.

At the **basin level**, there is a growing demand for joint determination by the LMB countries and their stakeholders on an acceptable balance between resource development and resource protection in order to maintain ecosystem services and their contribution to food and livelihoods security. The IWRM-based Basin Development Strategy needs to be reflected in national plans and implemented through collaboration at the Basin, national and sub-basin levels.

Hydropower developments on the Lancang-Mekong have changed the context for the development and management of LMB water and related resources. Some consequences will be positive and others potentially negative. The BDP scenario assessments have considered and quantified these consequences. Addressing them will require an increase in cooperation with China.

At the **national level**, there is considerable scope for institutional development and capacity building. This is especially timely for the recently established national water and related resources management agencies and the moves towards the establishment of river basin organisations or committees. The aim is to strengthen their guidance, coordinating and monitoring roles for IWRM, while responsible line agencies implement “on-the-ground” sector planning and management. The strengthened resource management agencies will then be in a position to interact with and support the MRC in the joint management of the Basin’s resources.

At the **project level**, the main IWRM issues relate predominantly to the plans for large infrastructure projects, particularly in the hydropower and irrigation sectors, and the relatively weak capacity for implementation of environmental and social regulations in some countries. There is a need to increase the awareness and capacity of line agencies for a more integrated approach earlier in the planning process, and with the developers in promoting implementation of environmental and social considerations. In some cases broadening the scope to multi-purpose rather than single purpose projects will offer wider benefits.

## 2.1 Climate change

Climate change impacts on water resources are understood to include changes in weather patterns affecting temperatures and the intensity, duration and frequency of rainfall and storms. The predicted changes in precipitation and temperature will affect the Mekong River flows, e.g. the increased flows in the wet season will heighten the risk of flooding and the longer dry seasons may increase the risk and severity of droughts. The Mekong Delta is especially vulnerable to climate change in terms of sea-level rise and sea water intrusion.



As the region is prone to flooding and extreme weather events, the likely impacts of climate change will intensify those existing risks and exacerbate potential threats imposed on the physical features of the Mekong River Basin and subsequently the diverse uses of the water and aquatic resources. Water availability will be a critical factor in determining how the water is shared and managed for different uses ranging from subsistence livelihoods and ecosystem services to large-scale development purposes such as irrigated agriculture and hydropower development.

Adaptation to climate change will require both local initiatives and policy and institutional responses. As there is a growing concern over the high vulnerability of the region to climate change due to the combination of flooding, sea-level rise and dense populations living in the Basin, the MRC focus is directed towards a better understanding of the possible impacts and adaptation options to cope with these changes.

## 2.2 Flood and drought risk management

Floods and droughts in the LMB have major economic and social consequences, both positive and negative. The annual pulse of mainstream flooding brings tangible benefits for agriculture and fisheries as well as risks to life and property. However, climate change is expected to increase the risk of extreme weather events such as droughts and extended rainfall periods, and so increase people's vulnerability to poverty and food insecurity.

Since the risk of flood damage cannot be eliminated, it requires local initiatives to increase the resilience of flood-prone communities. The challenge is to reduce the costs and impacts of flooding while preserving the benefits. Costs include the direct costs to agriculture, infrastructure and buildings, the effects on health and sanitation through outbreaks of waterborne diseases and the lack of safe drinking water during flooding, and disruption to the schooling of many children in flood-affected communities. The benefits are less immediate but the annual mainstream flooding is the force which drives and sustains the Basin fisheries, provides the water for storage for dry season irrigation, deposits sediments that improve and sustain soil fertility across the floodplains of the LMB and recharge groundwater storage.

Droughts, unlike floods, have no clear benefit to the Basin population. Their direct costs include the loss of crops and reduced yields of livestock and fisheries but droughts cause no physical damage to community infrastructure or assets. In the LMB, the main structural measure for reducing the risk of droughts is the provision of irrigation, local storage and conjunctive use of groundwater with surface water. In addition, drought forecasting and drought-resistant crops are also expected to play an increasing role in future risk management in the LMB.

## 2.3 Mekong mainstream dams and water developments on tributaries

As the population grows and economic activities diversify and intensify, the annual demand for power is expected to grow by ten percent or even more. To help meet this demand, those countries in the region with hydropower potential will plan to develop it over the next two decades for both domestic consumption and electricity export. Thailand and Viet Nam plan to import electricity from neighbouring countries, much of which would be generated from hydropower dams on the Mekong and its tributaries, and also continue to develop fossil fuel and non-hydropower renewable technologies to meet demand growth.

Hydropower has recently attracted more support, since not only is it a renewable technology, but it also generally emits far less greenhouse gas than fossil fuel power plants. Furthermore, the increased fluctuations in gas and oil prices have made hydropower more economically competitive. This coupled with the predicted increase in dry season flows in the mainstream resulting from the dams on the Lancang-Mekong upstream and availability of private sector finance is driving a rapid regional expansion of hydropower. The introduction of national regulatory systems to encourage investment in strategic infrastructure for water and energy has also led a significant private sector response to propose new large hydropower schemes on both the tributaries and mainstream of the Mekong River.

Hydropower projects involve trade-offs with other water uses and associated livelihoods, like those related to fisheries and the biodiversity of aquatic life. At the same time, as well as electricity production, dams could benefit navigation and the supply of water for agriculture and domestic use especially in the low-flow season.

The recent revival of interest in hydropower development has posed an immediate priority for the MRC in terms of the need for an assessment of the long-term implications of mainstream dam proposals, and so to provide better understanding of cumulative risks, opportunities and sustainable solutions. The Strategic Environmental Assessment published in late 2010 provided such an assessment.

In October, 2010, a proposal for the Xayaburi mainstream dam development project in Lao PDR was the first to be submitted for prior consultation under the process of the MRC Procedures for Notification, Prior Consultation and Agreement (PNPCA). How this PNPCA process is taken forward by the MRC and its Member Countries under the facilitation and advisory role of the MRC will set an important precedent for other proposed mainstream developments in the LMB. Some of which are expected to be submitted to the MRC during this Strategic Plan period.

## 2.4 Intensified irrigated agriculture

Agriculture is the dominant water consuming sector in the LMB, particularly in Thailand and Viet Nam, and most LMB countries have ambitious plans for irrigation development to enhance production. The projected increase in water discharge from upstream dams during the dry season creates opportunities for irrigated agriculture in the lower part of the Basin, particularly in Cambodia, Lao PDR and the Viet Nam Delta without materially reducing minimum low flow conditions. Plans for irrigation development together with the various hydropower projects will significantly affect how the Basin resources are used and consumed and is a major element considered by the IWRM-based Basin Development Strategy prepared by MRC in 2010. The risks of intensified drought may also trigger the revival of plans of some countries to transfer water from the Mekong mainstream to complement national approaches to mitigate drought impacts. Moves toward more commercial forms of agricultural production will also drive new irrigation development.

The growth in intensive agriculture to meet the increasing demand for agricultural products will result in an increased demand for water while any accompanying increased use of pesticides would endanger both water quality and biodiversity.

## THE ROLE AND CORE FUNCTIONS OF THE MRC IN THE CHANGING MEKONG CONTEXT

In parallel with the efforts of the Member Country Governments, the MRC plays an essential role in promoting mutual and equitable benefit-sharing among the riparian countries, in protecting the environment, and in basin-wide monitoring and capacity building.

### 2.5 Key elements of the MRC's role

#### Contributing to poverty reduction

MRC's Member Countries acknowledge that poverty alleviation remains central to national socio-economic objectives and is one of the main aims of water resources management in the Mekong Basin. The MRC, by providing policy and strategic advice, is in a position to influence the overall objectives of basin management towards pro-poor outcomes. Although MRC does not in general deliver on-the-ground poverty alleviation services, it does play a direct role in areas such as fisheries-based livelihoods and the prevention of flood losses.

The MRC strategy for contributing to poverty reduction in the LMB is reflected by:

- ◆ Coordinating the establishment of a basin-wide and cross-sector development planning and management framework to support national planning and management to promote

the equitable sharing of Mekong development benefits amongst the different users, and especially amongst the most disadvantaged groups in the Basin;

- ♦ Facilitating data sharing and exchange among the riparian countries and providing forecasting and warning systems to reduce loss of lives and assets from natural disasters;
- ♦ Leading strategic or sub-regional assessments of potential environmental and social impacts from planned development activities and developing the modelling capacity to evaluate alternative development scenarios;
- ♦ Developing several tools in support of regional pro-poor development, such as environmental monitoring of aquatic ecosystems on which the livelihoods of the rural poor depend; and,
- ♦ Encouraging river navigation and trade by utilising the transport potential of the Mekong River system.

### Basin planning and management

The MRC plays a supportive role in addressing the strategic planning and management issues facing the Basin by:

- ♦ Promoting sustainable development of water and related resources in the Mekong River Basin;
- ♦ Ensuring mutual benefits to all riparian countries;
- ♦ Minimising the harmful effects from natural occurrences and human activities;
- ♦ Balancing the environmental protection and conservation mandate of the MRC with development and utilisation;
- ♦ Integrating sub-basins and watersheds as a basic element of IWRM, with respect to their cumulative contributions to the health of the larger basins; and,
- ♦ Addressing emerging climate change challenges.

### Harmonising benefits and ensuring equity

With major hydropower dams proposed on the mainstream Mekong and other investments being planned to utilise Mekong water resources, there is a legitimate concern that the natural ecological conditions and the Basin flow regimes will change significantly. There is also uncertainty about whether riparian communities will share the benefits of development equitably and whether the environment will benefit from planned developments. These concerns are linked to the measures to overcome the causes of persistent regional poverty. The MRC long-term Vision suggests that the role of the MRC will include promoting the harmonisation of benefit-sharing among the Member Countries and their people, and monitoring the Basin's environmental health by undertaking environmental and social impact assessments, and where necessary strategic impact assessments.

High priority is placed on addressing the crucial issue of equity and, in the context of the Basin, on the following three aspects:

- ♦ Equitable development which is mutually beneficial to the LMB countries and their people;
- ♦ Equity in water utilisation between upstream and downstream countries and communities; and
- ♦ Equity issues relating to the multiple uses of the river, such as hydropower generation, fisheries (wild capture, aquaculture), navigation, water diversion and dams/reservoirs for irrigated agriculture, human health (water-borne diseases), and biodiversity and tourism.

### Promoting responsible and sustainable hydropower development

The escalating interest in hydropower development in the LMB emphasises the importance of the focus on sustainability in the work of the MRC. The MRC approach is to help Member Countries understand the long-term implications of proposed dam construction, and balance the benefits, impacts and risks. The SEA on mainstream dam proposals concluded in 2010 demonstrated the central role that MRC can play in this discussion by facilitating dialogue among the major stakeholders, including Governments, civil society and the private sector, and introducing a more holistic approach to the assessment of risks and opportunities. This role will continue and intensify in the coming years and also involve application of sustainability assessment tools developed recently by MRC and its partners.

With regard to the built and planned upstream dams, MRC has a unique position of cooperation with upstream riparian countries, and is able to carry out collaborative studies on the operation of hydropower impartially and effectively.

### Enhancing regional cooperation

Beyond hydropower development, further technical and institutional cooperation with China and Myanmar is possible and achievable within the next five years. The sharing of year-round upstream hydro-meteorological data for use in drought management, climate change planning and for informing local communities of any expected changes in water levels resulting from upstream hydropower operations have been identified as issues for future cooperation. There are also opportunities for staff exchanges, technical cooperation and training in flood risk reduction and management.

Strong synergies exist between MRC and other regional organisations such as the Association of Southeast Asian Nations (ASEAN) and the Greater Mekong Sub-region (GMS) programme. April, 2010 saw the conclusion of the framework for cooperation between MRC and ASEAN, a partnership which will encourage greater implementation of regional policy initiatives at basin scale including integration to close the capacity gap. Similarly, MRC and the GMS programme

have complementary roles in strengthening regional linkages through a multi-sectoral approach, particularly where project investments can build on the regional management framework and cooperative framework provided by MRC, e.g. the preliminary planning work under the Flood Management and Mitigation Programme that is leading to subsequent ADB-GMS investment support to Member Countries.

## 2.6 MRC core functions

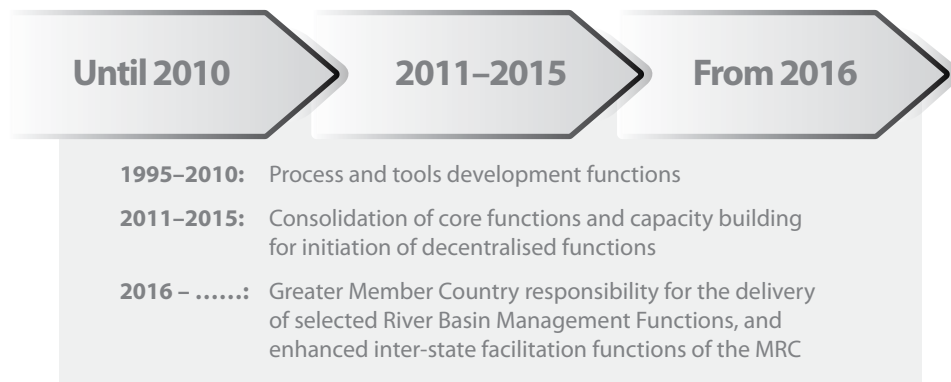
The 1995 Mekong Agreement characterises the MRC mandate and provides the necessary structure for its work programmes and activities. Based on this mandate, a framework of four core functions categories, including the major category of river basin management functions, was approved at the Twenty-ninth Meeting of the MRC Joint Committee in March, 2009 comprising:

- ◆ **Secretariat Administrative and Management Functions**
- ◆ **River Basin Management Functions**
  - (1) Data acquisition, exchange and monitoring
  - (2) Analysis, modelling and assessment
  - (3) Planning support
  - (4) Forecasting, warning and emergency response
  - (5) Implementing MRC Procedures
  - (6) Promoting dialogue and communication
  - (7) Reporting and dissemination
- ◆ **Capacity Building and Tools Development Functions**
- ◆ **Consulting and Advisory Services**

These core functions are now widely accepted as setting the framework for the future work of the MRC. Annex 2 provides a detailed description.

The seven River Basin Management Functions directly assist Member Countries in the sustainable development and management of the Basin water resources. Over time, some will be progressively implemented by the Member Countries and coordinated by the regional working groups under the MRC framework. Others will continue to require the independent implementation capability of the MRC Secretariat.

There is an increasing understanding that these core River Basin Management Functions are essential to the role of the MRC, and will therefore continue in some form or other over the life of the Commission. They cover the full range of sectoral and cross-sectoral areas under the MRC mandate, and allow to move the discussion beyond the prevailing short-term emphasis on time-bound programmes to a more strategic management approach.



This Strategic Plan cycle will be the start of the transition for the MRC to move from a study-oriented tool development focus to a more responsive management focus based on monitoring, analysis and facilitation as well as development support.

## 2.7 Principles underlying the Strategic Plan 2011–2015

MRC Member Countries share certain values and principles relating to regional cooperation for its sustainable development that go beyond the diversity of challenges, interests and priorities of individual countries. They underline the goals and actions for an effective cooperation framework for the equitable, sustainable Basin management set out in this Strategic Plan.

### Continuing the comprehensive implementation of IWRM

The IWRM-based basin development and management planning process addresses multi-dimensional trans-boundary water issues by integrating socio-economic and environmental concerns in regional and national planning and decision-making thus promoting sustainability of water use and prevention of water related conflicts.

### Stimulating pro-poor development

The MRC provides guidance for balanced development and equitable utilisation of those Basin water and related resources, with medium- to long-term gains on poverty alleviation and environmental sustainability. The link between a river basin organisation and poverty reduction is not always evident, but there are some examples of the direct role played by MRC in pro-poor development and supporting the efforts of Member Countries in achieving the UN Millennium Development Goal (MDG) 1. These include the role played in fisheries-based livelihoods, prevention of losses from floods, and institutional measures to promote cross-border river transport and trade.

## Protecting the environment

A strong environmental regulatory framework with effective implementation capacity and institutions are essential for maintaining a balance between environmental protection and development. The MRC will contribute by providing early in the planning process a better understanding of the potential impacts of change and the full value of the ecosystems of the Mekong River Basin. In addition to providing a robust environmental understanding and knowledge as well as environmental monitoring and management capabilities across the Basin and across institutions, the MRC will respond to the management challenges of trans-boundary and basin-wide issues to assess potential impacts of developments currently planned and their sustainability in terms of their scale and scope.

## Dealing with climate change effects

Recognising that Mekong Basin countries face unique threats of environmental degradation and climate change impacts, the Declaration of the First MRC Summit agreed that adapting to these challenges is a regional priority. The MRC aims to provide a platform for knowledge sharing and information exchange to strengthen protection from and adaptation to the changes in the Mekong environment and climate. MRC efforts in dealing with these additional threats will continue to be coordinated across all sectors, complementary to other regional initiatives, foster dialogue and consultation with stakeholders, and integrate gender perspectives.

## Achieving country ownership and financial sustainability of the MRC by 2030

As high levels of socio-economic development are reached, MRC's Member Countries will gradually assume financial responsibility for MRC operations. Increased country responsibility and ownership already includes the plan for full riparianisation of the MRC Secretariat by the end of 2012. Heads of Government of the Member Countries committed to achieving financial autonomy for MRC by 2030. The extent to which MRC products and tools are integrated in national planning and decision-making will be an indicator of increased country ownership, and the effectiveness and wider impacts of MRC's work.

## Closing the gap – the Integration Agenda

Different development levels and capacity gaps exist among the Member Countries requiring a prioritised and targeted funding and capacity building approach. All are members of ASEAN which recently established the Initiative for ASEAN Integration (IAI) to promote south-south cooperation and to assist the newer ASEAN members (which include Cambodia, Lao PDR and Viet Nam) in narrowing the development divide between them and other middle income ASEAN members. Human resources development is one of the four priority areas of the IAI. Consistent with this policy direction, the MRC Governments agreed to “prioritise resources, funding and capacity building for those Member Countries with higher poverty rates and with more urgent economic needs” at the First MRC Summit.



### Taking a “Whole of Basin” approach - strengthened cooperation with upstream riparian countries

Enhanced cooperation with the upper riparian countries (China and Myanmar) is crucial for the sustainable management of the whole Lancang-Mekong Basin in a situation where flow conditions and sediment delivery downstream are already modified. Building on the Dialogue Partner arrangement, future cooperation could include the institutionalisation of a more extensive information sharing system on river flows and reservoir operations as well as joint technical studies and capacity building in flood and drought management.

### Enhancing stakeholder participation and gender mainstreaming

As a fundamental principle of IWRM, enhanced stakeholder participation and consultation is essential and possible through access to information and involvement in MRC activities and monitoring processes. Transparent basin-wide dialogue and intensified and structured public involvement in MRC programme planning and implementation, and in strategy formulation are needed to realise the full benefits of Basin development and management. Mainstreaming a gender perspective in all MRC development efforts through equal participation of men and women at all levels will ensure more equitable outcomes from MRC programmes.

### Promoting transparency and openness

Transparency and openness will continue to be improved through MRC's efforts in communicating with its stakeholders. The MRC Communication Strategy and Policy on Disclosure of Data, Information and Knowledge adopted in 2009 provides for MRC to make use of the advantages provided by the free flow of scientific and technical information, and foster a greater mutual understanding with its stakeholders leading to increased credibility and trust.

### Encouraging aid effectiveness and donor harmonisation

Improving aid effectiveness and donor harmonisation aims to increase country ownership and to better coordinate assistance amongst Development Partners. In line with the international commitment on improving harmonisation and effectiveness expressed in the Paris Declaration on Aid Effectiveness and the Accra Accord, MRC will continue to work with Development Partners in the mutual achievement of the milestones set in the MRC aid effective roadmap launched in 2007, and continue to put management systems in place to encourage the move towards programme funding and ultimately core funding.

### Building strategic partnerships with other regional initiatives and other international RBOs

Partnerships with other regional organisations and initiatives will further improve MRC aid effectiveness as overlaps can be minimised and synergies amplified between the work of the MRC and that of the regional initiatives. Cooperation with and learning lessons from other international river basin organisations through technical exchanges, capacity building and sharing of best practices in managing trans-boundary rivers will continue.





# CHAPTER III

## Strategic Plan 2011-2015

In response to the rapidly changing context of the Mekong Basin and the emerging challenges to its sustainable development, this Strategic Plan for 2011-2015 lays out goals and outcomes corresponding to the MRC core functions and based on the principles described in Chapter II. This Strategic Plan represents the MRC's approach to implementing integrated water resources management (IWRM) in the Mekong River Basin.

### 3.1 Basin Vision

*An economically prosperous, socially just and environmentally sound Mekong River Basin*

At the First MRC Summit in April 2010 in Hua Hin, Thailand, the Prime Ministers of the four Member Countries reaffirmed the Basin Vision as adopted in 1999. That Basin Vision is as relevant today as it was with the Member Countries being committed to work together for a Mekong River Basin where:

- ♦ food is plentiful and varied;
- ♦ local livelihoods are resilient to external shocks;
- ♦ the riparian population enjoys the fullest of human development potentials and choices;
- ♦ the Mekong River system is healthy and rich in biodiversity; and
- ♦ the riparian population enjoys an equitable share of the benefits and risks associated with the utilisation of the water and related resources of the Basin.

In line with national and regional policies and strategies for sustainable development and regional integration, this Vision is reinforced by the shared commitment of the Member Countries to:

- ♦ sustainable development as defined under Agenda 21;
- ♦ achievement of the United Nations Millennium Development Goals;
- ♦ commitment to regional political and economic cooperation (ASEAN); and
- ♦ adoption and full implementation of integrated water resources management principles.

## 3.2 MRC Vision

**A world class, financially secure, international river basin organisation serving the Mekong countries to achieve the Basin Vision**

The Vision of being a “world class” international river basin organisation, inspires the MRC to provide a high-level of expertise, and for its key stakeholders including national and sub-basin water resource managers to rank its products, including its tools and processes, and its services (policy advice, financial and human resource management) as among the best in the world. The Heads of the four Member Governments at the first MRC Summit referred to institutional models adopted by other international river basin organisations and encouraged the MRC to further explore decentralised implementation modalities for some of its core River Basin Management Functions.

MRC’s Vision indicates the crucial role of MRC in responding to the needs of its Member Countries, providing a high-level of expertise within the key areas of river basin management relevant to the Mekong River, and mediating differing interests between and within countries in the utilisation and development of the water and related resources of the Basin. This implies excellence in terms of the organisation’s performance, relevance and quality of its products and services, stakeholder satisfaction, and value when compared to similar products (technical) and services (in financial and human resource management and in prevention and resolution of differences) provided by other international river basin organisations.

## 3.3 MRC Mission

**To promote and coordinate sustainable management and development of the water and related resources of the Mekong Basin for the countries’ mutual benefit and the people’s well-being**

Since its establishment in 1995, and in accordance with the founding Mekong Agreement, the MRC Mission has been to provide effective support through its coordination and advisory role for sustainable management and development of the water and related resources of the Mekong Basin for the countries’ mutual benefit and the people’s well-being.

The primary value added by the MRC is the focus on trans-boundary and basin-wide issues and the analysis of implications (economic, social and environmental) of on-going and proposed developments in the Basin, including the cumulative impacts of national developments. Having its key strength as a knowledge-based institution, the MRC provides advice and capacity building, supports research and offers necessary support to Member Countries to manage the Basin water and related resources effectively for an economically prosperous, socially just and environmentally sound river basin.

### 3.4 The Strategic Goals

The specific goal statements of this Strategic Plan reflect the emphasis on the effective use of the Mekong water and related resources for poverty alleviation while protecting the environment.

The MRC goals for 2011-2015 are formulated in alignment with the organisation's two main focus areas of this Strategic Plan:

- ♦ supporting the implementation of the IWRM-based Basin Development Strategy to address the urgent needs and priorities for integrated management of water and related resources of the Mekong River Basin towards 2030; and
- ♦ transition towards the implementation of the MRC core functions and increased Member Country contributions to the delivery of these.



Figure 1 presents the results chain for the Strategic Plan 2011–2015

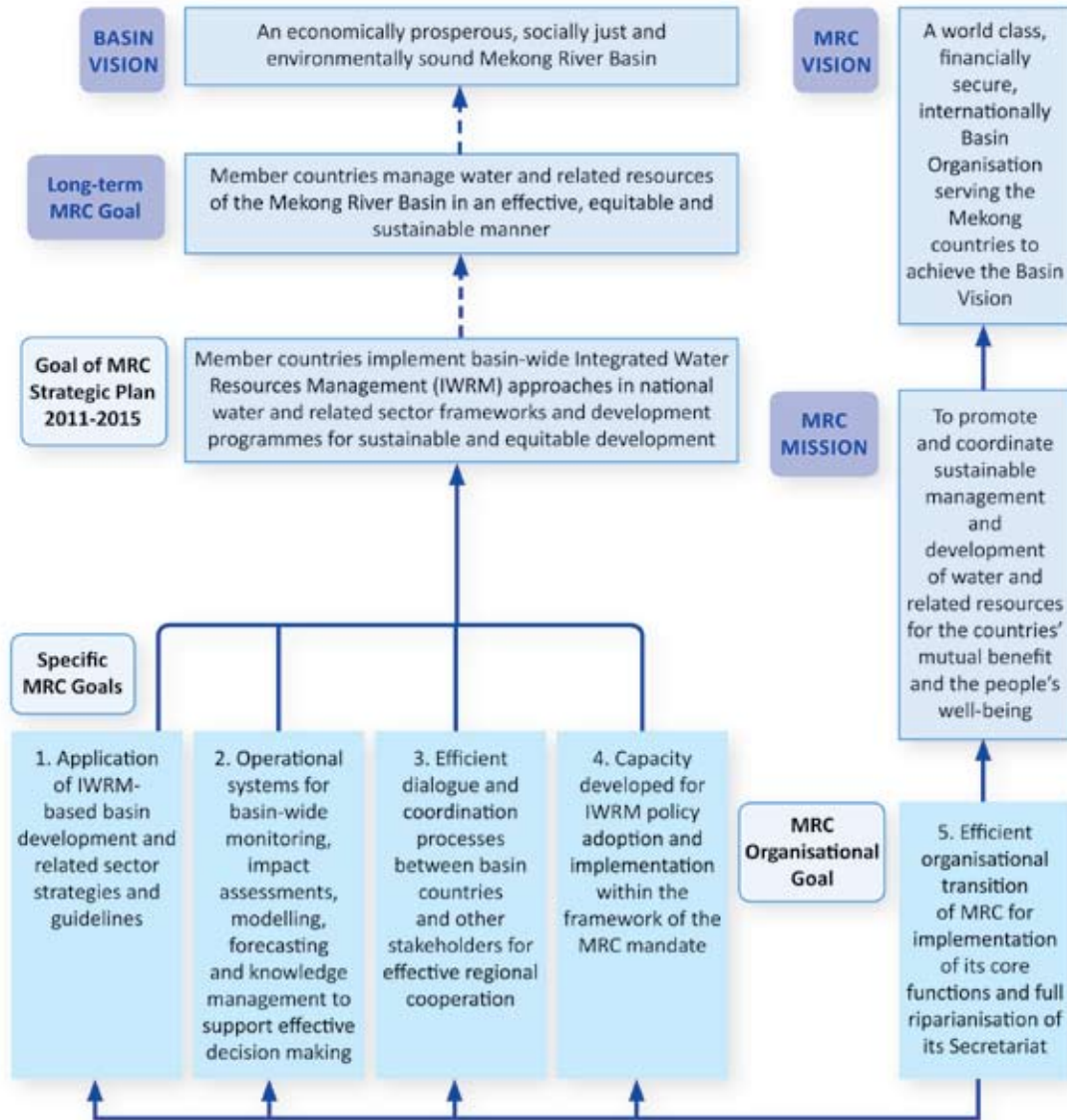


Table 4: Strategic Goals and Outcomes 2011-2015

| STRATEGIC GOALS AND OUTCOMES 2011-2015  |  |
|---|--|
| <p><b>5-YEAR GOAL FOR 2011-2015: Member Countries implement basin-wide IWRM approaches in national water and related sector frameworks and development programmes for sustainable and equitable development.</b></p>  |  |
| <p><b>SPECIFIC GOAL 1:</b> Application of IWRM-based basin development and related sector strategies and guidance.</p> <p><b>Outcome 1.1</b><br/>The IWRM-based Basin Development Strategy is applied in planning and decision making on Mekong water and related sector development in the LMB countries through an institutionalised basin development planning process.</p> <p><b>Outcome 1.2</b><br/>The required management plans, sector strategies, guidance and guidelines are developed to support the implementation of sector-specific elements of the IWRM-based Basin Development Strategy in relation to the mainstream and significant tributary systems.</p> <p><b>Outcome 1.3</b><br/>Sector and cross-sector strategies and plans incorporate climate change adaptation planning and implementation at various levels and in priority locations throughout the Lower Mekong Basin.</p> <p><b>Outcome 1.4</b><br/>National, sub-basin and basin planning and management systems incorporate economic, environmental and social implications of on-going and proposed developments in the Basin and considerations of sustainability and equitable development.</p> | <p><b>SPECIFIC GOAL 2:</b> Operational systems for basin-wide monitoring, impact assessment, modelling, forecasting and knowledge management to support effective decision making.</p> <p><b>Outcome 2.1</b><br/>Information and data on the full range of water and related resources parameters are systematically monitored and used in basin and sub-basin planning and management, and the state and developments in the Basin are reported.</p> <p><b>Outcome 2.2</b><br/>MRC analysis, modelling and assessment tools are effectively used at appropriate levels of planning, decision-making and operational management.</p> <p><b>Outcome 2.3</b><br/>Strengthened and improved forecasting, warning and emergency response systems provide timely information on short and medium term regional forecasts, and increasingly assist the Basin countries in flood and drought forecasting, operational forecasts for shipping and contingency planning for pollution incidents.</p> <p><b>Outcome 2.4</b><br/>Key water and water use parameters, trans-boundary impacts and other sustainability issues of water utilisation and management, and threats to livelihoods posed by climate change and other emerging environmental issues are researched, analysed, and assessed for national and regional responses.</p> <p><b>Outcome 2.5</b><br/>Knowledge management systems and processes are developed, applied, and effectively shared with MRC partner agencies via sustainable knowledge networks.</p> |



**SPECIFIC GOAL 3: Efficient dialogue and coordination processes between basin countries and other stakeholders for effective regional cooperation.**

**Outcome 3.1**

Strengthened implementation of MRC Procedures by MRC and Member Countries in an open and transparent manner.

**Outcome 3.2**

Enhanced dialogue and coordination between MRC, Government agencies, civil society organisations and the private sector in basin planning and management, and decision-making on Mekong water related resources.

**Outcome 3.3**

Enhanced cooperation with upstream riparian countries and other regional initiatives for an integrated approach to the sustainable management of the Basin.

**Outcome 3.4**

Resolution of trans-boundary issues at sub-basin level is effectively facilitated by MRC.

**Outcome 3.5**

Knowledge of the basin is available and accessible for more informed decision-making processes.

**Outcome 3.6**

MRC is a responsive organisation providing objective, independent and timely information to Member Countries and the general public.

**SPECIFIC GOAL 4: Capacity developed for IWRM policy adoption and implementation within the framework of the MRC mandate.**

**Outcome 4.1**

Organisational and institutional capabilities are strengthened at relevant levels in Member Countries and MRC for the adoption and implementation of the IWRM-based Basin Development Strategy, related sector strategies and guidance, and the overall management of the basin's water and related resources.

**Outcome 4.2**

Sound leadership and strengthened management capacities for effective IWRM policy adoption and implementation in Member Countries and MRC.

**Outcome 4.3**

Staff capabilities in Member Countries and the MRC for the adoption, integration and application of MRC Procedures and IWRM-related policies and strategies at national, trans-boundary and regional levels are improved.

**Outcome 4.4**

Capacity for knowledge sharing on IWRM principles, MRC Procedures and MRC products is enhanced and relevant to groups involved in the utilisation and management of the basin's water and related resources in Member Countries.

**ORGANISATIONAL GOAL 5: Efficient organisational transition of the MRC for implementation of its core functions and full riparianisation of its Secretariat.**

**Outcome 5.1**

The transition of the MRC to a decentralised modality of core functions is well prepared and effectively starts during the Strategic Plan period of 2011-2015.

**Outcome 5.2**

Operational, transparent performance management system is in place.

**Outcome 5.3**

The MRC Secretariat is staffed with qualified riparian professional staff.

**Outcome 5.4**

Improved organisational management and reporting systems and functional mechanism for coordinated programme planning and management of the MRC are in place.

**Outcome 5.5**

Member Countries, prioritised line agencies and designated stakeholders have sufficient capacity to carry out the selected core River Basin Management Functions within the agreed timeframe of the transition.

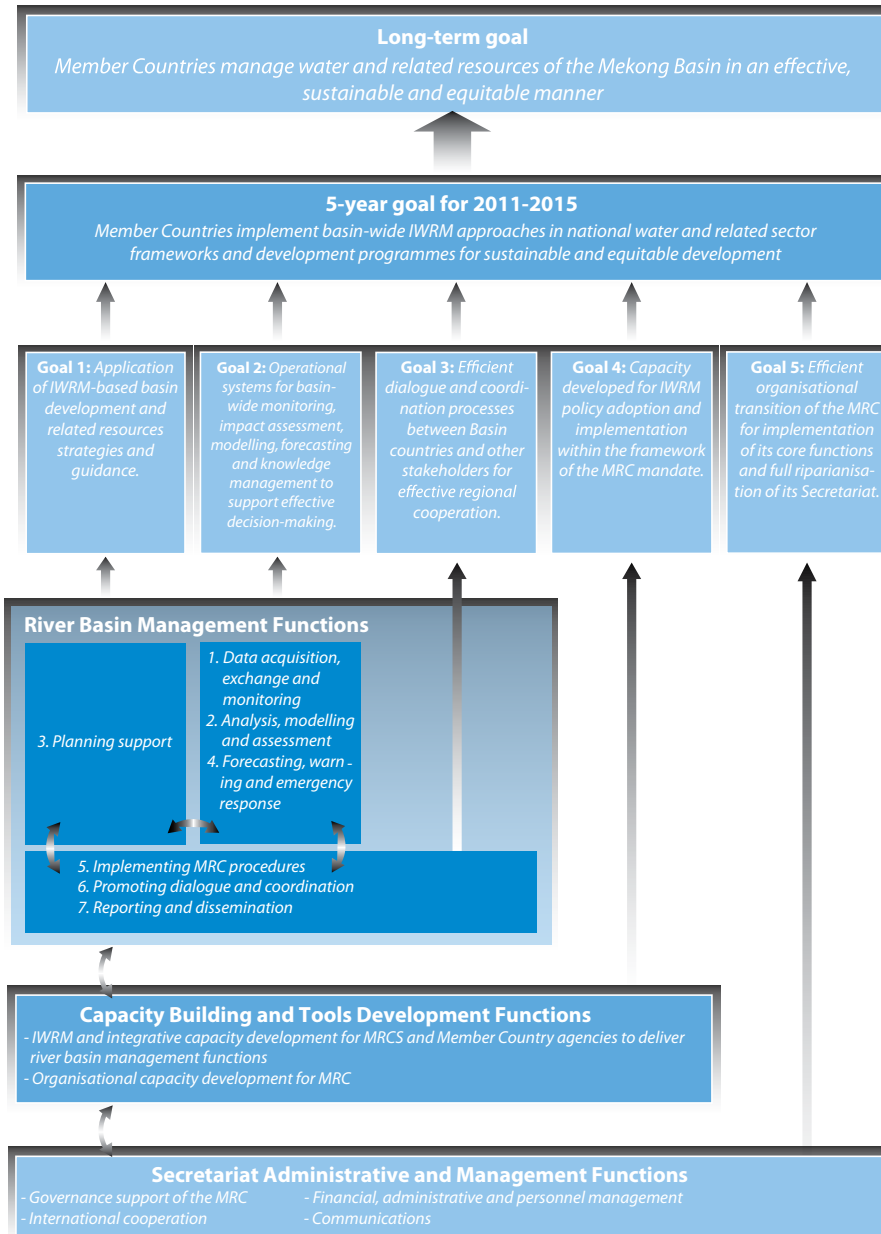


The Goals for 2011-2015 are strongly aligned with the MRC's core functions (see Figure 2).

- ♦ **Specific Goal 1** centres on the Planning Support functions, supported by the other six river basin management functions in promoting dialogue and coordination for policy adoption and implementation, and relies on data acquisition and exchange, analysis, assessment and update of basin development scenarios.
- ♦ **Specific Goal 2** requires the implementation of those MRC river basin management functions dealing with the acquisition and exchange of data on all aspects of water utilisation, monitoring the ecological health of the Basin and the utilisation and management of its water resources; all of which come together with analysis, modelling and assessment as well as forecasting, warning and assisting Member Countries in emergency response.
- ♦ **Specific Goal 3** confirms MRC's prominent position as a regional body providing assistance for, advice to and overall oversight of the implementation of the water utilisation procedures, mediating differences and facilitating dialogue on and coordination of key challenges facing the Basin among and between Member Countries and with others including upstream riparian countries. The MRC is seen as a knowledge-based organisation for disseminating and communicating knowledge to decision-makers at all levels in the management of the Basin and its resources.
- ♦ **Specific Goal 4** embraces the MRC capacity building functions provided to the Member Country agencies and MRC Secretariat across all themes of sustainable development of the Basin. Emphasis is given to the capacity for use of technical and management support tools and their periodic updating to ensure the MRC has the capacity consistent with its efforts to become a 'world-class' international river basin organisation.
- ♦ **Organisational Goal 5** focuses on institutional, human resources and financial management and administration of MRC activities and supporting policy development required to build the future sustainability of the organisation as it starts the transition to decentralising the implementation of its core functions.

Figure 2 depicts this alignment.

Figure 2: Primary linkages between the MRC core functions and strategic goals



### 3.4.1 Long-term Goal

Member countries manage water and related resources of the Mekong Basin in an effective, sustainable and equitable manner

MRC's long-term goal aims at ensuring a balance between the development of the economic potential of the Mekong River system for growth, poverty alleviation and livelihood improvement, together with the protection of the environment and ecological integrity. Informed decisions, effective planning and management, and informative basin-wide monitoring systems will help prevent significant losses and/or deterioration of the natural Basin resources that, if occurring unchecked, would undermine the achievement of sustainable human development.



## Performance measurement

Over the next five years, the contribution of MRC in gradually achieving this goal in the longer term will be monitored and measured as outlined below.

| Indicator   | Target*   | Means of verification  |
|---|---|--|
| <ul style="list-style-type: none"> <li>The degree to which IWRM principles are applied in basin management and development planning, and in major Mekong development projects / programmes</li> </ul>   | Comprehensively and systematically applied      | <ul style="list-style-type: none"> <li>National IWRM policies</li> <li>Sector reviews</li> <li>Reports on portfolio of projects maintained under BDP</li> <li>MRC Information System</li> <li>Independent evaluation, mid-term review of the implementation of Strategic Plan</li> </ul>       |
| <ul style="list-style-type: none"> <li>The degree to which water-utilisation projects are compliant with the IWRM-based Basin Development Strategy</li> </ul>   | Fully compliant                                 | <ul style="list-style-type: none"> <li>Reports on portfolio of projects maintained under BDP</li> <li>MRC Information System</li> <li>Independent evaluation, mid-term review of the implementation of Strategic Plan</li> </ul>   |
| <ul style="list-style-type: none"> <li>The extent to which decision making on development projects with trans-boundary or basin-wide implications have balanced the economic benefits and the environmental and social impacts and costs</li> </ul> | Effectively and equitably balanced              | <ul style="list-style-type: none"> <li>State of the Basin Report</li> <li>Sector reviews</li> <li>Reports on portfolio of projects maintained under BDP</li> <li>MRC Information System</li> <li>Independent evaluation, mid-term review of the implementation of Strategic Plan</li> </ul>    |
| <ul style="list-style-type: none"> <li>Evidence of national and regional measures in place to prevent pollution and ecosystem degradation caused by uses of the basin's natural resources</li> </ul>  | Good status of water quality and aquatic health | <ul style="list-style-type: none"> <li>State of the Basin Report</li> <li>Environmental and social monitoring systems</li> <li>Basin Report Cards</li> <li>National water law and policies</li> <li>Independent evaluation, mid-term review of the implementation of Strategic Plan</li> </ul> |

\*: See the Implementation Annex Volume separately accompanying this Strategic Plan for explanation of MRC's performance rating system and details of performance measurement of this Strategic Plan.

### 3.4.2 Goal for Strategic Plan 2011–2015

Member Countries implement basin-wide IWRM approaches in national water and related sector frameworks and development programmes for sustainable and equitable development

The overall five-year goal of the Strategic Plan aims at contributing to the achievement of national poverty alleviation and other development targets of the Member Countries in their efforts to achieve overall sustainable development. The equity aspects of development in the Basin are considered and integrated in the planning and implementation of basin-wide IWRM approaches. It focuses on increasing the uptake and integration of MRC procedures and products into national planning and management processes, and the incorporation of IWRM principles in water and related sectors, including programmes and projects.



## Performance measurement

| Indicator   | Target   | Means of verification   |
|---|--|---|
| <ul style="list-style-type: none"> <li>Improved regulatory frameworks at all levels for IWRM implementation and for incorporation of the IWRM-based Basin Development Strategy into national planning of water sector and related sectors</li> </ul>  | Comprehensive regulatory frameworks established and functional | <ul style="list-style-type: none"> <li>National water laws and policies and implementing devices</li> </ul>   |
| <ul style="list-style-type: none"> <li>Implementation of the MRC's approved Procedures at national and regional levels</li> </ul>   | Comprehensive & effective implementation                       | <ul style="list-style-type: none"> <li>MRC Information System</li> <li>Annual reports on MRC Procedures as reported to the MRC Joint Committee and Council</li> </ul>         |
| <ul style="list-style-type: none"> <li>The extent to which decision makers utilise systematic assessments of impacts of major projects in the Basin on environmental flows, water quality, ecosystem health and productivity, biodiversity, values of wetlands and people's dependence on ecosystems</li> </ul> | Comprehensive and extensive use                                | <ul style="list-style-type: none"> <li>State of the Basin Report (on basin status)</li> <li>Sector reviews and institutional studies</li> <li>Project endorsements</li> </ul> |

To meet its five-year Goal for 2011-2015, this Strategic Plan is defined by four specific 'basin oriented' goals and one organisational goal, which correspond to the core functions of the MRC.



### 3.4.3 Specific Goal 1

#### Application of IWRM-based basin development and related sector strategies and guidance

Specific Goal 1 focuses on putting the IWRM-based Basin Development Strategy into practice, developing supplementary guidance, action plans and guidelines for its implementation, and integrating the Strategy, related sector strategies and management plans into national water resources planning and management policies and processes.

##### Outcome 1.1

The IWRM-based Basin Development Strategy is applied in planning and decision making on Mekong water and related sector development in the LMB countries through an institutionalised basin development planning process.

##### Outcome 1.2

The required management plans, sector strategies, guidance and guidelines are developed to support the implementation of sector-specific elements of the IWRM-based Basin Development Strategy in relation to the mainstream and significant tributary systems.

##### Outcome 1.3

Sector and cross-sector strategies and plans incorporate climate change adaptation planning and implementation at various levels and in priority locations throughout the Lower Mekong Basin.

##### Outcome 1.4

National, sub-basin and basin planning and management systems incorporate economic, environmental and social implications of on-going and proposed developments in the Basin and considerations of sustainability and equitable development.

## Key programme activities to attain Specific Goal 1

|             | Key programme activities   |
|-------------|--|
| Outcome 1.1 | <ul style="list-style-type: none"> <li>• Prepare Regional and National Action Plans to implement and regularly update the IWRM-based Basin Development Strategy</li> <li>• Update water related sector reviews reflecting basin-wide considerations</li> <li>• Prepare overarching basin management plan/strategy</li> <li>• Improve stakeholder participation processes in basin planning and policy development</li> <li>• Strengthen and institutionalize BDP processes into national systems</li> </ul>  |
| Outcome 1.2 | <ul style="list-style-type: none"> <li>• Prepare sector management plans or guidance/guidelines for the implementation of sector-specific elements of the Strategy and the overarching basin management plan/strategy</li> <li>• Prepare an Integrated Flood Risk Management Strategy and roadmap to integrate the Strategy into regional and national policy frameworks</li> <li>• Prepare a LMB-wide cooperation framework for Fisheries Management and Development</li> <li>• Promote the integration of sustainability considerations into hydropower and mining developments and extend design guidance to tributary hydropower projects</li> <li>• Assist Member Countries in establishing legal frameworks and harmonizing regulations for free, safe and environmentally friendly navigation</li> <li>• Develop institutional linkages between watershed, sub-basin and basin management planning and incorporate concept of environmental services</li> </ul> |
| Outcome 1.3 | <ul style="list-style-type: none"> <li>• Assess climate change effects on flood behaviour and flood risks and the occurrence and severity of drought in the LMB</li> <li>• Assess climate change impacts and mitigation on aquatic ecosystems and fisheries</li> <li>• Assess the consequences of increased climate variability on planning for hydropower and agriculture sectors</li> <li>• Implement pilot activities for climate change adaptation in planning and management systems</li> <li>• Support preparation of climate change adaptation strategies/plans at regional and national levels</li> </ul>  |
| Outcome 1.4 | <ul style="list-style-type: none"> <li>• Support processes to include IWRM considerations in national legal and regulatory frameworks</li> <li>• Support assessments of environmental, economic and social impacts of development projects of basin-wide significance</li> <li>• Assist in the identification and design of pro-poor trans-boundary initiatives as part of the BDP processes</li> <li>• Evaluate innovative benefit sharing for significant development projects at regional and national levels</li> <li>• Analyse, assess and incorporate implications for gender equity in sector and cross-sector planning processes</li> <li>• Promote the use of hydropower sustainability assessment tools and provide guidance at basin, sub-basin and project levels</li> <li>• Develop prevention and mitigation measures for safe and environmentally friendly river transport</li> </ul>   |

## Performance measurement

| Expected Outcome | Indicator   | Target  | Means of verification   |
|------------------|---|---|---|
| 1.1              | Extent that the IWRM-based Basin Development Strategy is used to influence planning and management decisions at national level resulting in the incorporation of elements of the Strategy into national processes/systems of management of Mekong River Basin's water and related resources | The elements are fully considered and systematically integrated | <ul style="list-style-type: none"> <li>National IWRM policies and strategies</li> <li>Basin water resources management plan</li> <li>Annual Performance reviews of BDP</li> <li>Independent mid-term reviews of MRC programmes</li> <li>MRC Information System</li> <li>BDP report 2011-2015</li> </ul>   |
| 1.2              | Degree to which principles of IWRM are reflected in sector strategies of Member Countries, e.g. agriculture, environment navigation, flood and drought management, fisheries, and hydropower  | The principles are progressively reflected                      | <ul style="list-style-type: none"> <li>Sector strategies of Member Countries</li> <li>Sector reviews supported by Development Partners and MRC</li> </ul>   |
| 1.3              | Degree to which national level strategies and plans consider and mainstream climate change adaptation   | Progressively considered and mainstreamed                       | <ul style="list-style-type: none"> <li>National climate change adaptation plans</li> <li>National sector strategies and plans</li> <li>Technical reports</li> <li>Triennial report on Status of Climate Change and Adaptation in the Mekong River Basin</li> </ul>  |
| 1.4              | Degree to which economic, environmental, and social implications are addressed in on-going and proposed development plans and projects  | Comprehensively considered                                      | <ul style="list-style-type: none"> <li>National development plans and projects in water and related sectors</li> <li>Review of documentation on planning studies</li> <li>Periodic review and independent assessment including planning studies and planned developments</li> <li>Analysis of trends in agency planning studies, sector studies and project feasibility studies</li> <li>MRC review of PNPCA submissions</li> <li>BDP report 2011-2015</li> </ul> |

### 3.4.4 Specific Goal 2

#### Operational systems for basin-wide monitoring, impact assessment, modelling, forecasting and knowledge management to support effective decision making

Specific Goal 2 focuses on supporting management of the Basin by Member Countries by providing a knowledge base on the physical/hydrologic, ecological, biological, social and economic features of the Basin such as fish, wetlands, forests, and other physical resources like soil and water. A central requirement is to further build a modern and comprehensive set of modelling and analytical tools simulating a variety of possible actions and policy decisions, and determining the degree of impact on the social, environmental and economic resources of the Basin. It provides a decision support system geared to meet the needs of senior policy and decision-makers.

##### Outcome 2.1

Information and data on the full range of water and related resources parameters are systematically monitored and used in basin and sub-basin planning and management, and the state and developments in the Basin are reported.

##### Outcome 2.2

MRC analysis, modelling and assessment tools are effectively used at appropriate levels of planning, decision-making and operational management.

##### Outcome 2.3

Strengthened and improved forecasting, warning and emergency response systems provide timely information on short and medium term regional forecasts, and increasingly assist the Basin countries in flood and drought forecasting, operational forecasts for shipping and contingency planning for pollution incidents.

##### Outcome 2.4

Key water and water use parameters, trans-boundary impacts and other sustainability issues of water utilisation and management, and threats to livelihoods posed by climate change and other emerging environmental issues are researched, analysed, and assessed for national and regional responses.

##### Outcome 2.5

Knowledge management systems and processes are developed, applied, and effectively shared with MRC partner agencies via sustainable knowledge networks.

## Key programme activities to attain Specific Goal 2

| Outcome | Key programme activities   |
|---------|--|
| 2.1     | <ul style="list-style-type: none"> <li>• Improve data needs assessment for planning purposes</li> <li>• Monitor the full range of water and related resources parameters of the Basin including physical characters and resource utilisation through the basin-wide river monitoring network, e.g. hydro-meteorology, water quality, ecosystem health, fisheries, river trade, land use</li> <li>• Strengthen and regularly update the MRC and National Information Systems</li> <li>• Strengthen data exchange with Dialogue Partners and private sector operators</li> <li>• Carry out scientific research and analysis on the status and trends of water and related resource use in the Basin</li> <li>• Publish State of the Basin Report in 2014 and prepare regular monitoring reports for all the monitoring activities</li> </ul>     |
| 2.2     | <ul style="list-style-type: none"> <li>• Further develop MRC modelling toolbox adding capability for water quality, sediment and nutrient simulations</li> <li>• Promote more extensive use by relevant regional and national agencies of MRC's tools and modelling services for the mainstream and sub-basins for planning, forecasting and impact assessment</li> <li>• Support national implementation and regional cooperation on the guidelines on Trans-boundary Environmental Impact Assessment</li> <li>• Further develop hydropower sustainability assessment tools and prepare necessary guidance at basin, sub-basin and project levels</li> <li>• Undertake regional assessment and reporting of environmental and socio-economic status and trends, and support strategic environmental assessments of sub-basin plans</li> </ul> |
| 2.3     | <ul style="list-style-type: none"> <li>• Maintain and upgrade forecasting systems for regional flooding on the mainstream and flash floods on the tributaries</li> <li>• Develop capability for drought forecasting and preparedness</li> <li>• Assist Member Countries in developing emergency response capabilities for flood events</li> <li>• Develop models, scenarios, hazard identification and sensitivity mapping of environmental consequences of emergency situations including pollution incidents and navigation accidents and formulate associated contingency and management plans</li> <li>• Further implement river level information system for shipping</li> </ul>  |
| 2.4     | <ul style="list-style-type: none"> <li>• Further develop capacity for modelling of hydrological impacts of climate change and consequences for future developments in the Basin</li> <li>• Assess economic, social and environmental impacts of intensified flooding and drought including climate change</li> <li>• Undertake research on emerging environmental issues facing the Basin such as increased pollution load, and propose appropriate planning responses</li> <li>• Collaborate with other partners on addressing threats of sea level rise in the Delta</li> <li>• Publish "State of Climate Change in the Basin" Report every three years</li> </ul>   |
| 2.5     | <ul style="list-style-type: none"> <li>• Promote the use of the MRC Information System by internal and external users</li> <li>• Continue to provide platforms for regular knowledge sharing across the breadth of MRC's programmatic areas</li> <li>• Prepare action plan and develop guidelines for the operation of the Knowledge Hub on Trans-boundary Water Resources Management</li> <li>• Support the functioning of the Mekong Panel on Climate Change</li> <li>• Participate in knowledge sharing activities of regional partners, Dialogue &amp; Development Partners</li> </ul>   |

## Performance measurement

| Expected Outcome | Indicator   | Target   | Means of verification  |
|------------------|---|--|--|
| 2.1              | a. Extent of data and information exchange among MRC, countries and stakeholders according to established goals set under PDIES and responsiveness in providing relevant data   | All goals set under PDIES achieved   | <ul style="list-style-type: none"> <li>• MRC Information System</li> <li>• PDIES annual report</li> <li>• MRC Joint Committee and Council meeting minutes</li> </ul> |
|                  | b. Extent and quality of analysis and reporting of the health of the Basin as described by key water resources parameters and of the assessment of future development scenarios | Steadily improved and reliable quality of environmental and social monitoring systems responsive to needs            | <ul style="list-style-type: none"> <li>• State of the Basin Report</li> <li>• Basin Report Cards</li> <li>• Independent evaluation and assessment</li> </ul>         |
| 2.2              | The use of high quality analysis, modelling and assessment tools in planning, forecasting, assessing impacts by MRC, Member Country agencies and other stakeholders             | Steadily improved and reliable quality of modelling systems and high frequency and intensiveness of use of the tools | <ul style="list-style-type: none"> <li>• MRC Information System</li> <li>• MRC programme independent mid-term reviews and assessments</li> </ul>                     |



|     |  |   |   |
|-----|--|---|---|
| 2.3 | The timeliness, responsiveness and accuracy of forecasting systems and extent of uptake by Member Country agencies                                   | Timely, responsive and accurate with demonstrated use at national level | <ul style="list-style-type: none"> <li>• National forecasting and warning reports where available</li> <li>• MRC Reports on specific extreme events</li> <li>• MRC weekly reports on forecast accuracy</li> <li>• MRC Information System</li> <li>• Relevant MRC programme mid-term reviews and independent evaluation</li> </ul>       |
| 2.4 | Extent and quality of applied research conducted to respond to emerging issues   | High coverage and quality and relevance of research                     | <ul style="list-style-type: none"> <li>• Technical publications on specific emerging threats to the health of the Basin</li> <li>• MRC programme mid-term reviews and independent evaluation</li> <li>• Mid-term review and independent evaluation of MRC Strategic Plan implementation</li> <li>• State of the Basin Report</li> </ul> |
| 2.5 | Extent of users aware of and satisfied with MRC monitoring, impact assessment, modelling, forecasting, and knowledge generation and transfer systems | High level of satisfaction from relevant end-users                      | <ul style="list-style-type: none"> <li>• Perception surveys of MRC products and services</li> </ul>   |



### 3.4.5 Specific Goal 3

Efficient dialogue and coordination processes between basin countries and other stakeholders for effective regional cooperation

Specific Goal 3 focuses on (i) advancing a “whole of basin” approach for the management of the Mekong River Basin among and between LMB countries and upstream riparian countries as well as other key stakeholders; (ii) completing and implementing the essential procedures and technical guidelines on water utilisation as required under the 1995 Mekong Agreement; and (iii) improving MRC consultation and coordination processes so as to enhance an open, transparent, wide-reaching and structured dialogue on development opportunities and risks.

#### Outcome 3.1

Implementation of MRC Procedures by the MRC and Member Countries are strengthened in an open and transparent manner.

#### Outcome 3.2

Dialogue and coordination between the MRC, Government agencies, civil society organisations and the private sector in basin planning and management, and decision-making on Mekong water related resources are enhanced.

#### Outcome 3.3

Cooperation with upstream riparian countries and other regional initiatives for an integrated approach to the sustainable management of the Basin are enhanced.

#### Outcome 3.4

Resolution of trans-boundary issues at sub-basin level is effectively facilitated by MRC.

#### Outcome 3.5

Knowledge of the basin is available and accessible for more informed decision-making processes.

#### Outcome 3.6

The MRC is a responsive organisation providing objective, independent and timely information to Member Countries and the general public.



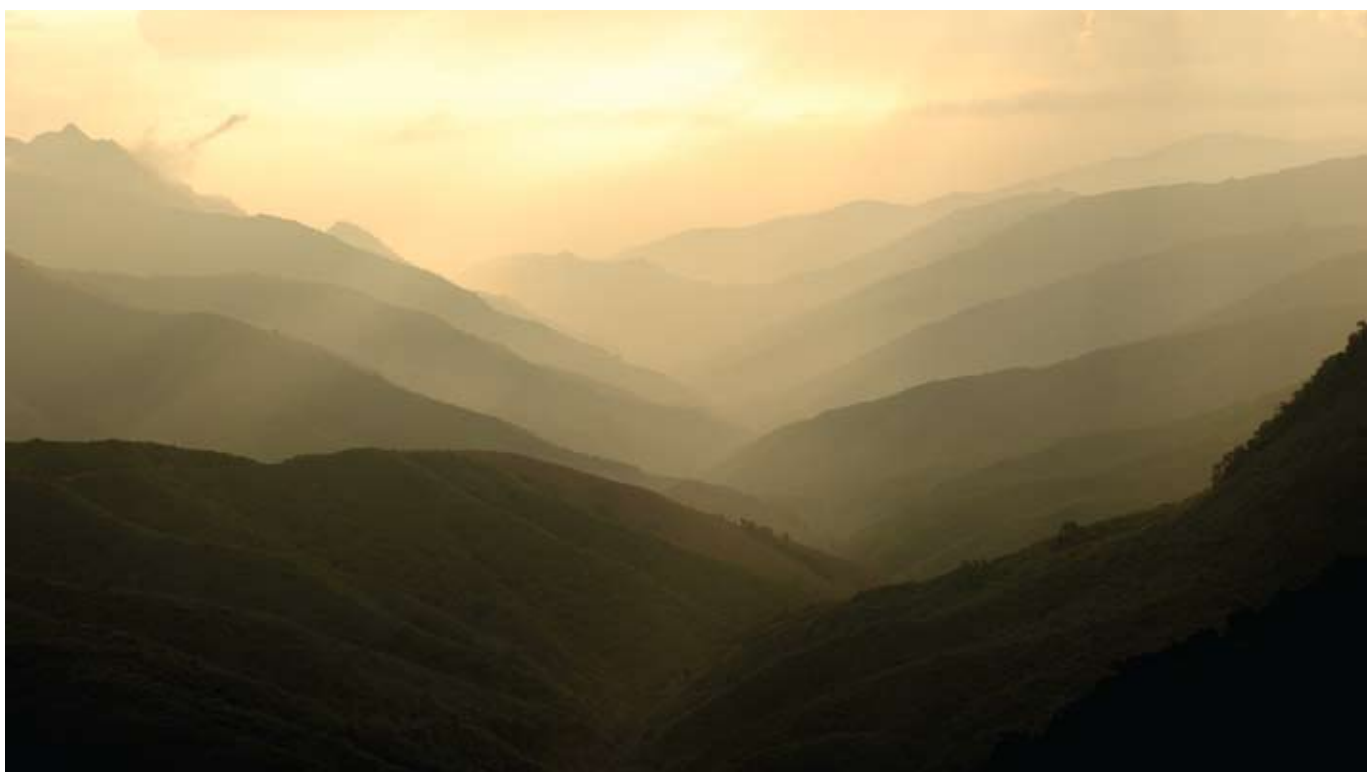
### Key programme activities to attain Specific Goal 3

| Outcome | Key programme activities   |
|---------|--|
| 3.1     | <ul style="list-style-type: none"> <li>◆ Further develop for completion the technical guidelines for the Procedures, including those for the Procedures for Maintenance of Flows on the Mainstream (PMFM) and the Procedures for Water Quality (PWQ)</li> <li>◆ Strengthen the existing mechanisms for the implementation of the MRC Procedures, and review and update guidance when needed</li> <li>◆ Raise awareness among Government agencies and developers on the provisions of relevant MRC Procedures</li> <li>◆ Regularly report to the MRC Joint Committee and Council</li> <li>◆ Disseminate information widely on implementation of the Procedures</li> </ul>   |
| 3.2     | <ul style="list-style-type: none"> <li>◆ Implement the MRC Communication Strategy and MRC Policy on Disclosure of Data, Information and Knowledge</li> <li>◆ Finalise and approve MRC policy and associated implementation guidelines for stakeholder involvement in MRC work programme activities, strategy and policy development</li> <li>◆ Enhance dialogue with and involvement of stakeholders in national and regional planning and management processes</li> <li>◆ Support the establishment of national and regional networks of sub-basin River Basin Organisations/River Basin Committees/Watershed Committees in the Basin</li> <li>◆ Provide briefings to developers on findings of MRC research and implications for planning and designing of projects</li> </ul> |
| 3.3     | <ul style="list-style-type: none"> <li>◆ Strengthen dialogue and knowledge sharing processes with upstream riparian countries on planning and operational matters</li> <li>◆ Strengthen strategic partnerships and cooperation with regional and bilateral initiatives for effective and optimized regional cooperation on key development challenges and issues in the Basin</li> <li>◆ Establish and strengthen strategic partnerships with international and regional organisations and universities for capacity development and knowledge enhancement</li> </ul>  |
| 3.4     | <ul style="list-style-type: none"> <li>◆ Facilitate and establish support mechanisms for the resolution of trans-boundary issues including joint investigations and dialogue</li> <li>◆ Support resolution of critical trans-boundary water issues, such as water quantity and quality issues and trans-boundary river pollution through application of the Decision Support Framework and mediation processes</li> </ul>  |
| 3.5     | <ul style="list-style-type: none"> <li>◆ Provide policy briefs on key and emerging issues targeted to decision makers</li> <li>◆ Increasingly translate key MRC materials into riparian languages</li> <li>◆ Update and maintain the MRC Data Portal</li> <li>◆ Update and maintain the MRC website</li> <li>◆ Widely disseminate key MRC publications to targeted stakeholders and through use of more publicly accessible formats</li> </ul>   |
| 3.6     | <ul style="list-style-type: none"> <li>◆ Develop internal processes for rapid analysis and dissemination of information related to extreme events such as floods, low flows and drought, pollution incidents and navigation accidents</li> <li>◆ Undertake analysis on emerging environmental challenges due to increased population growth, urbanisation and industrialisation</li> <li>◆ Prepare Environmental Outlooks</li> </ul>   |

## Performance measurement

| Expected Outcome | Indicator   | Target  | Means of verification  |
|------------------|---|---|--|
| 3.1              | The extent to which the cooperation framework for implementation of the MRC Procedures for water utilisation and inter-basin diversions support the reasonable and equitable utilisation of the waters of the Mekong River system | High level of support   | <ul style="list-style-type: none"> <li>◆ Annual reports on MRC Procedures reported to the MRC Joint Committee and Council</li> <li>◆ Programme mid-term reviews and independent evaluation</li> </ul>  |
| 3.2              | Extent of involvement of various stakeholder groups in basin planning and management  | High level of involvement of a broad range of stakeholder groups, and high level of recognition of MRC's support for increased and structured involvement of stakeholders | <ul style="list-style-type: none"> <li>◆ MRC Joint Committee and Council minutes</li> <li>◆ MRC Information System</li> <li>◆ Perception survey(s)</li> <li>◆ Programme Progress Reports</li> </ul>  |
| 3.3              | Extent and relevance of dialogue with upstream riparian countries at policy and technical levels including data sharing, and with other regional meetings   | Progressively more technical and policy issues agreed for active cooperation  | <ul style="list-style-type: none"> <li>◆ Annual reports on cooperation</li> <li>◆ Records of Dialogue Meetings</li> <li>◆ Records of Meetings with ASEAN, GMS and other regional partners</li> <li>◆ Records of missions, training visits, staff exchange, etc.</li> </ul> |
| 3.4              | Number of trans-boundary initiatives implemented in sub-basins and issues addressed through facilitation by the MRC   | High level of critical trans-boundary issues in sub-basins addressed and resolved under the facilitation processes supported by the MRC                                   | <ul style="list-style-type: none"> <li>◆ Commissioned report on trans-boundary IWRM issues and cooperation</li> <li>◆ Reports on trans-boundary initiatives for sub-basins to MRC Joint Committee and Council</li> </ul>   |

|     |   |   |  |
|-----|---|---|--|
| 3.5 | Knowledge of the Basin and of the MRC is updated on publicly accessible communication channels and provided to all key decision-making levels | Regularly updated on most relevant communication channels for MRC and systematically communicated to national and regional decision-makers at all key management levels | <ul style="list-style-type: none"> <li>◆ Annual report on implementation of the MRC Communication Strategy</li> <li>◆ MRC website</li> <li>◆ Perception surveys of MRC role</li> </ul> |
| 3.6 | Degree of satisfaction of Member Countries and stakeholders on MRC's responsiveness   | Majority of the volume of feedback received indicate satisfaction   | <ul style="list-style-type: none"> <li>◆ Media coverage</li> <li>◆ MRC policy briefs</li> <li>◆ Perception surveys of MRC role</li> </ul>  |



### 3.4.6 Specific Goal 4

#### Capacity developed for IWRM policy adoption and implementation within the framework of the MRC mandate

Specific Goal 4 focuses on enhancing the IWRM capacities of the MRC and Member Country agencies to ensure achievement of the Strategic Plan and to enable the effective adoption and implementation of IWRM principles at national and regional levels. It covers staff capabilities in all aspects of policy development, implementation and assessment, as well as organisational and institutional capacities.

#### Outcome 4.1

Organisational and institutional capabilities are strengthened at relevant levels in Member Countries and the MRC for the adoption and implementation of the IWRM-based Basin Development Strategy, related sector strategies and guidance, and the overall management of the basin's water and related resources.

#### Outcome 4.2

Sound leadership and strengthened management capacities are in place for the effective adoption of IWRM policy and its implementation in Member Countries and the MRC.

#### Outcome 4.3

Staff capabilities in Member Countries and the MRC for the adoption, integration and application of MRC Procedures and IWRM-related policies and strategies at national, trans-boundary and regional levels are improved.

#### Outcome 4.4

Capacity for knowledge sharing on IWRM principles, MRC Procedures and MRC products is enhanced and relevant to groups involved in the utilisation and management of the basin's water and related resources in Member Countries.

## Key programme activities to attain Specific Goal 4

|             | Key programme activities  |
|-------------|---|
| Outcome 4.1 | <ul style="list-style-type: none"> <li>◆ Support the on-going development of the PMS</li> <li>◆ Design and provide trainings and other capacity building activities for the PMS implementation at national and regional level</li> <li>◆ Review and update the core training programme for all new staff of the MRCS and NMCSs</li> <li>◆ Provide capacity building support in establishing and strengthening national coordination mechanisms to integrate basin planning and management processes into national processes</li> </ul>  |
| Outcome 4.2 | <ul style="list-style-type: none"> <li>◆ Design and provide tailored training courses on leadership and management competencies for key staff of the MRCS, relevant Member Country agencies and representatives of the MRC Joint Committee</li> <li>◆ Facilitate the establishment of a regional network of training and education institutions for sharing of materials and experiences</li> </ul>   |
| Outcome 4.3 | <ul style="list-style-type: none"> <li>◆ Undertake competency needs assessments for relevant MRC Country agencies and the MRCS</li> <li>◆ Develop capacity building and development plans for the MRCS, relevant Member Country agencies including the NMCSs</li> <li>◆ Develop and strengthen capacities of the MRCS and relevant Member Country agencies according to competency framework</li> <li>◆ Update the IWRM training materials</li> <li>◆ Establish networks and mentoring groups across professional staff of MRC and capacity building partner agencies such as the MDBA</li> <li>◆ Structure technical support and exchange between MRC and other capacity building partner agencies on key IWRM issues</li> <li>◆ Cooperate with international and regional capacity building institutions in the region, other international RBOs and other strategic partners in joint capacity development activities</li> </ul> |
| Outcome 4.4 | <ul style="list-style-type: none"> <li>◆ Structure knowledge sharing activities to stimulate adaptive learning and better informed decision making at regional and national levels</li> <li>◆ Document and disseminate lessons learned on capacity building processes of the MRC programmes to assist building capacity for MRC programme staff in effective knowledge sharing</li> </ul>   |

## Performance measurement

| Expected Outcome | Indicator  | Target   | Means of verification   |
|------------------|--|--|---|
| 4.1              | Institutional mechanisms in place for the application of the Basin Development Strategy and related sector strategies  | Functional and effective mechanisms for organisational, financial and human resources management | <ul style="list-style-type: none"> <li>♦ All MRC programme independent mid-term reviews</li> <li>♦ National IWRM policies and strategies</li> </ul> |
| 4.2              | Level of increased leadership skills and level of leader effectiveness for the sustainable and participatory use and management of the Mekong water and related resources                                    | Demonstrated effective leadership skills   | <ul style="list-style-type: none"> <li>♦ Competency assessments</li> <li>♦ Capacity building programme impact assessment</li> </ul>                 |
| 4.3              | Level of Member Countries' and MRC's staff capacities/skills necessary for the application of the IWRM principles including the Basin Development Strategy and related sector strategies, and MRC procedures | Sufficient relevant staff capacity and skills developed  | <ul style="list-style-type: none"> <li>♦ Competency assessments</li> <li>♦ Capacity building programme impact assessment</li> </ul>                 |
| 4.4              | Effectiveness of knowledge sharing mechanisms, and level of improvement of capacities for knowledge sharing  | Demonstrated effective mechanisms and demonstrated improvement                                   | <ul style="list-style-type: none"> <li>♦ Periodic MRC programme independent evaluations</li> </ul>  |

### 3.4.7 Organisational Goal 5

#### Efficient organisational transition of the MRC for implementation of its core functions and full riparianisation of its Secretariat

This cross-cutting goal focuses on enhancing organisational development of the MRC by concentrating its activities around the core river basin management (RBM) functions and on the riparianisation process of the MRC Secretariat. It prepares for institutional arrangements and capacity development needed for the MRC to transition to a sustainable implementation model for its core RBM functions and financial autonomy by 2030.

##### Outcomes 5.1

The transition of the MRC to a decentralised modality of selected core functions is well prepared and progressively initiated during this Strategic Plan period of 2011-2015.

##### Outcome 5.2

An operational and transparent performance management system is in place.

##### Outcome 5.3

The MRC Secretariat is staffed by qualified riparian professionals.

##### Outcome 5.4

Improved organisational management and reporting systems, a functional mechanism for coordinated programme planning and management of the MRC and sustainability considerations of the MRC's operations are in place.

##### Outcome 5.5

National Mekong Committee Secretariats (NMCSs), relevant line agencies and designated stakeholders have sufficient capacity to carry out the selected core river basin management functions within the agreed timeframe of the transition.

## Key programme activities to attain Specific Goal 5

|             | Key programme activities   |
|-------------|--|
| Outcome 5.1 | <ul style="list-style-type: none"> <li>◆ Identify a more detailed set of MRC river basin management functions</li> <li>◆ Prepare and agree on a Roadmap for decentralised core functions and related financing modalities by the end of 2011</li> <li>◆ Prepare and agree on financial scenarios and financial plan for Member Country contributions to the Corporate Services Budget after 2014</li> <li>◆ Progressively implement the approved MRC Transition Roadmap</li> </ul>   |
| Outcome 5.2 | <ul style="list-style-type: none"> <li>◆ Finalise and approve the Guiding Principles for the MRC Performance Management System</li> <li>◆ Complete the design and set up of the PMS in the MRC Secretariat</li> <li>◆ Undertake awareness raising and capacity building activities for MRC and targeted Member Country agencies on PMS implementation</li> <li>◆ Implement the system for programme progress reports and Annual MRC Performance Reports</li> </ul>   |
| Outcome 5.3 | <ul style="list-style-type: none"> <li>◆ Update the riparianisation plan for MRC programmes</li> <li>◆ Update the recruitment process and employment conditions at the MRCS considering recommendations of the Human Resources review</li> <li>◆ Introduce a system based on performance-centred approach to capacity development at the MRC to align individual performance with programme and organisational performance</li> <li>◆ Review and implement plan for technical capacity and skill transfer from international staff to riparian professional staff</li> </ul>   |
| Outcome 5.4 | <ul style="list-style-type: none"> <li>◆ Update MRC Rules of Procedures to reflect Joint Committee and Council decisions</li> <li>◆ Update Programming Manual and integrate with PMS Manual</li> <li>◆ Review and improve the existing internal management and reporting systems of the MRCS</li> <li>◆ Establish internal task groups on cross-cutting outcomes</li> <li>◆ Improve coordination mechanisms at the MRCS to strengthen synergies between and among the MRC Programmes and enhance communication between OSP and OSV</li> <li>◆ Implement recommendations to improve energy efficiency, water use and reduce carbon emissions of the MRC's operations</li> </ul> |
| Outcome 5.5 | <ul style="list-style-type: none"> <li>◆ Undertake performance needs assessment, institutional and organisational analysis to define capacity development needs and gaps</li> <li>◆ Prepare assessment of budget needs for decentralised core functions and capacity of line agencies to finance them</li> <li>◆ Assess alternative mechanisms for financing core functions</li> <li>◆ Implementation of capacity building support through Outcome 4.3</li> </ul>  |



## Performance measurement

| Expected Outcome | Indicator  | Target  | Means of verification  |
|------------------|--|---|--|
| 5.1              | (i) A Transition Roadmap prepared in 2011 with clear benchmarks and milestones together with well-defined initiatives for its implementation and financing, by the MRC and Member Countries                  | Transition Roadmap approved by Member Countries in early 2012 and implemented | <ul style="list-style-type: none"> <li>◆ Annual report on the implementation of the transition plan / roadmap reported to the MRC Joint Committee and Council</li> </ul> |
|                  | (ii) Progressively increased annual contributions by Member Countries to the MRC and increased national budget allocated to Mekong-related activities in line with agreed financial roadmap prepared in 2011 | Corporate Services Budget fully funded by Member Countries from year 2015     | <ul style="list-style-type: none"> <li>◆ Financial Reports</li> <li>◆ MRC Joint Committee and Council meeting minutes</li> <li>◆ Programme Progress Reports</li> </ul>   |
| 5.2              | Degree to which performance management system is operationalised and MRC's organisational and programme performance can be monitored, and assessed both internally and by independent evaluators             | Fully and effectively monitored and assessed                                  | <ul style="list-style-type: none"> <li>◆ Annual MRC Performance Reports</li> <li>◆ Independent mid-term reviews of MRC programmes</li> </ul>                             |
| 5.3              | Extent of responsiveness, pro-activeness and professionalism of the staff of the MRC Secretariat for implementing agreed Work Programme and in dealing with technical, coordination and communication issues | Highly responsive and professional  | <ul style="list-style-type: none"> <li>◆ Programme Progress Reports, mid-term reviews and independent evaluation</li> <li>◆ Stakeholder satisfaction surveys</li> </ul>  |

|     |   |  |   |
|-----|---|--|---|
| 5.4 | Effectiveness of organisational management and reporting systems and the programme coordination mechanism in supporting the implementation of the core functions and the transition of the MRC towards a decentralised modality of core river basin management functions and sustainability of its operations | Smooth transition without major obstacles that hinder the implementation of core functions | <ul style="list-style-type: none"> <li>◆ Annual report on implementation of the transition plan as per Outcome 5.1</li> <li>◆ Programme Progress Reports, mid-term reviews and independent evaluation</li> <li>◆ Annual Report on sustainability of MRC operations</li> <li>◆ Annual MRC Performance Reports</li> </ul> |
| 5.5 | Level of active engagement and financial support of key national line agencies and other key stakeholders in implementation of selected MRC core functions identified in the Roadmap  | Highly supportive  | <ul style="list-style-type: none"> <li>◆ Financial reports to the MRC Joint Committee and Council</li> <li>◆ Annual MRC Performance Reports</li> <li>◆ Programme Progress Reports, mid-term reviews and independent evaluation</li> </ul>   |





# CHAPTER IV

## Strategic Plan Implementation

Cooperation for sustainable development as defined by the 1995 Mekong Agreement is guided by the sequential five-yearly Strategic Plans. Implementation is achieved through an MRC work programme defining those elements to be undertaken directly by the MRC Secretariat and those by the Member Countries. A key emphasis and focus of the implementation of this Strategic Plan is to manage the continuing and gradual transition of the MRC so that over the following 20 years, MRC Member Countries will progressively take on greater responsibility for implementing certain core functions. In addition to describing the operational approach enabling MRC activities to support the achievement of sound management of the Mekong River Basin, this Chapter outlines a plan for the realisation of the next five years of this transition.

### COORDINATED PROGRAMME PLANNING AND MANAGEMENT

Prioritisation of the linkages between MRC core function implementation with MRC programme planning for 2011-2015 has been aligned with this Strategic Plan and the 5-year planning cycle. Many MRC core River Basin Management Functions require an integrated approach through coordinated programme planning, cross-programme monitoring and joint reporting. Moreover, the MRC is refining a mechanism through which programme funding for joint and integrated activities are allocated across programmes.

To improve the linkages between the MRC Secretariat programmes and Member Country agencies and prepare for decentralisation, the MRC will work to further enhance coordination within the MRC Secretariat among its various programmes and between the MRC Secretariat and Member Country agencies to achieve the identified goals. Building on the recommendations already implemented from the MRC Independent Organisational Review, MRC will strengthen coordination and communication arrangements across programmes to ensure consistency in programme governance. Together with shared programme funding for joint activities, strengthened coordination and communication arrangements across programmes also aim to improve cost effectiveness in programme management.

The Technical Coordination Unit (TCU) will work with MRC programmes and Development Partners for greater harmonisation of future programme formulation processes in line with the principles of improved coordination, strengthened integration and aid alignment.

Regular programme coordination and management meetings, currently convened by TCU under the Office of the CEO, will be an important mechanism for the MRC programmes to discuss joint activities and any obstacles in delivering the agreed services, and to find solutions. The MRC Annual Work Programme will elaborate clearly how a more coordinated approach to programme implementation will contribute to the achievement of the goals of this Strategic Plan.

The MRC Secretariat will further develop its capacity to be proactive and responsive to those emerging issues in the Basin where more rapid information and analysis is needed, for example, in responding to extreme flood and drought events, non-typical hydropower operations or pollution incidents. Programme funding and resource allocation requires a degree of flexibility to accommodate such a role in addition to the targeted use of the Water Management Trust Fund.

Programme management arrangements in the MRC will also be reviewed to suit the needs of a more decentralised approach learning lessons from other trans-boundary river basin organisations while allowing flexibility to reflect the needs of particular programmes. This includes elements of all the programmes such as MRCS programme staffing structure, national programme units, regional advisory bodies and/or steering committees, and regional and national technical working groups.

## INSTITUTIONAL ARRANGEMENTS

### **4.1 Roles and responsibilities of the MRC Secretariat (MRCS), the Secretariats of the NMCs (NMCSs) and national Line Agencies**

The National Mekong Committees (NMCs) in the Member Countries were established as cooperative mechanisms for ensuring cross-sectoral integration and synergy. Through their Secretariats, the NMCs coordinate the work of the MRC at the national level and provide links between the MRCS and the relevant line agencies in implementing MRC programmes. The NMCSs provide technical and administrative support to their respective Council and Joint Committee Members, take an active role in leading the formulation of national positions on related policy issues, and provide a platform for inter-agency discussion. Line agencies lead the discussion on technical perspectives and implementation matters within their respective mandates.

Implementation arrangements in the past few years have proved effective and efficient when the relevant line agencies have led technical implementation within their national jurisdictions and National Mekong Committee Secretariats (NMCSs) coordinate the work between various agencies and lead in reporting and communication. At the regional level, the Mekong River Commission Secretariat (MRCS) facilitates regional discussion, negotiation and communication, provides technical and advisory support on regional and basin-wide issues and oversight of the overall implementation.

For cross-sectoral programmes, the NMCSs, with support from the MRCS, will lead in-country processes to identify the most appropriate mechanisms for implementation of related activities and integration of MRC products into national administrative and planning processes. For those programmes that involve mainly one sector, the prevailing procedures in each country will be followed.

Several mechanisms have already been initiated by MRC where sector agencies have a greater role in leading the implementation of sector-specific core River Basin Management Functions. This experience provides the basis for detailed discussions on the future 'rolling out' of the decentralisation process. Examples include:

- ♦ Water quality monitoring under the Environment Programme, implemented by designated national laboratories with capacity building, and technical and gradually reducing financial support from the MRCS;
- ♦ Regional Working Groups established by the Water Utilisation Programme (WUP) between 2000-2008 for the formulation of MRC Procedures, and
- ♦ Basin planning under the Basin Development Plan Programme (BDP), which set up National Working Groups, Sub-area Working Groups, Regional Technical Working Groups, with coordination mechanisms provided by the NMCS in each country.

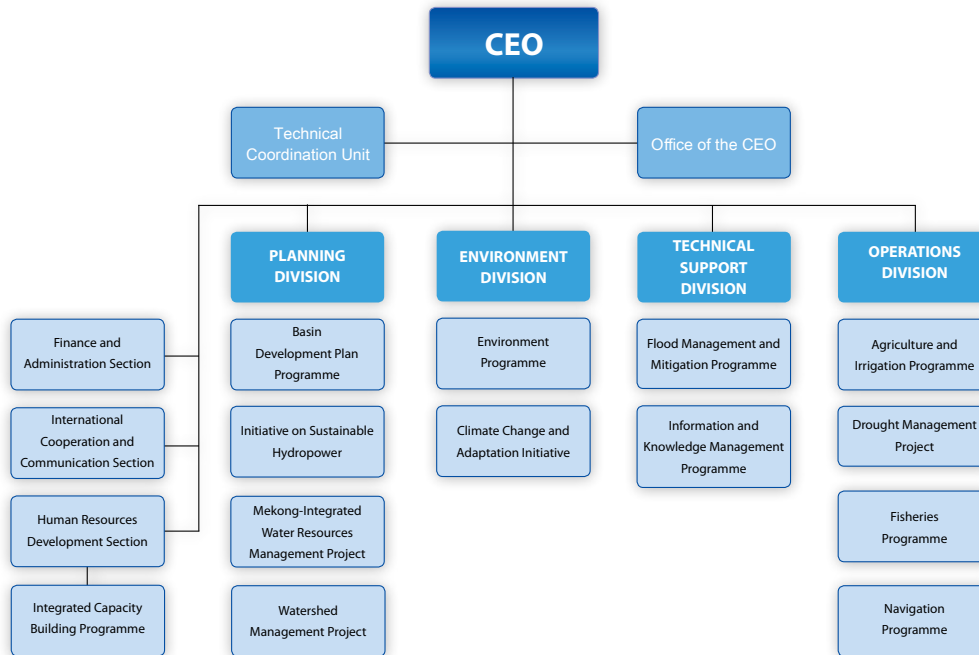
In this Strategic Plan cycle, MRC will continue to explore and apply a range of implementation arrangements with the NMCSs and sector agencies to progressively increase country ownership in both implementing and financing selected core functions. The intention is to gradually reduce overall operational costs of the MRC to a level where Member Countries will be able to fully sustain its routine operations by 2030.

For this to happen, the capacity of national staff of Member Country agencies must be further developed. Functions that require impartial implementation and oversight will remain under the direct implementation and responsibility of the MRCS.

#### **4.2 MRCS organisational structure – permanent co-hosted locations (OSP and OSV)**

In 2009, the MRC Council decided on the permanent co-hosting of the MRCS in two locations, namely the Office of the Secretariat in Phnom Penh (OSP) and the Office of the Secretariat in Vientiane (OSV). The decision represents a cost-effective alternative to the previous practice of five-yearly rotations of the Secretariat between the two locations. The Technical Support Division and the Operations Division of the Secretariat are located in OSP, while the Planning Division and the Environment Division are located in OSV. The reporting lines within the MRCS are shown in Figure 3.

Figure 3: MRC Secretariat Organisational Structure



### 4.3 Regional coordination

The MRC has coordinated its activities at corporate and programme levels with its Dialogue Partners of China and Myanmar, other regional initiatives and organisations such as ASEAN and GMS and the programmes of multilateral and bilateral development partners. Regional coordination reflects a move towards a “whole of basin” approach and benefits from the synergies of related economic and sectoral cooperation.

Cooperation with the MRC Dialogue Partners will be reinforced through exchange of experts, further establishment of joint working groups and studies and the development of joint training courses.

Partnerships between the MRC and other regional organisations and initiatives will focus on technical cooperation and capacity building towards common policy objectives (see Annex 3). For example, the Greater Mekong Sub-region (GMS) Programme also fosters regional integration with a focus on capacity building, infrastructure development, trans-boundary trade facilitation and addressing environmental concerns. By way of its Mission and unique position in Mekong water

governance, MRC can strengthen partnerships and foster closer cooperation with other regional initiatives in areas where technical capacities are built and strengthened, and where cooperation efforts can capture wider development benefits and minimise negative impacts.

## FINANCIAL FRAMEWORK

### 4.4 Funding MRC core functions - towards financial self sustainability

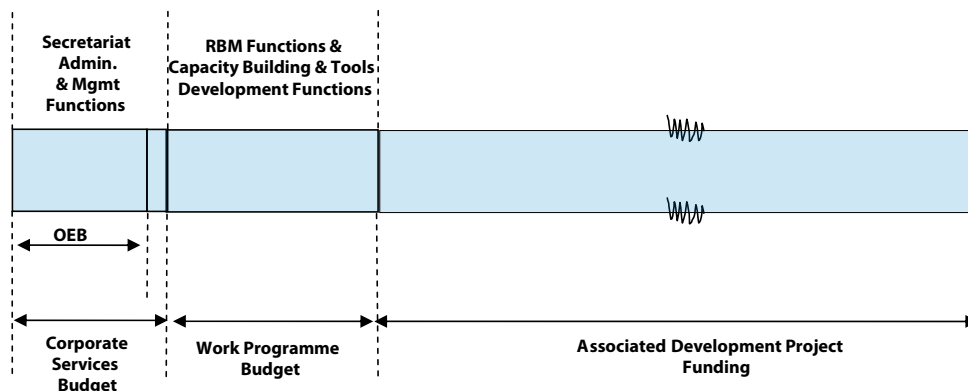
The years from 2011 to 2015 will be a period of transition, with the full implementation of a core functions concept and financial autonomy being realised gradually over the next 20 years.

To demonstrate greater clarity in budget allocation and funding sources, changes to MRC budget terminology will be introduced in 2011 as depicted in Figure 4. They reflect the strategic direction of the MRC towards the implementation of its core functions and enable clearer reporting of the gradual increase in Member Country financial contributions to the organisation.





Figure 4: MRC Budget Structure (from 2011)



### Source of funds:

- ◆ **Operational Expenses Budget (OEB)** = Direct Member Country contributions to MRC + Management and Administration Fee (of Development Partner-funded projects)
- ◆ **Corporate Services Budget** = OEB + Institutional Support from Development Partners to specific administrative staff positions (limited and reducing cases)
- ◆ **Work Programme Budget** = Development Partner Support + Member Country Co-financing (including financing by government agencies for their implementation of core functions)
- ◆ **Associated Development Project Budget** = Leveraged investment support from Development Partners direct to Member Countries, plus parallel bilateral technical assistance

The new terminology reflects a closer linkage to MRC core functions and distinguishes the Corporate Services Budget (previously the Regular Budget) financing Secretariat Management and Administrative Functions from the Work Programme Budget. The Corporate Services Budget will be financed by: (i) increasing direct Member Country contributions; (ii) in the short- to medium-term, the Management and Administration Fee (this will reduce in time as regional support from Development Partners gradually reduces in response to signs of increased economic performance of Member Countries) and (iii) in the short-term, some remaining institutional support.

The Work Programme Budget will fund the core river basin management, tools development and capacity building functions. In the short- to medium-term, the majority of funding will continue to be from Development Partners support, but starting in this 2011-2015 Plan period, it will increasingly be funded through line agency budgets for work of a regional decentralised nature undertaken

by the agencies themselves within MRC's overall regional framework. Some core technical posts currently funded by Member Countries through the OEB will continue to be financed by Member Countries but will be incorporated under the Work Programme Budget to better distinguish between administrative and Work Programme expenditures. Other innovative sources of financing for the Work Programme Budget require further analysis. These include licence fees, or direct charges related to river basin management services provided by MRC. Guidance from other river basin organisations will be sought on possible options for MRC.

Other funds supporting investments or related initiatives, "leveraged" as a result of the regional framework of cooperation provided by the MRC are recorded in the Associated Development Project Funding Budget. They include, for example, the direct funding to Member Countries for the national components of the Mekong IWRM Project which is intrinsically linked to the MRC Work Programme.

## 4.5 Funding approach and financial roadmap

### (i) Corporate Services Budget

Determining the future scale and sources of funding for both the Corporate Services Budget and Work Programme Budget and the long-term financial sustainability of the MRC requires extensive analysis on which core functions will be transferred to Member Country line agencies and by when. This analysis which will also assess the future size of the MRC Secretariat and the resulting roadmap will be prepared in close consultation with Member Countries by the end of 2011.

The existing formula for calculating Member Country contributions to the OEB expires in 2014 by which time, according to current projections, it will amount to USD\$2.15 million, which is approximately 62 percent of the Corporate Services Budget (measured in 2011 terms). By the end of 2011 when projections of future budget needs have been made, a process will be initiated for Member Countries to reconsider this existing formula and the future scale of national contributions to the MRC to determine how the original pledge of Member Countries to fully fund the MRC Corporate Services Budget (formerly the Regular Budget) by 2014 can be addressed.

The Corporate Services Budget is expected to reduce from its 2011 level over time as more activities are implemented by Member Country line agencies. This, however, will not be immediate as there are a certain number of fixed costs associated with the Secretariat's operations since a time lag is expected in order to ensure the build up of the necessary in-country capacity. The financing review to be undertaken in 2011 will simultaneously re-assess the level of management and administration fee levied on external funding support to MRC programmes.

## (ii) Work Programme Budget

The Goals of this Strategic Plan 2011–2015 emphasise continuation of the important MRC role of providing support to the Member Countries for implementation of IWRM and of MRC core functions, in particular, the seven River Basin Management Functions and related capacity building. Not only does the approach initiate greater Member Country financing, it also sets the foundation for “overall work programme support” as a flexible basket funding mechanism to implement the MRC core functions in the future with contributions from both Development Partners and Member Countries.

The MRC Water Management Trust Fund (WMTF) established in 2005 provides an example of one such mechanism. Its objective is to provide strategic and flexible support to MRC programme development and serve as a facility for the MRC to develop and implement its programme to respond to emerging issues arising in the Basin in order to fulfil its mandate for trans-boundary water resources management and development. The WMTF can provide lessons for a broader core functions programme fund in the future.

The MRC funding model, leading to sustainable funding by 2030, requires a significant increase in Member Country funding for MRC core functions. In the transition period, funding of these core functions will comprise both external support and gradual increases in funding from the Member Countries. These funds are expected to be channelled directly to line agencies for their role in carrying out the core functions. As the transition progresses and the level of external support diminishes, country funding will need to increase through further increases in line agency budgets for those activities they implement directly and through allocations from central Government budgets to the MRC for the implementation of those core functions still requiring the involvement of the Secretariat. Once the core River Basin Management Functions have been further refined and streamlined, more detailed discussions on the cost implications of funding by the Member Countries of all other MRC core functions will follow by the end of 2011.

The scale of the Government allocations will be assessed together with discussions on longer-term Member Country contributions to the Corporate Services Budget. For those countries of lower economic status, some strategic funding arrangements may need to be identified as a support mechanism during the transition period.

As the focus of the organisation moves beyond the development of tools and the establishment of databases to becoming more of a coordination and management role, the size of the Work Programme Budget is projected to decrease to a level where financing can be wholly supported by the Member Countries.

Some important changes will be the:

- ♦ overall reduction in the MRC Budget over time as the organisation moves into a more operational mode, and
- ♦ significant increase in Member Country contributions to the MRC Budget (both in cash and in kind) up to total financing by Member Countries by 2030 with a noticeable closing of the gap by 2020.

As with the Corporate Services Budget, the scale of Government contributions to the Work Programme Budget will depend on the economic status of each Member Country and will need to reflect the ASEAN Integration Agenda (see section 2.7). A number of alternatives will need to be studied as part of the decentralisation roadmap, including variable levels of contribution and direct bilateral assistance to individual countries to support their contribution to implement activities of a regional nature.

#### **4.6 Towards increased aid effectiveness of the MRC**

Regular consultation at the strategic level between the MRC and its Development Partners is undertaken through the Donor Consultative Group and Informal Donor Meetings. At these consultations, Development Partner agencies and the MRC have worked together on updating the MRC Roadmap for Aid Effectiveness and on reaching agreement on a number of steps proposed towards increased aid effectiveness and enhanced donor harmonisation. An improved monitoring of the Roadmap is being developed as part of the MRC Performance Management System.

“Conventional” support from donor agencies to the MRC has been channelled through MRC programmes. Therefore, the following steps taken towards harmonisation of programme level support will be accelerated during this Strategic Plan cycle.

- ♦ Joint reporting: The MRC modular funding agreement set out joint progress reporting and a fully aligned schedule. This joint approach to programme reporting should be continued in future funding agreements.
- ♦ Joint mission review: Multi-donor funded programmes should be reviewed by a joint evaluation team.
- ♦ Synchronisation of strategic planning and funding cycles: The duration of programmes is often synchronised with the MRC strategic planning cycle. Synchronisation of the funding cycle and the strategic planning cycle could bring several benefits in terms of aid effectiveness. Preparing the Strategic Plan one year prior to formulation of new programme phases in future would improve the integration of programme design towards overall organisational goals and contribute to aid alignment.

A higher level of alignment at the organisational level (equivalent to budget support) is the ultimate objective through a progressive move from programme level support to overall work programme support, including core functions support. The MRC will work with a group of interested Development Partners during the transition period to develop a more detailed framework for overall programme support, conceived as a flexible basket funding arrangement.

## HUMAN RESOURCES AND CAPACITY DEVELOPMENT PLAN

### **4.7 Approach to human resources and capacity development for 2011-2015**

The MRC human resources (HR) and capacity development plan focuses on the recruitment and retention of highly qualified staff for its Secretariat to ensure that the MRC continues to pursue its Vision of being recognised as an internationally renowned river basin organisation, and on capacity development for Member Country agencies for the implementation of selected MRC core functions. This also requires reform of the MRC human resources policies and procedures for which recommendations developed in 2010 will be further discussed early in the Strategic Plan period.

In keeping with the transition of the MRC towards a new modality of the long-term implementation of certain core functions, the three elements in the MRC human resource and capacity development plan in support of this Strategic Plan are:

- ♦ Human resource and capacity development and strengthening of managerial systems;
- ♦ Institutional development, and
- ♦ Creation of an enabling environment with appropriate policy and legal frameworks to support the transition.

This human resources and capacity development plan will be aligned with the seven river basin management functions and will target gaps in the NMCSs, related line agencies, and the MRCS. A detailed competence needs analysis and assessment for each Member Country will be prepared.

An initial step will be to equip intended stakeholders with the knowledge and practices that MRC has produced and managed so far, and enable them to use these resources more innovatively, effectively and efficiently.

A performance centred approach will be introduced that aims to align individual performance with programme, organisational and institutional performance. The NMCs and programmes will identify their performance targets and then develop the framework, methodologies and tools for performance needs assessment, institutional and organisational analysis which will help define the:

- ♦ level of changes that each agency needs to achieve in the life span of the Strategic Plan;
- ♦ competencies the agencies need to obtain;
- ♦ institutional support and political commitments to allow the capacity development process to take place; and,
- ♦ gaps and interventions for capacity development actions needed during the five years of 2011-2015.

## APPROACH FOR THE TRANSITION TOWARDS DECENTRALISED MODALITY OF MRC CORE RBM FUNCTIONS

The long-term model for MRC has three key features: (i) a smaller but more pro-active MRCS; (ii) a country-led implementation of certain MRC activities; and (iii) financing the regional Mekong activities under the MRC under an agreed institutional framework. Essential MRC functions will continue for the life of the Commission and will be fully financed by Member Countries by 2030.

### 4.8 Relevant factors for guiding the decentralisation process

Initial consultations with the Member Countries at national and regional levels resulted in a new modality for the long-term implementation of the MRC core functions. Three main factors have been identified for determining which activities can be decentralised and which should remain under MRCS implementation.

- ♦ **Independence:** the first consideration is to distinguish between those core functions that can be decentralised and those requiring an independent oversight or implementation role of a regional body like the MRCS. An example of the latter is implementing the MRC Procedures on Notification, Prior Consultation and Agreement (PNPCA) which will require a permanent MRCS role. The identification of core functions to be decentralised and the associated roadmap will be completed within the first year of the Strategic Plan 2011-15.
- ♦ **National competencies:** The Member Countries have different levels of technical and management competencies in various sectors and fields, e.g. Thailand and Viet Nam may have higher capacity than Cambodia and Lao PDR in areas such as modelling, forecasting and sector planning support.
- ♦ **Financial capability:** The Member Countries have attained different levels of economic development, with Thailand being the most developed while Cambodia and Lao PDR are

trying to graduate from LDC status in the next decade. They also have different needs and priorities in terms of cooperation and management of the Mekong River. This is reflected in the state budget allocations to the relevant line agencies working on Mekong affairs. This situation is expected to change rapidly as the region develops further and budget revenues increase but, in the meantime, some targeted support arrangements including direct bilateral support may be necessary.

#### 4.9 Phased transition towards a new way of operating

The change in institutional arrangements to implement certain MRC core River Basin Management Functions and the time needed are linked to the principles of increased country ownership and sustainability of the organisation. The responses to the two issues, i.e. (i) what will remain certain core functions requiring an independent implementation arrangement through the MRCS, and (ii) what are the roles and responsibilities of the MRCS, NMCs, NMCSs and line agencies in relation to the work of the MRC at the strategic and programme levels under a new implementation modality, will, to a certain degree, influence the future organisation of the MRCS.

There is a need to strengthen the links between MRC activities and related Member Country national water resources management activities, and to further improve the liaison and coordination role of the NMCs (via their respective Secretariats) at the policy and strategy level, while also encouraging more effective linkages with relevant national line agencies for implementation matters.

The period of 2011–2015 is generally acknowledged as a critical transition time for preparing the MRC and the Member Countries for decentralised implementation modality of certain core River Basin Management Functions.

Initial suggestions for a phased transition can be grouped into categories based on the implications for financing and coordination-implementation links at both national and regional levels. Initial discussions and consultations with line agencies and NMCSs have confirmed a general concept of a phased transition towards greater national implementation of and financial responsibility for the MRC core functions. Examples of functional activities requiring different timeframes for decentralisation have been identified while others will remain the responsibility of the MRCS for implementation.

1. **Activities already being implemented by the countries or those which the countries are most readily capable of implementing with reduced technical support from the MRCS:** These “foundation” activities are those that Member Country agencies can implement with coordination provided by the MRCS during this Strategic Plan cycle. The coordination support required includes the facilitation of national activities within a common regional framework, support in developing technical guidelines, and provision of technical support, quality

assurance, short-term capacity development and reporting. Examples of such activities may include those already mandated to Member Country agencies and for which the MRC currently provides technical and capacity development support, such as maintaining and strengthening the hydro-meteorological monitoring and water quality and aquatic health monitoring stations, and acquiring information and data on socio-economic conditions of the Basin within national boundaries.

2. **Activities that can be gradually implemented nationally within the next 10 years with reduced technical support from the MRCS:** These activities are those proposed for gradual implementation by Member Country agencies from 2015 and for full implementation after 2020 by which time the capacities of the Member Country agencies will have been developed and strengthened. Examples of such activities may include those that are cross-sectoral and require better integration and a coordinated approach in planning and implementation among the responsible Member Country agencies, such as planning support to sectors, e.g. sector strategy formulation, sector reviews and regional flood forecasting for which fully functioning national forecast centres are required.
3. **Activities that can be progressively implemented nationally within the next 15-20 years with reduced but focused and intensive technical support and transfer of knowledge from the MRCS:** These activities require the same level of implementation support from the MRCS during the next ten years as that required for the most recent Strategic Plan period. The transition period could start after 2020 and cover two further strategic planning cycles.

## STAKEHOLDER INVOLVEMENT

Broader but more structured stakeholder involvement will enhance ownership and regional coordination among a wider group of stakeholders and the Member Countries. During this Strategic Plan period, the MRC will continue to strengthen those existing mechanisms for the involvement of members of the public, civil society organisations and local communities in MRC activities. These include the implementation of the MRC Communications Strategy and Policy on Data Disclosure, Information and Knowledge, the Basin Development Plan, the Stakeholder Participation and Communication Plan, participatory programme planning, and other mechanisms for increased stakeholder involvement in MRC's policy and strategy development.

## RISKS AND RISK MANAGEMENT

There are assumptions underlying any strategic planning process. And there is always a chance that unforeseen developments occur that can affect the organisation's ability to achieve its vision and strategic objectives (goals and outcomes). Some of the potential risks facing this Strategic Plan are



outlined below together with measures to respond to them. Although there is a close connection between risks at an organisational strategy level and those which are programme-specific, managing strategic risks may require an adaptive whole-of-organisation approach involving re-alignment of certain programme directions.

A combination of different factors determines the level of respective risks. These factors are the (i) likelihood of a risk happening, (ii) nature of risk and potential impact, and (iii) degree of control or influence an organisation has over a certain risk.

The risks and the success of risk management strategies will be evaluated as part of the annual performance reporting on the Strategic Plan, and discussed at Joint Committee level to seek guidance where needed and consulted through programme steering committee arrangements.

#### Risk #1:

*The momentum of economic development and the prospect of short-term benefits of water resources developments overshadow the long-term costs and/or projected environmental and social impacts of proposed water development proposals in the LMB.*

Risk Level: L3a

Risk management and mitigation:

- ◆ Commitment to MRC's mandate and its procedures and the sustainability dimension of development was made by the Heads of Government at the First MRC Summit
- ◆ An IWRM-based Basin Development Strategy with associated management plans was approved by the MRC Council in 2010
- ◆ Efforts will be made to encourage Member Countries to work within the Development Opportunity Space in the Strategy
- ◆ Scenario assessments illustrate long-term environmental and social impacts if the Basin's water and related resources are mismanaged
- ◆ Mitigation options and plans for projected impacts will be identified and proactively advised to Member Countries

#### Risk #2:

*MRC fails to attract sufficient financial support because donor funding becomes scarce and shifts to other less developed regions*

Risk Level: M3b

Risk management and mitigation:

- ◆ MRC Strategic Plan 2011-2015 focuses on core functions and programme integration.
- ◆ Each programme is required to identify priorities in the event that funding gaps are not filled

- ♦ Austerity measures may be needed and Member countries may be required to allocate additional funds in the event that predictions for the Management and Administration Fee are not realised.
- ♦ Analysis will be undertaken to examine other possible sources of financing for the Work Programme Budget including licence fees or direct charges related to river basin management services provided by the MRC, and plans for capturing those sources of funding will be prepared for approval and implementation

#### Risk #3:

*Financial plan for increased Member Country contributions to OEB after 2014 is not concluded by the end of 2014*

Risk Level: M3b

Risk management and mitigation:

- ♦ The negotiation process on post-2014 formula will start early in 2012
- ♦ Special annual authorisation will be sought until a formula is agreed

#### Risk #4:

*Fully riparianised MRC Secretariat fails to maintain and improve standards of technical and professional competence for regional cooperation*

Risk Level: M3c

Risk management and mitigation:

- ♦ Changes in the balance between international and riparian staff have been implemented gradually and this needs to continue in a way that reinforces rather than weakens the cooperative foundation and efficiency of the organisation
- ♦ Integrated and continuous capacity development for the Secretariat, and plan for technical capacity and skill transfer from international staff to riparian professional staff during the transition by the end of 2012
- ♦ Processes of recruitment of riparian staff will be revisited and adjusted to ensure the Secretariat is staffed with qualified riparian professionals
- ♦ Targeted technical assistance will be provided by international consultants

#### Risk #5:

*Member Country agencies are not committed to take full responsibility for national level activities according to the agreed roadmap of core functions implementation and decentralisation*

Risk Level: M2a

Risk management and mitigation:

- ♦ The preparation of the Roadmap of core functions implementation and decentralisation will

be a participatory process in which sufficient consultations with Member Country agencies, particularly implementing agencies, will be employed to generate direct inputs and ensure early and full engagement of those agencies.

- ◆ Regional and National Working Groups will be formal mechanisms and vehicles to link regional and national efforts
- ◆ A reporting and evaluation system provides early warning of any emerging issue
- ◆ Capacity development plans are realistically tailored to the levels of capability of and based on capacity needs of individual Member Countries

#### Risk #6:

*Relevant Member Country agencies lack clear financial plans to implement selected core RBM functions at national level*

Risk Level: M2a

Risk management and mitigation:

- ◆ A roadmap and a financial plan for the decentralisation will be formulated in 2011 to be approved by early 2012 in which both in-kind and increased financial contributions from Member Country agencies to implementing selected core RBM functions are recorded and benchmarked
- ◆ Institutional Analysis (of organisational, human and financial capabilities of Member Country agencies in relation to the implementation of MRC's core functions) to be undertaken in 2011 in support of the preparation of the Roadmap for the decentralisation, will also look at financial capacity and financial planning of relevant Member Country agencies
- ◆ A progress reporting system will regularly update the Joint Committee on progress.

#### Risk #7:

*Inadequate coordination at national level and insufficient engagement of relevant line agencies will prevent closer linkages between regional and national efforts*

Risk Level: M2b

Risk management and mitigation:

- ◆ National working groups and other existing working mechanisms that have been developed under various MRC programmes will continue to be established, and strengthened for the core RBM functions implementation
- ◆ Institutional Analysis (of organisational, human and financial capabilities of Member Country agencies in relation to the implementation of MRC's core functions) to be undertaken in 2011 in support of the preparation of the Roadmap for decentralisation, will better define roles and responsibilities of NMCs and their Secretariats and other Member Country agencies
- ◆ Stronger collaboration with other regional organisations and initiatives may also assist in reducing this risk.

**Risk #8:**

*A large proportion of Member Country agencies lack sufficient staff capacities to take greater responsibility in the implementation of some core RBM functions*

Risk Level: M2b

Risk management and mitigation:

- ◆ Capacity development plans are tailored to the levels of capability of and based on capacity needs of individual Member Countries
- ◆ Resources will be prioritised and targeted to assist building capacities for Member Countries with lower capacity
- ◆ Bilateral support will be explored to support agencies with lower capacity

**Risk #9:**

*A large number of mainstream dam proposals in the LMB are concurrently submitted to MRC for prior consultation process and the need for extensive civil society engagement thereby stretches the resources of MRC staff*

Risk Level: M3b

Risk management and mitigation:

- ◆ A Joint Committee Working Group for PNPCA is being established with clear role and tasks
- ◆ A MRCS Task Group comprising representatives of relevant MRC programmes will work out a working mechanism which will optimise the MRC resources (staff time, budget)
- ◆ JC members will be requested to provide preliminary indications of the timeframes within which individual projects may be formally submitted to MRCS under the PNPCA to allow better scheduling of resources
- ◆ Some reallocation of budgets under MIWRMP and other programmes may be needed.
- ◆ Considerable experience will be gained with the first prior consultation process and this will help streamline subsequent consultations.
- ◆ Adjustments to implementation arrangements may be required to combine review activities on more than one proposed project.

**Risk #10:**

*Cooperation with upstream riparian countries does not increase as expected*

Risk Level: L2b

Risk management and mitigation:

- ◆ Regular dialogue and technical exchange will be continued at governance and programme levels
- ◆ Analysis of issues related to upstream riparian countries will continue to be presented in an independent, objective and professional manner.

*Likelihood: L (low), M (medium), H (high)*

*Potential impact: 1 (low), 2 (medium), 3 (high)*



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# CHAPTER V

## Performance Management, Reporting And Updating

The MRC uses monitoring, evaluation and performance assessments at various levels. Progress made towards the Basin Vision is monitored through the State of the Basin Report produced every five years while progress in achieving the MRC goals and outcomes set out in this Strategic Plan is assessed and updated regularly through MRC Annual Performance Reports with links to performance monitoring reports of the MRC Programmes. Staff performance contributing to the MRC outcomes is assessed through individual Performance Appraisal Reviews. This chapter outlines how the MRC's Performance Management System is being developed and aligned with an outcome-oriented approach necessary to deliver on the goals of the Strategic Plan.

### 5.1 Performance management in the MRC: an overview

Improving organisational performance relies on readily available and reliable quantitative and qualitative performance data to foster a common understanding of the potential constraints and opportunities and, as such, serve as a starting point for future joint action. Accountability and transparency are the two major principles and obligations to be ensured.

An outcome-oriented approach encourages results in planning, implementation, monitoring and evaluation and is based on the principle of the commitment to achieving results. It acts as a guideline for the definition of activities and strategies for project/programme and organisational management. At the same time, it needs to be simple to administer and cost-effective to implement.

For the MRC, the main purposes of adopting an outcomes-based management approach are to improve organisational learning and to fulfil accountability obligations through performance reporting and so achieve important changes by improved results-oriented performance.

In establishing a performance management system (PMS), the MRC has drafted a set of guiding principles committing the organisation to a system which not only assesses evidence of results achieved but also:

- ♦ reviews the programming context to demonstrate the continued relevance and priority of its work;
- ♦ considers the likely sustainability of achievements;
- ♦ assesses the efficiency of management arrangements, and

- ◆ recognises the need for feedback systems on lessons learned on what is working in order to adapt to changing contexts and promote on-going improvement by promptly applying this information.

An information system is being established to manage the data and information flows for performance management purposes and which defines roles and responsibilities of different MRC bodies and Member Country agencies. Reporting lines and links between these actors are described in relation to the performance management information system centrally managed by the MRC Secretariat. These will be detailed in the PMS guidance manual and related documents.

On-going development of the PMS has been closely linked with the formulation of this Strategic Plan 2011-2015 to ensure that the results can be measured, monitored and evaluated.

For a better basis for designing the PMS for the Strategic Plan, at the outset of this Strategic Plan period, MRC will carry out a study to determine the current status of some of the Strategic Plan's Outcomes which require baseline information. These include Outcomes 1.3, 1.4, 2.1, 3.2, 3.4, 5.5. For Outcomes 4.1 to 4.4, their baseline information will be part of the competency assessments for MRC Member Countries and the MRCS.

## 5.2 Monitoring and reporting

### 5.2.1 State of the Basin

Since 2003, the MRC has published two comprehensive reports on the State of the Basin (SOB) on the overall status of water and related resources and an assessment of the development context and challenges. The SOB Report will continue to be produced every five years to analyse the information available on major environmental, social and economic changes in the Basin, document the MRC contribution to Basin management and inform planners and decision-makers of the nature and scale of future threats.

The second SOB Report, issued in 2010 will be used as the baseline for this Strategic Plan period, by the end of which progress made towards achieving the Basin Vision will be recorded, monitored and assessed in the next SOB Report in 2014. SOB Reports will be produced one year before the end of the five-year planning cycle so that the findings can be fully reflected in the formulation of subsequent Strategic Plans.

## 5.2.2 Organisation and Programme Level Performance

The MRC values periodic independent, high-quality assessments of its performance against its goals and desired outcomes. These assessments will also serve as a vehicle for internal organisational learning. Therefore, the MRC will employ both independent evaluation and internally driven assessment approaches in the performance management system.

Such evaluations and cross-programme assessments will be employed to evaluate the work of the MRC, refine its programmes, and redirect its resources accordingly. Various MRC publications, including programme mid-term reviews and evaluations, the Strategic Plan mid-term review, studies, progress reports and regular environmental and social monitoring reports produced since the release of the previous MRC Strategic Plan have served as important resources in the development of this Plan. In addition to performance monitoring at Strategic Plan and programme levels, the reviews will also assess the extent of implementation of MRC Council and Joint Committee decisions.

### MRC Strategic Plan level

Since 2001, the MRC has published an Annual Report describing the accomplishments against the work programme. The most recent and earlier versions of the Annual Report are available on the MRC website. This will continue but with a new focus as the MRC Annual Performance Report, describing results achieved against the set of indicators set out in this Strategic Plan. Financial performance of the MRC Secretariat in relation to the management of the Corporate Services Budget will also be annually reported and included in this annual report of the MRC.

Supplemental to the MRC Annual Performance Report is the MRC Annual Work Programme which provides achieved outputs/milestones for MRC programmes in the current year and the planned outputs/achievements for the following year.

### MRC Programme level

As part of the PMS, MRC programmes and corporate services units, i.e. FAS, HRS, and ICCS will report on their performance periodically. Programme performance reports will be important inputs for the review and assessment of the overall MRC performance to be reported to the Joint Committee through the MRC Annual Performance Report.

### Member Country contribution to the implementation of the Strategic Plan

An essential component of this Strategic Plan is the system in place to measure and monitor the progress made by the Member Countries in their contribution to the achievement of those MRC strategic goals and outcomes falling under their mandates and responsibilities.



As part of the PMS, the MRC will set up a standardised reporting and monitoring mechanism for the MRC Secretariat, its programmes and the Member Countries to report on their performance in relation to the MRC Strategic Plan against measurable indicators and, in particular, their performance in implementing decentralised core functions to the MRC Joint Committee.

### 5.3 Independent reviews

The MRC recognises the importance of keeping track of its progress towards the fulfilment of its Mission and the realisation of its strategic goals and objectives, and also to keep the Strategic Plan relevant.

Periodic independent evaluations of programme implementation and the Strategic Plan will seek to assess the relevance, effectiveness, sustainability, management efficiency, and evidence-based results and impacts of MRC interventions. These evaluations will be available to the public on the MRC website.

The implementation of this Strategic Plan will be independently reviewed after two to three years to ensure that it is responsive to changing development contexts, remains relevant, and to provide initial directions for the next five-year Strategic Plan.



# Annex 1

## Summary of MRC Programmes<sup>3</sup>

### Agriculture and Irrigation Programme (AIP)

The Agriculture and Irrigation Programme (AIP) focused in the past on irrigation and agricultural water use. The overall objective was to develop improved irrigation and water use methods for a sustainable agriculture in the Lower Mekong Basin.

In order to address emerging issues and challenges the agriculture sector in the LMB, particularly for securing food supply to the increasing demand, adapting to and mitigating climate change impacts on agricultural production, and facilitate better agricultural water management under the changing flow regime, AIP 2011-2015 will pursue the overall objective of integrating IWRM-based agricultural water management and planning into national systems of the MRC Member Countries.

In implementing its activities, AIP essentially coordinates with BDP, CCAI, DMP, ICBP, IKMP, and M-IWRMP.

### Basin Development Plan Programme (BDP)

Employing the principles of Integrated Watershed Resource Management (IWRM), the BDP process promotes the coordinated development and management of water and related resources, in order to maximise economic and social welfare in a balanced way without compromising the sustainability of vital ecosystems. This requires the preparation of information that informs discussions and decisions on achieving an acceptable balance between development of the Basin and maintenance of its ability to sustain livelihoods and environmental values.

The overall objective of BDP 2011-2015 is to support Member Countries integrating and implementing the principles, guidance and processes in the IWRM-based Basin Development Strategy in national planning and regulatory systems. This will be achieved through a process that also aims at sustaining the country-owned basin development planning process.

BDP 2011-2015 will also lead the implementation of the Procedures on Maintenance of Flow on the Mainstream (PMFM) within the overarching framework of the M-IWRMP.

BDP is a cross-cutting and overarching programme of the MRC that works with all MRC programmes.

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<sup>3</sup> As of December 2010, the term “Programmes” here includes Initiatives and Projects

### Climate Change Adaptation Initiative (CCAI)

The MRC Climate Change and Adaptation Initiative (CCAI) is a collaborative regional initiative of the MRC Member Countries aimed at supporting the countries in adapting to the new challenges posed by climate change.

CCAI's objective is to guide climate change adaptation planning and implementation through improved strategies and plans at various levels and in priority locations throughout the LMB.

MRC programmes collaborating with CCAI in implementing relevant climate change activities include AIP, BDP, DMP, EP, FMMP, ICBP, IKMP, ISH, and NAP.

### Drought Management Programme (DMP)

Although as yet under-funded, the Drought Management Programme (DMP) has taken on a new priority as the LMB recently experienced severe drought conditions and their consequences which have drawn considerable public response. Drought is also a trans-boundary water management issue.

The long-term objective of the Programme is to promote more effective use of the Mekong water and related resources to reduce vulnerability of people and water related resource systems to severe drought conditions.

The DMP Start-up Project (2011-2015) has an immediate objective of establishing effective drought awareness, preparedness, planning and management mechanisms in the LMB supported by the best available tools and know-how, and facilitate implementation of high priority national and regional programmes, and multi-purpose projects.

To achieve this objective, DMP will coordinate its activities largely with AIP, CCAI, IKMP, FMMP, ISH, and M-IWRMP.

### Environment Programme (EP)

The Environment Programme is a cross-cutting programme of the MRC which generates data, information and knowledge in order to balance economic development, environmental conservation and social equity in decision-making. In addition to establishing systems for monitoring the Basin's environmental health, and impacts on social conditions and livelihoods of people, improving policies and legislation and encouraging co-operation among the riparian countries, the programme is also charged with increasing environmental awareness.

The objective of EP 2011-2015 is to ensure that basin management and development in the Lower Mekong Basin is guided by up to date environmental and social knowledge and efficient environmental management cooperation mechanisms.

EP 2011-2015 supports the implementation of regional environmental cooperation mechanisms such as the PWQ and Tb-EIA Guidelines.

EP coordinates with all MRC programmes.

### Flood Management and Mitigation Programme (FMMP)

At the heart of the Programme is the Regional Flood Management and Mitigation Centre, which provides technical and coordination services to the four countries in the Lower Mekong Basin. Regional flood forecasts, flash flood guidance, flood data, technical standards and training packages are key outputs of the Programme.

The goal of FMMP for 2011-2015 which is at the final stages of formulation is that Member Countries apply Integrated Flood Risk Management (IFRM) principles and guidelines in national water and related sector frameworks and development programmes.

To fulfil this goal, FMMP coordinates its work chiefly with BDP, CCAI, DMP, ICBP, IKMP, and M-IWRMP.

### Fisheries Programme (FP)

The MRC Fisheries Programme concentrates on information and knowledge generation, raising awareness of fisheries in the Mekong and improving fisheries management, and in particular in promoting community involvement in management processes. It also has a strong emphasis on promoting the uptake of fisheries information into planning and development decision-making in the Basin. The Programme undertakes and commissions research into capture fisheries, trains fisheries managers, promotes aquaculture of indigenous Mekong fish species and disseminates information to policy makers and planners in the four LMB countries.

For this Strategic Plan period, the Programme's objective is that regional and national organizations implement measures for sustainable fisheries development and improved rural livelihoods.

FP implements and manages its work in close coordination with BDP, EP, ICBP, IKMP, ISH, and M-IWRMP.

### Integrated Capacity Building Programme (ICBP)

The Integrated Capacity Building Programme (ICBP) has the mandate to support MRC and Member Country agencies to obtain the highest possible institutional, organisation and personal capacity to manage the progress of development, to initiate new activities for long-term sustainable IWRM, and to discuss and plan for future collaboration among the four

Member Countries, and to maintain the optimal functions of the MRC Secretariat, all within the framework of the 1995 Mekong Agreement. The Programme is also responsible for gender mainstreaming in the MRC.

ICBP provides support in structuring relevant capacity building activities to all MRC's programmes. Strategically supporting the implementation of IWRM principles and MRC's Procedures in terms of capacity development, ICBP works in a collaborative manner with all MRC programmes, and with corporate services sections such as ICCS and with TCU on the development of the Performance Management System.

### Information and Knowledge Management Programme (IKMP)

The Information and Knowledge Management Programme (IKMP) is the centre for data, analysis of data and modelling tools on the Basin water and related resources, and maintains reliable and up-to-date databases and information systems. The Programme prepares and develops appropriate modelling systems and other decision-support systems for the MRC. It is also responsible for encouraging the use of appropriate technologies in planning, coordinating and developing the Basin resources, and as a service-oriented programme, provides a wide variety of technical services, support and assistance to MRC programmes.

For 2011-2015, IKMP aims to effectively support MRC programmes and relevant Member Country agencies on the development and management of water and related resources in the Mekong Basin by providing basin-wide monitoring, impact assessment, modelling, forecasting, and knowledge management system for planning and programme implementation work.

To achieve this objective, IKMP closely works with all other programmes of the MRC, particularly including BDP, CCAI, DMP, EP, FMMP, FP, ICBP, ISH, and NAP.

### Initiative on Sustainable Hydropower (ISH)

The Initiative on Sustainable Hydropower (ISH) recognizes that addressing the hydropower challenge in the Mekong goes beyond informing decisions about possible new hydropower schemes, or their design features. It also advances and clarifies thinking about the type of cooperation needed among Mekong Countries to sustainably manage the growing number of existing hydropower assets in the Basin, as the cumulative and trans-boundary impacts of these projects are increasingly felt.

ISH's two-part objective for 2011-2015 is to ensure that decisions concerning the management and development of hydropower in the Mekong are placed in a river basin planning and management context, applying IWRM principles, and that MRC and key stakeholders actively cooperate to bring sustainable considerations into the regulatory frameworks, planning systems of Member Countries concerned with hydropower, and into project-level planning, preparation, design, implementation and operation activities.

To achieve this objective, ISH implements its activities in close collaboration with BDP, CCAI, EP, FP, FMMP, ICBP, IKMP, M-IWRMP and NAP.

### Mekong – Integrated Water Resources Management Project (MIWRMP)

M-IWRMP was initiated in 2009 to follow up on the Water Utilisation Start-up Project (WUP) which was the foundation of MRC's Procedures under the 1995 Mekong Agreement and its Decision Support Framework.

To address IWRM challenges in the LMB, M-IWRMP employs a three-tier approach, combining interlinked basin, national and cross-border initiatives in close synergy with the MRC-led basin development planning process. These form the three respective components of the Project: regional, national and trans-boundary. The outcome of the regional component is an enabling framework with water resources planning and management tools, procedures and guidelines, processes and capacity in place to implement the 1995 Mekong Agreement.

M-IWRMP implements its activities in close collaboration with both sector and cross-sector programmes of the MRC, notably including BDP, EP, ICBP, and IKMP, and liaises with ICCS on technical aspects of the Procedures for Notification, Prior Consultation and Agreement (PNPCA).

### Navigation Programme (NAP)

The Navigation Programme (NAP) analyses river transport systems and related activities in the Lower Mekong Basin, covering a network of 4,500 km of waterways, including undertaking condition surveys for safe navigation in the Mekong river, installing and maintaining a system of navigation aids, producing and updating navigation charts, and facilitating for the harmonisation of regulations for free and safe river transport.

During this Strategic Plan period, NAP's objective is to further promote freedom of navigation and increase the international trade opportunities for the MRC member countries' mutual benefit, and to assist in coordination and cooperation in developing effective and safe waterborne transport in a sustainable and protective manner for the waterway environment. Building on its facilitation role in the bilateral agreement between Cambodia and Viet Nam, in this Strategic Plan period NAP will promote freedom of navigation between Lao PDR and Thailand.

To achieve this objective, NAP coordinates its work mainly with BDP, EP, ICBP, IKMP, FMMP, and ISH.

### Watershed Management Project (WMP)

The core concern of the Watershed Management Project (WSMP) is the sustainable management of upstream watersheds. WSMP focuses on technical and institutional aspects of watershed management. WSMP engages in research on methods for monitoring land-use changes and baseline studies on watershed management and land use planning. The Project focuses on institutional arrangements of watershed management, and also has a role in institutionalised mechanisms to dialogue and resolve issues relating to competing uses of water and water quality.

The overall objective of the Project is improvement of planning and coordination of sustainable management of resources in watersheds by selected relevant organisations of the four LMB countries at national and regional levels.

In fulfilling this objective, WSMP largely coordinates with AIP, BDP, ICBP, ISH, and M-IWRMP.



# Annex 2

## Description of the core functions of the MRC

### Summary of the description of the core function categories of the MRC:

| Categories  | Description   | Examples of Functions   |
|---|---|---|
| I. Secretariat Administrative and Management Functions; | Functions of a routine and recurrent nature that provide for the management and administration of the Secretariat and support to MRC governance processes as well as support to non-technical processes under the 1995 Mekong Agreement.  | <ul style="list-style-type: none"> <li>◆ Governance of the MRC</li> <li>◆ Financial and administrative management</li> <li>◆ Personnel management</li> <li>◆ International cooperation</li> <li>◆ Communications</li> </ul>   |
| II. River Basin Management Functions;                   | Functions of the MRC through which it routinely engages in water resources development and management issues at different scales in the Mekong Basin  | <ul style="list-style-type: none"> <li>◆ Data acquisition, exchange and monitoring</li> <li>◆ Analysis, modelling and assessment</li> <li>◆ Planning support</li> <li>◆ Forecasting, warning and emergency response</li> <li>◆ Implementing MRC Procedures</li> <li>◆ Promoting Dialogue and Coordination</li> <li>◆ Reporting and Dissemination</li> </ul> |
| III. Capacity Building and Tools Development Functions; | Functions providing for continuous capacity building at the MRCS, NMC Secretariats and line agencies and maintenance, and updating of data holdings, processing capacity and analytic capability.   | <ul style="list-style-type: none"> <li>◆ Capacity building for Member Countries and MRCS across all themes</li> <li>◆ State of the art tool development</li> </ul>  |
| IV. Consulting and Advisory Services Functions          | Functions that make available the technical expertise, databases, modelling capacities, and expert networks of MRCS to support studies and assessments commissioned by others for sustainable water resources development, both at the project level, and at the basin wide and cumulative level. | <ul style="list-style-type: none"> <li>◆ Consulting services</li> <li>◆ Commissioned studies</li> <li>◆ Expert advice</li> </ul>  |



## I. Secretariat Administrative and Management Functions

The Secretariat Administrative and Management Functions are those routine and recurrent functions that provide for the management and administration of the MRC activities, and that support both the MRC governance processes and those non-technical processes required under the 1995 Mekong Agreement. These functions include the reporting on and dissemination of those MRC activities in the support and promotion of dialogue and communication among and between the riparian countries and other stakeholders, and as such are the instruments by which the MRC implements its Secretariat and Coordination Functions.

These functions are permanent and are arguably the same for all River Basin Organisations irrespective of the specific context and particular issues of any one river basin. These will be the base functions supporting all the other core functions of the MRC and essential for the MRC to function as a regional and inter-governmental organisation. However, the scale of resources required will reduce over time as the Member Countries assume more responsibility for their implementation. These Secretariat Administrative and Management functions will be funded by the Member Countries and the Management and Administration fees contributed by Programme activities.

The Secretariat Administrative and Management functions include:

- (i) Governance of the MRC: This function is the administrative and coordination support for joint decision-making processes and function includes the Secretariat support to the organisation of MRC governance meetings, to meetings with the upper riparian countries and the Development Partner community, and to the arrangements for dialogue between and amongst the Member Countries. Through this function, the MRC provides central coordination channels between its governance bodies such as the Council, the Joint Committee, and ad-hoc Task Forces established by the Joint Committee, and the Donor Consultative Group and Dialogue Meetings as well as to related subcommittees and preparatory meetings. Non-technical processes under the 1995 Agreement are mainly support functions for the implementation and updating of the MRC Procedures and their Technical Guidelines. Not only does the MRC provide a channel for these bodies to work effectively and efficiently together, it also facilitates the working of these bodies to facilitate the interaction among them, as well as to promote dialogue and cooperation between and amongst the Member Countries.
- (ii) Financial management and procurement services: Under the 1995 Mekong Agreement, the MRC Secretariat provides financial administration and advice, budget preparation and monitoring, and procurement services for the operations of the organisation to the MRC Council and Joint Committee. The MRC Secretariat also drafts and manages the Organisational Annual Budget for approval by the MRC Council, and manages the income and expenditure.

The MRC is also responsible for acquisition of funding from various sources within and beyond the Basin including the acquisition of technical and financial assistance from Development Partners for its programmes and the projects stemming from the IWRM-based Basin Development Plan. The responsibility and accountability for financial management of the MRC programmes and projects remains with the MRC Secretariat.

- (iii) **Personnel management:** This function includes the responsibility of the MRC Joint Committee for reviewing and approving studies and training for the personnel of the Member Countries involved in Mekong River Basin activities as appropriate and necessary to strengthen their capacity to implement the 1995 Mekong Agreement.
- (iv) **Communications:** The MRC provides communication support to its Member Countries, its governance bodies, and to those subcommittees and task forces established by the Joint Committee. Public outreach and communication with MRC stakeholders are also under the core function of the MRC.

## II. River Basin Management Functions

The River Basin Management Functions, in line with the 1995 Mekong Agreement, have been classified into seven groups through which the MRC engages routinely in water resources development and management issues at different scales in the Mekong Basin and across a range of sectors under its mandate.

- (i) **Data acquisition, exchange and monitoring:** Article 5 of the 1995 Mekong Agreement calls for developing the Procedures on Water Utilisation and Inter-basin Diversion. Appropriate data on river flow, domestic and industrial water consumption and irrigation use are needed to monitor water utilisation in the Mekong River Basin. In accordance with Articles 6 and 7 of the 1995 Mekong Agreement, data acquisition, exchange and monitoring provide a transparent foundation for the maintenance of mainstream flows and for the mitigation of any harmful effects to the environment, especially in terms of water quantity and quality, the aquatic conditions including those of fisheries resources and habitats, sedimentation, and the ecological balance of the river system.

This function includes long-term monitoring and research/studies of the Basin environment (such as the state of the aquatic resources, ecological health, biodiversity, and critical habitats like the Tonle Sap Great Lake). In addition, this includes certain monitoring activities specific to the Mekong Basin such as monitoring of nautical accessibility. This includes monitoring of the least available depth, navigational risk reduction, shipping statistics, hydrographic charting, regional vessel tracking and monitoring of the effective implementation of the legal frameworks for cross-border navigation in order to ensure the promotion of free navigation

to facilitate and promote regional trade through the Mekong River mainstream and selected waterways. The monitoring of the socio-economic conditions of the Basin will be realised mainly through social impact monitoring and vulnerability assessment, and also indirectly through the maintenance of information and databases gathered from diverse sources including that from the Member Countries through the implementation of the Procedures for Data and Information Exchange and Sharing (PDIES). This function also includes the maintenance and strengthening of the water related monitoring stations.

The MRC as the administrative arm of the Member Countries manages the sharing of the data and information from the riparian countries and of Programme-related documents. These databases are available to and accessible by all the Member Countries to support national and regional decision-making processes.

The primary collection of data and information is by the individual Member Countries while the MRC acts as a clearing house managing these databases and facilitating data and information exchange amongst the Mekong countries. Transition towards greater Member Country implementation has already been made in certain cases. For example, after capacity building support from the MRC, the Member Countries now finance up to 75 percent of the cost of the acquisition of data and monitoring of water quality.

- (ii) **Analysis, modelling and assessment:** This function is clearly described in Articles 2 and 30 of the 1995 Agreement which provide the mandate for the MRC to use analytical, modelling and assessment tools to investigate future development scenarios, strategic planning processes and the sustainable management of the Basin water resources. Since national modelling capacities have been strengthened, and the sector and sub-basin modelling activities have been designated as the responsibility of national institutions, modelling functions are most likely to be the first to be gradually transferred to national institutions. Under such a scenario, the MRC would still retain some modelling capacity, particularly in support of basin-wide modelling for the foreseeable future.
- (iii) **Planning support:** Article 2 of the 1995 Mekong Agreement calls for the formulation of a Basin Development Plan (BDP). The MRC is unique in that no other regional organisation undertaking development planning at this scale and across such a wide range of sectors has such a mandate. The key objectives are the identification of the economic, environmental and social implications of on-going and proposed Basin developments, providing alternative options to national plans, and building shared views and directions for the sustainable development of the Basin water and related resources. The information generated should then guide national planning and design of projects, and assist in identifying beneficial basin-wide projects and programmes.

The leverage and neutrality of the MRC means that the organisation plays an important role in the preparation and the periodic updating of the Basin Development Plan to serve as a framework for the sustainable development and joint management of the Basin water and related resources, by undertaking strategic environmental assessments, other impact assessments and economic and technical assessments supplementary to the long-term monitoring functions listed above, and in providing advisory support in preparing design guidance for regional infrastructure including dams, and irrigation and waterway transport development.

It is thought possible that other current functional activities relating to sector support could be implemented at the country level, though under different transition phases. The activities of the Basin Development Plan Programme that are essentially Planning Support core functions are interwoven throughout other MRC core functions.

- (iv) **Forecasting, warning and emergency response:** A necessary function of the MRC is considered as being the forecasting of possible impacts of any naturally occurring or man-made events with trans-boundary consequences. This includes flood and drought impact forecasting, and the accompanying mitigation plans, as well as plans for emergency responses to pollution incidents particularly responses to oil spill risks and the hazards associated with the transport of dangerous goods, and activities related to least available depth forecasting for shipping. To date, forecasting activities have focused on short- and medium-term regional flood forecasts. Future activities in flash flood and drought forecasting, and in contingency planning for pollution incidents are being explored. Addressing emergency situations is covered in Article 10 of the 1995 Mekong Agreement.
- (v) **Implementing MRC Procedures:** This is a unique and specific function of the MRC. In accordance with Article 5 - Reasonable and Equitable Utilisation - of the 1995 Mekong Agreement, five Procedures have been developed to implement various Articles of the 1995 Agreement. The MRC, as the administrative and technical arm of the Member Countries, is well placed to provide coordinated support for the development and implementation by the Member Countries of the approved Procedures forming the basis of their long-term cooperation in the reasonable and equitable utilisation of the Mekong water. These include procedures for inter-basin diversions, for the maintenance of mainstream flow and of water quality, and for the protection of the environment and ecological balance of the Basin. The implementation of MRC Procedures is a prerequisite of basin planning and overall cooperation between and amongst the Member Countries.
- (vi) **Promoting dialogue and coordination:** Dialogue on a range of trans-boundary and regional issues is fundamental to many of the provisions of the 1995 Mekong Agreement under the broad areas outlined in Article 1, for the BDP under Article 2, for prevention of harmful effects under Article 7 and for coordination and addressing differences and disputes

under Articles 18 and 24 explaining the functions of the Council and Joint Committee. The 1995 Mekong Agreement also refers to the role of the MRC as a facilitator in the resolution of disputes and negotiations. Article 9 encourages the MRC to use the freedom of navigation as a tool to promote regional cooperation and economic development. The MRC provides the platform for dialogue amongst the Member Countries for coordinated cooperation and conflict prevention on trans-boundary water issues, and between the Member Countries and a wide range of stakeholders through multi-stakeholder consultations on regional activities, and for promoting the application of IWRM principles among private sector developers and the wider public. In line with the 1995 Mekong Agreement, the MRC also facilitates development and implementation of legal frameworks for cross-border navigation, networks on water and related resources management, and supports initiatives to harmonise national standards and regulations of waterborne transport safety, environmental assessment, IWRM implementation guidelines, etc.

- (vii) **Reporting and dissemination:** Implementation of the 1995 Mekong Agreement requires the acquisition of data and knowledge to inform decision making processes. Under Article 30, the MRC Secretariat is required to maintain databases and conduct studies and assessments as required in order to obtain the needed data and information. Reporting and dissemination of knowledge is essential to inform decision making. In the future and in line with the MRC Communications and Disclosure Policy, information will be more widely disseminated and be more readily available to the public. This function is essential for the MRC to become the regional knowledge hub for trans-boundary water resources management and so match the aspirations of the Member Countries.

### III. Capacity Building and Tools Development Functions

These Capacity Building and Tools Development Functions provide for continuous capacity building across all themes in the MRC Secretariat and Member Country agencies, and include the building of processing capacity and analytic capability as well as providing support to the development of technical related tools and management support tools such as systems analysis, modelling, monitoring, decision support tools, and data and information management which are currently addressed through the IKMP.

Under this Strategic Plan cycle and also the next two or three strategic planning cycles, the transition period for some of the core functions of the MRC to be gradually taken over by Member Countries will require the development of a comprehensive capacity development plan which will need to take the following issues under consideration:

- ◆ Targeted needs assessment in key agencies related to future implementation of core functions;
- ◆ Identifying national capacity gaps in various areas; and
- ◆ Addressing the different levels of national capacities in certain areas.

## IV. Consulting and Advisory Services Functions

These Consulting and Advisory Services Functions are those functions that make available the technical expertise, databases, modelling capacities, and expert networks of the MRC Secretariat to support studies and assessments related to the Mekong Basin commissioned by others for sustainable water resources development, both at the project level, and at the basin wide and cumulative level. The consulting fees contribute to the overall regular budget of the MRC for its operations.





# Annex 3

## Strategic partnerships and regional initiatives

This annex describes the strategic partnerships, principal regional initiatives, partnerships with other international river basin organisations, and their complementarities to MRC. They include:

| <b>Strategic partnerships</b>   |   |
|---|---|
| <b>AIT</b>  | Asian Institute of Technology   |
| <b>ASEAN</b>  | Association of Southeast Asian Nations  |
| <b>CPWF/BDC</b>   | Challenge Programme on Water and Food (CPWF) Mekong Basin Development Challenge |
| <b>FAO</b>  | Food and Agriculture Organisation   |
| <b>IUCN</b>   | International Union for Conservation of Nature                                  |
| <b>IWMI</b>   | International Water Management Institute  |
| <b>SEA START RC</b>   | Southeast Asia START Regional Center  |
| <b>UNESCAP</b>  | The United Nations' Economic and Social Commission for Asia and the Pacific     |
| <b>WA</b>   | Wetlands Alliance   |
| <b>WWF</b>  | World Wide Fund for Nature  |
| <b>WFC</b>  | WorldFish Center  |
| <b>Regional initiatives</b>   |   |
| <b>APWF</b>   | Asia Pacific Water Forum  |
| <b>ASEAN FMM</b>  | ASEAN Regional Fisheries Management Mechanism                                   |
| <b>GMS/ADB</b>  | Greater Mekong Sub-region/ADB   |
| <b>MWRAS/WB</b>   | Mekong Water Resources Assistance Strategy (MWRAS) for the LMB / World Bank     |
| <b>NACA</b>   | Network of Aquaculture Centres in Asia Pacific                                  |
| <b>NARBO</b>  | Network of Asian River Basin Organisations                                      |
| <b>SEAFDEC</b>  | Southeast Asian Fisheries Development Center                                    |
| <b>Partnerships with other International River Basin Organisations (RBOs)</b> |   |
| <b>Current partner RBOs</b>   |   |
| <b>MDBA</b>   | Murray-Darling Basin Authority (formerly the Murray Darling Basin Commission)   |
| <b>MRC-USA</b>  | Mississippi River Commission  |



## Strategic Partnerships

### Asian Institute of Technology (AIT)

The Asian Institute of Technology (AIT), an international post graduate institute founded in 1959, is Asia's pioneer institution which was established to help meet the region's growing needs for advanced learning in engineering, science, technology and management, research and capacity building. AIT's mission is to develop highly qualified and committed professionals who will play a leading role in the sustainable development of the region and its integration into the global economy. AIT is based in Thailand and has affiliated centres in other parts of the world.

The Memorandum of Understanding (MOU) signed between the MRCS and AIT in 2010 provides a framework for developing and maintaining cooperation between the MRCS and the AIT in the field of their common interests and to ensure close coordination and better utilisation of resources so as to achieve effective outcomes on regional cooperation for the sustainable development of the Mekong River Basin. The MRCS and AIT agreed to develop their partnership in the following areas:

- ◆ Climate change and adaptation;
- ◆ Capacity development at various levels;
- ◆ Joint research initiatives at AIT;
- ◆ Research internship at MRCS for AIT students;
- ◆ Knowledge Hub on Trans-boundary Water Resources Management;
- ◆ E-learning;
- ◆ Visiting speakers;
- ◆ Posting MRCS job opportunities in AIT alumni and other networks; and
- ◆ Joint organisation and participation of relevant seminars and conferences.

### ASEAN

In 1995, the ASEAN Heads of State and Government reaffirmed that the fundamental goals of ASEAN shall be "cooperative peace and shared prosperity." Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam are members of ASEAN. China, being a core member of the ASEAN Mekong Basin Development Cooperation Framework, is on equal status with all ASEAN Member States. ASEAN operates on an informal, consensus-building basis. Primary programmes for cooperation include:

- ◆ ASEAN+3, which includes China, Japan, and Korea.
- ◆ The ASEAN Mekong Basin Development Cooperation Framework.
- ◆ The Cambodia-Lao PDR-Viet Nam Development Triangle.

The ASEAN Secretariat has been an observer at MRC Governance meetings since 2005. Since 2007, the MRC Initiative on Sustainable Hydropower (ISH) has been supported by ASEAN under the Japan-ASEAN Integration Fund (JAIF) in carrying out several activities relevant to sustainable water infrastructure in the Mekong region. The ASEAN fund co-financed the MRC start-up of ISH under a project entitled, “Initial Analysis of the Hydropower Potentials of the Lower Mekong Basin (LMB) in relation to Cumulative Trans-boundary Impacts”. This support focused on ISH outputs for raising awareness on sustainability issues regarding LMB hydropower and the consultative regional processes to formulate the ISH in 2008-2009. Other aspects of ASEAN support to the MRC through ISH has included outputs providing hydropower project data updates, and analysis and capacity building to enable Member States to better address trans-boundary issues and projects with basin-wide impacts in multi-stakeholder processes.

In early 2010, the MRCS and the ASEAN Secretariat signed an MOU, the objective of which is to provide a framework for developing and maintaining cooperation between ASEAN and MRC in the field of their common interests and to ensure close coordination and better utilisation of resources so as to achieve effective outcomes on regional cooperation for the sustainable development of the Mekong River Basin. The MOU is to be reviewed regularly and adjusted as more experience is gained.

## Challenge Programme on Water and Food (CPWF) Mekong Basin Development Challenge (BDC)

The single largest intervention to affect water use, management and productivity in the Mekong Basin today is hydropower. Hydropower is vital for the economies and development potential of the Basin countries. This BDC aims to increase the benefits derived from this sector, and to contribute towards minimising the negative impacts of these developments. The BDC is “to reduce poverty and foster development by optimising the use of water in reservoirs.”

If this initiative is successful, the BDC will achieve the following results:

- ◆ Reservoirs will be managed in ways that are fairer and more equitable for all water users.
- ◆ Water Storage Infrastructure (WSI) management will take account of fisheries and agricultural potential as well as hydropower generation, and riparian communities will be able to utilise these water sources for multiple purposes.
- ◆ Catchments will be managed in ways that reduce erosion and siltation of WSI, while benefiting riparian communities by opening up farming and other opportunities.
- ◆ Improved ability to manage WSI sequentially to optimise benefits for all.
- ◆ Negotiation capacity amongst water users (including dam operators) will be improved.

Provisionally, the BDC will focus on three catchments in the Mekong: the Sesan in Viet Nam, one of the 3S Rivers in Cambodia, and the Nam Theun in Lao PDR. The BDC will be implemented over the

four year period of 2010-2013, and is composed of five integrated projects:

Project 1: Optimising WSI management for livelihoods

Project 2: Water valuation

Project 3: Land and rainwater management in catchments

Project 4: Water governance

Project 5: Coordination and multi-stakeholder platforms

Following a meeting in September 2010, the CPWF is keen to forge good relations with the MRC and work together with its Programmes to improve the impact potential of its work, and to explore possibilities for future collaboration and joint work.

## Food and Agriculture Organisation of the United Nations (FAO)

FAO or the Food and Agriculture Organization of the United Nations, a UN specialized agency, leads international efforts to defeat hunger. FAO's mandate is to raise levels of nutrition, improve agricultural productivity, better the lives of rural populations and contribute to the growth of the world economy. FAO also functions as a hub of knowledge and information, and helps developing countries and countries in transition modernize and improve agriculture, forestry and fisheries practices, ensuring good nutrition and food security for all.

With agriculture being one common area of interest, MRC and FAO have been in good partnership since MRC's inception. At the Mekong regional level MRC and FAO cooperated mainly in irrigation sector to help riparian countries adopt effective policies, strategies and practices to improve their performance. Other areas of cooperation include substantial capacity building at all levels, creating instruments to monitor and evaluate the results of change as well as assessing the ecological impact of agriculture and development on an ecosystem, and establishing a health indicator system for the Mekong River.

## International Union for Conservation of Nature (IUCN)

The International Union for Conservation of Nature (IUCN) helps find pragmatic solutions to the world's most pressing environment and development challenges. It supports scientific research, manages field projects all over the world and brings governments, non-government organizations, United Nations agencies, companies and local communities together to develop and implement policy, laws and best practice.

The Mekong Water Dialogue Programme (MWD), convened by the International Union for Conservation of Nature (IUCN), was initiated to work with countries of the Mekong Region - Cambodia, Lao PDR, Thailand and Viet Nam - to improve water governance by facilitating transparent

and inclusive decision-making to improve livelihood security, human and eco-system health. The Mekong Water Dialogues are dedicated to facilitating sustainable mechanisms that MRC agreed to collaborate and that:

- ♦ Improve decision-making processes around water-related investments in the Mekong Region;
- ♦ Provide opportunities for business, government and civil society actors in the Mekong Region to participate in dialogues; and
- ♦ Enable different perspectives on Mekong Region water related development to influence decision-making.

## International Water Management Institute (IWMI)

The International Water Management Institute (IWMI) is one of the 15 international research centres supported by a network of 60 governments, private foundations and international and regional organisations collectively known as the Consultative Group on International Agricultural Research (CGIAR). It is a non-profit organisation with a staff of 350 and offices in over 10 countries across Asia and Africa and Headquarters in Colombo, Sri Lanka. IWMI's Mission is to improve the management of land and water resources for food, livelihoods and the environment.

Since the MRC and IWMI are committed to sustainable development, both institutions recognise that partnerships are essential, building on synergies of each organisation's strengths and their shared vision of the sustainable development of land and water resources to the benefit of the peoples of the Mekong Basin. Thus it is considered mutually beneficial for MRC and IWMI – and the countries that they serve in the Mekong Basin – to develop closer and more formal working arrangements.

IWMI has already cooperated with MRC in areas of climate change modelling and adaptation, formulation of MRC's draft agriculture strategy and preparation for an international conference on watershed management.

## Southeast Asia START Regional Center (SEA START RC)

START is the global change SysTem for Analysis, Research and Training, a non-governmental research organisation that assists developing countries in building the expertise and knowledge needed to explore the drivers of and solutions to global and regional environmental change. Its goal is to reduce vulnerability through informed decision-making. START's work spans Africa, Asia, and the Pacific, where it has a total of six regional centres and three regional nodes. These institutions promote regional research cooperation and provide a framework that supports assessments of relevance to policy-makers. START's activities within each region are overseen by regional committees composed of scientists and members of national and regional bodies. The International START Secretariat, located in Washington, DC, coordinates START programs and activities.

Climate change, land and ecosystem degradation and biodiversity loss are all drivers of global environmental change. Developing regions are not only particularly vulnerable to adverse impacts of these changes, but have very limited access to scientific and technical knowledge to assist in formulating solutions. This is the gap START seeks to fill. SEA START has been involved with modelling works on downscaling global climate change models for the Mekong Basin.

The MRCS signed an MOU with Southeast Asia START Regional Center (SEA START RC) in Thailand in 2008. The agreed cooperation covers:

- ◆ Cooperation in study and related project activities on climate change and adaptation, hydrological study of the Mekong River Basin, including sharing the views and positions with regard to climate change impacts to the region.
- ◆ Sharing of knowledge and information on operational modelling capabilities for the projects of both parties that relate to climate change scenarios, mitigation and adaptation and also hydrological scenarios.
- ◆ Working as partners for linking and exchanging up-to-date data and information on related issues of climate change with emphasis on the benefits for the region and its people.
- ◆ Acknowledging the mutual recognition of both parties with respect to publications and study results of climate change and related issues, in print and electronic form, undertaken jointly in cooperation.
- ◆ Recognising technical, financial or administrative support, if considered needed and as appropriate, from one to another party with the aim of accomplishing the cooperation activities with respect to climate change issues.

United Nations' Economic and Social Commission for Asia and the Pacific (UNESCAP)

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) is the regional arm of the United Nations for the Asia-Pacific region. Established in 1947 with its headquarters in Bangkok, Thailand, ESCAP seeks to overcome some of the region's greatest challenges. It carries out work in the following areas such as macroeconomic policy development, statistics, sub-regional activities for development, environment, sustainable development and social development.

In order to foster integrated water resource management (IWRM) to promote the coordinated development management of water, land and related resources, MRC and ESCAP shares their experience to promote cooperation on management of international river basins in Asia, focusing on experiences from three key river basins, the Mekong River Basin, Aral Sea River Basins, and the Ganges-Brahmaputra-Meghana System, and highlighting the success of the Mekong River.

Cooperation projects between MRC and UNESCAP include enhancing capacity of the MRC countries under the framework of UNESCAP project on "Capacity Building on Strategic Planning and Management of Natural Resources in Asia and the Pacific" and a joint harmonization of Aids-to-Navigation Systems along the Mekong River.

Beginning its work as the UN-founded Mekong Committee under ESCAP in 1957, the MRC continues to report its activities to the annual UNESCAP Council Meeting.

## Wetlands Alliance (WA)

The Wetlands Alliance (WA) is an association of long established agencies creating new and innovative approaches to poverty focused development initiatives. Based on their many years of experience working in the Mekong region, the Alliance partners believe that one of the most effective means of addressing poverty is through locally led management of wetlands and aquatic resources.

Instead of the traditional technology-led approach to development, the Alliance helps local partners at the provincial and district levels build the capacity they need to work directly with the communities under their jurisdiction. Alliance partners at the local level, with support from regional partners, identify the most relevant poverty-related issues in their communities and develop their locally appropriate initiatives to address them.

Through this process the local partners acquire the institutional and management capacities they need to work as effective agents of development. One reason this approach is succeeding is because the local partners are leading the process. The Alliance approach helps partners leverage their strengths and provides mutual support without the need for new and external frameworks and processes.

The WA regional partners are: the Asian Institute of Technology (AIT), the Coastal Resources Institute of Prince of Songkhla University (CORIN), the WorldFish Center, and the World Wide Fund for Nature (WWF).

Cooperation with WA was under discussion by the end of 2010.

## World Wide Fund for Nature (WWF)

In 2005 the World Wide Fund for Nature formed the WWF Greater Mekong Programme with a core focus on the moist forests of the Annamite range, the dry forests of the Lower Mekong, and the Mekong River system. Within this structure the “Living Mekong Programme” works towards a vision where “healthy freshwater ecosystems are established and maintained that enhance and sustain the livelihoods of local communities whilst assuming the long term conservation of Mekong Basin diversity”.

Under the framework of their MOU, the MRCS and the World Wide Fund for Nature – Greater Mekong Programme signed an Agreement to develop a partnership to contribute towards development of

the fluvial geo-morphological tools and processes to guide hydropower development; and to build the technical capacity of concerned line agencies in the MRC Member Countries.

In 2006, together with ADB, the MRC and WWF formed a partnership platform on environmental considerations for sustainable hydropower development (ECSHD) which is centrally relevant to advancing Mekong sustainable hydropower and the necessary tools. Since then, the ECSHD platform has supported activities to survey, develop and adapt hydropower sustainability tools and other thematic analysis and dialogue facilitation, suited to the Mekong situation and the MRC role. The MRC work under the ECSHD is managed and implemented by ISH in close cooperation with the MRC Environment Programme staff. The work has resulted in publication of a Rapid Basin-wide Sustainability Assessment Tool (RSAT) that is now being pilot-tested in various basins in the LMB and is seen as a valuable complement to processes such as SEA and EA.

## WorldFish Center (WFC)

The WorldFish Center is an international, non-profit, non-governmental organisation working in partnership with a wide range of government and non-governmental agencies at regional, national and local levels in the developing world, and with advanced research institutions worldwide. It is one of 15 centres supported by the Consultative Group on International Agri-cultural Research (CGIAR).

Among ongoing collaborative activities in the Mekong region are:

- 1) The WorldFish Center, the Cambodian Fisheries Administration (FIA), CDRI, and the Coalition of Cambodian Fishers have begun the joint implementation of the project, “Building resilience of community fisheries in the Tonle Sap Lake: Collective action and the capacity to manage resource competition”. This action research project aims to strengthen the capacity of a network of fishing communities in Cambodia’s Tonle Sap Lake to engage in collective action beyond the local scale, in support of governance arrangements that anticipate and manage competing uses of aquatic resources equitably.
- 2) The WorldFish contribution to the “Strategic Environmental Assessment (SEA) of Proposed Hydropower Development on the Mekong Mainstream in the Lower Mekong Basin”, commissioned by the MRC and led by the International Centre for Environmental Management. The project ran for 12 months and assessed the wider economic, social and environmental implications of the 11 proposed hydropower projects on the Mekong River mainstream.
- 3) Participation in a 2008 Expert Group on the possibilities for fish passage on proposed mainstream dams.

## Regional Initiatives

### Asia Pacific Water Forum (APWF)

The establishment of the Asia-Pacific Water Forum (APWF) was initially proposed by the participants at the Fourth World Water Forum (4WWF) Regional Preparatory Process coordinated by the Japan Water Forum (JWF). During the Ministerial Meeting that led to the Joint Declaration, the establishment of the APWF was supported by several regional agencies, including the ADB, UNESCAP, GWP, KWF, SOPAC, JBIC, MRC, FAO, UNDP, UNEP, UNESCO, UNICEF, UNISDR and IUCN.

In calling for the creation of APWF, the water ministers sought to establish an effective mechanism to encourage more collaborative efforts on water resources management and to accelerate the process of effective integration of water resources management into the socio-economic development process of the Asia-Pacific region. On Asia-Pacific Day at the 4WWF, the establishment of the APWF was announced by Mr Ryutaro Hashimoto, the President of Japan Water Forum.

The Asia-Pacific Water Forum (APWF) is coordinating a network of knowledge hubs of which MRC is the knowledge hub for trans-boundary water resources management under APWF.

### ASEAN Regional Fisheries Management Mechanism (ASEAN FMM)

Under guidance from the Southeast Asian Fisheries Development Center (SEAFDEC), and led by the Department of Fisheries of Thailand, the concept of establishing a planned, long-term establishment of a “regional fisheries management mechanism” (FMM) for ASEAN countries is being elaborated. This is intended to move regional cooperation beyond that of technical assistance towards collective fisheries management and development.

This comes from efforts to regionalise sustainable development in an “ASEAN Economic Community” by 2020. Fisheries has been identified as one of 11 priority sectors for ASEAN economic integration. So far the framework for ASEAN integration, including fisheries integration, has emphasised trade policies and food safety standards. But agreement on management and use of resources is a condition for and outcome of successful economic integration.

Avoiding overlaps and duplication of efforts will be important when setting up the new “management mechanism” which is expected to fill the gaps where there are now no mechanisms for (sub-) regional cooperation in fisheries management, and to build on work done at sub-regional levels by others, but under a regional “umbrella”.



## GMS/ADB

The GMS Economic Cooperation Programme, initiated in 1992 with the assistance of the Asian Development Bank, aims to facilitate sustainable economic growth and to improve the standard of living of the people in the sub-region. The programme focuses on development opportunities, trade and investment, cross-border disputes, and resource and policy needs in the region. There are currently nine key sectors for GMS activities: agriculture, energy, environment, human resource development, investment, telecommunications, tourism, trade, and transport.

The GMS Flood and Drought Risk Management and Mitigation Project and Water Resources Management Programme and the Strategic Environment Framework are particularly relevant to the MRC. The MRC Flood Management and Mitigation Programme provides the foundation for flood and drought investment programmes being considered by ADB. Cooperation through the MRC's established Regional Flood Management and Mitigation Centre in Phnom Penh has been effective and will be expanded.

The Initiative for Sustainable Hydropower (ISH) has sought to establish strong links with the GMS regional level initiatives on sustainable hydropower, notably in response to a number of GMS agreements including those for cross-border power trade, trans-boundary-environment sustainability and other sustainability domains.

Since 2006, the ADB, MRC and WWF have worked together in a partnership platform on environmental considerations for sustainable hydropower development (ECSHD) managed by the MRC Initiative for Sustainable Hydropower (see WWF).

## MWRAS/World Bank

The World Bank supports the implementation of Integrated Water Resource Management in the LMB as expressed through the Mekong Water Resources Assistance Strategy (MWRAS) for the LMB, developed jointly with the ADB in 2006 to provide strategic direction for the Bank and the ADB. The World Bank currently enhances this support and a respective appraisal process is ongoing. Activities for the WB component of the Mekong Integrated Water Resource Management Project (MIWRMP) would significantly support IWRM cooperation on both the regional and national level.

The proposed project follows up on MWRAS for the LMB. The strategy's recommendations, endorsed by the LMB countries and the MRC, emphasise the need for an IWRM approach which:

- ♦ balances environmental, social and economic considerations;
- ♦ recognises the linkages between ecological integrity of the Lower Mekong and sustainable management of key areas such as fisheries, wetlands, and flood and drought management which impact on local people;

- ♦ provides for transparent decision making processes, balancing the needs of upstream and downstream users, as well as consumptive (e.g., irrigation, water supply) and non-consumptive uses (e.g., hydro-electric development, fisheries, biodiversity and other ecosystem services such wetlands and flood management); and
- ♦ delineates complementary roles for national and regional river basin organisations regarding coordinated management of basin resources.

## Network of Aquaculture Centres in Asia-Pacific (NACA)

The NACA is an intergovernmental organisation that promotes rural development through sustainable aquaculture. The NACA seeks to improve rural income, increase food production and foreign exchange earnings and to diversify farm production. The ultimate beneficiaries of NACA activities are farmers and rural communities. The core activities of NACA are:

- ♦ Capacity building through education and training;
- ♦ Collaborative research and development through networking among centres and people;
- ♦ Development of information and communication networks;
- ♦ Policy guidelines and support to policies and institutional capacities;
- ♦ Aquatic animal health and disease management; and
- ♦ Genetics and biodiversity.

Current member governments are Australia, Bangladesh, Cambodia, China, Hong Kong SAR, India, Indonesia, I.R. Iran, Korea (DPR), Lao PDR, Malaysia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, and Viet Nam. NACA conducts development assistance projects throughout the region in partnership with governments, donor foundations, development agencies, universities and a range of non-government organisations and farmers. NACA supports institutional strengthening, technical exchange and the development of policies for sustainable aquaculture and aquatic resource management.

MRC and NACA signed an MOU in 2002 to cooperate in the following areas:

- i) Cooperation in research, training, and information activities
- ii) Implementation of aquatic and aquaculture programmes;
- iii) Aquatic resources management for the rural poor;
- iv) Implementation of education and training activities;
- v) Development of guidelines for policy and best management practices for inland fisheries

## Network of Asian River Basin Organisations (NARBO)

MRC is a member of the Network of Asian River Basin Organizations (NARBO). Announced at the 3rd World Water Forum in March 2003, NARBO was officially established in February 2004 to promote IWRM in Asian monsoon areas.

NARBO's goal is to help achieve IWRM in river basins throughout Asia. Its objective is to strengthen the capacity and effectiveness of river basin organisations (RBOs) in promoting IWRM and improving water governance, through training and exchange of information and experience among RBOs and their associated water sector agencies and knowledge partner organisations.

## Southeast Asian Fisheries Development Center (SEAFDEC)

The Southeast Asian Fisheries Development Center (SEAFDEC) with its Secretariat in Bangkok is an intergovernmental organization established in December 1967 for the purpose of promoting sustainable fisheries development in the region. Its current Member Countries are Brunei Darussalam, Cambodia, Indonesia, Japan, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam.

In April 2009, the SEAFDEC Council adopted its new Program Framework, which includes the mandate "to develop and manage the fisheries potential of the region by rational utilisation of the resources for providing food security and safety for people and alleviating poverty through transfer of new technologies, research and information dissemination activities".

Although the activities of SEAFDEC have focused on providing technical assistance to its member countries in the development of fishery technologies appropriate for the region, SEAFDEC also keeps a close involvement in the discussion in the relevant regional/international forums. Among these are the Food and Agriculture Organizations of the United Nations (FAO), the Asia-Pacific Fisheries Commission (APFIC), the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), the World Trade Organization (WTO).

MRC is a collaborative partner of the SEAFDEC on inland fisheries issues.

## Partnerships With Other international River Basin Organisations

In a wider network of partnerships, the Mekong River Commission has been in partnership with Australia's Murray-Darling Basin Commission (MDBC) since 1996, and the Mississippi River Commission of the United States of America (MRC-USA) since 2009. It has also visited the Chiangjiang Water Resources Commission (Yangtze River in China), the Colombia Basin, USA and the International Commission for the Protection of the Rhine River (ICPR), and also the Central Commission for Navigation of the Rhine. The MRC is now visiting the La Plata Basin Commission (Paraguay and Brazil), and exploring potential cooperation with the International Commission for the Protection of the Danube River (ICPDR).

The following describes the RBOs that are currently formal partners of the MRC.

### Murray-Darling Basin Authority (MDBA) (formerly the Murray Darling Basin Commission)

The Australian Murray-Darling Basin Authority (MDBA) was established under the Murray-Darling Basin Agreement. A key role for the Authority is to prepare a Basin Plan that will set a long-term sustainable limit on the use of both surface and groundwater in the Murray-Darling Basin.

The Murray Darling Basin Commission (MDBC) was the executive arm of the Murray-Darling Basin Ministerial Council and is responsible for managing the River Murray and the Menindee Lakes system of the lower Darling River, and advising the Ministerial Council on matters related to the use of the water, land and other environmental resources of the Murray-Darling Basin.

In December 2008, MDBA assumed responsibility for all of the functions of the former Murray-Darling Basin Commission (MDBC).

The Strategic Liaison Partnership (SLP) between the MRC and the MDBC commenced in 1996 with AusAID support, and initially included high-level exchange and communication (from 1996 to 1999) and then broadened to include organisational capacity building focusing on the IWRM concept (from 2001 to 2006). The MRC/AusAID/MDBA Strategic Liaison Partnership Phase III aims at providing further support to strengthening MRC's capacity to implement IWRM in the Mekong River Basin.

The SLP Phase III has been implemented as an integral part of the Integrated Capacity Building Programme (ICBP) of the MRC and has been aimed specifically to support the BDP process.

## Mississippi River Commission (MRC-USA)

The Mississippi River Commission (MRC-USA) was established on June 28, 1879 with the mission to develop plans to improve the condition of the Mississippi River, foster navigation, promote commerce, and prevent destructive floods. Headquartered in Vicksburg, Mississippi, the MRC-USA provides water resources engineering direction and policy advice to the Administration, Congress, and the U.S. Army in a drainage basin that covers 41 percent of the United States and parts of two Canadian provinces by overseeing the planning and reporting on the improvements on the Mississippi River. The intent behind the mission of the MRC-USA today is the same as that placed on the commission upon its creation—to lead the sustainable management and development of water related resources for the U.S.A's benefit and the people's well-being. The MRC-USA has major programmes on flood management, navigation, ecosystem sustainability (restoration), fish passage for hydropower; and coastal area planning and management.

The MRC and the MRC-USA first signed a Letter of Intent (LOI) on 29 July 2009, and entered into a Memorandum of Understanding (MOU) in May 2010. The scope of cooperation identified in the MOU includes:

- ♦ Climate change adaptation;
- ♦ Integrated water resources management;
- ♦ Drought management;
- ♦ Flood forecasting;
- ♦ Hydropower development and impact assessment;
- ♦ Water demand and utilisation;
- ♦ Agriculture and food security;
- ♦ Navigational improvement;
- ♦ Fish passage;
- ♦ Water quality; and
- ♦ Wetlands.