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

Report of the Mekong River Commission^{*}

Note by the secretariat

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

REPORT

1. The MRC Council at its Eighteenth Meeting in December 2011 reviewed the implementation of the IWRM-based Basin Development Strategy and the MRC Strategic Plan 2011-2015 (SP 2011-2015). With regard to implementation of the Basin Development Strategy, strategic activities have been identified and the Regional Action Plan and four National Indicative Plans are being prepared. The Joint Session of the Council and Development Partner Consultative Group also reviewed the progress of the implementation of the First MRC Summit's Declaration in April 2010 in Hua Hin (Hua Hin Declaration). The following report provides a brief account of activities of the MRC in 2011.

I. The general implementation of the MRC Strategic Plan 2011-2015 and performance management

2. The overall direction of the Strategic Plan reflects the Hua Hin commitment on the continued implementation of the 1995 Mekong Agreement and on the priority areas of action. This Plan centers on a comprehensive implementation of the IWRM principles at regional and national levels, and has a strong emphasis on improved alignment of the MRC operations with its mandated core functions, and improved organisational strategies to ensure an efficient organizational transition of the MRC towards a decentralised implementation model of its selected core

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functions. Besides implementing routine activities through the Programmes to achieve the set targets and objectives, the MRC is focusing on the preparation of a regional roadmap and four national roadmaps for the decentralisation of selected core River Basin Management (RBM) functions.

3. A web-based capacity building monitoring and evaluation (M&E) system has been successfully tested with the four Member Countries in the last quarter of 2011. Its potential for up-scaling to the organisational level will be examined. Programmes have developed their M&E frameworks to monitor and measure their performance, which will ultimately track the majority of the results set out in the SP 2011-2015.

II. The decentralisation of the core River Basin Management Functions

4. Member Countries agreed during the First MRC Summit to commit to a process whereby the MRC would be fully financially self-sustained by 2030. The Summit commitment was followed up in the SP 2011-2015 with a pledge from MRC Council members to prepare a roadmap for the decentralisation of selected core functions within its first year. This also provides the opportunity to look forward to assess the overall size of the budget necessary for the future.

5. The seven River Basin Management (RBM) Functions directly assist Member Countries in the sustainable development and management of the Basin's 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 still require the independent implementation capability of the MRC Secretariat.

6. Regarding decentralisation, the analysis confirms that a number of MRC RBM Function activities have already been more or less implemented by Member Country agencies. It had preliminarily described a total of 110 different activities that supported these seven functions. Using the four-degree scale, about 15 activities out of 110 activities could be increasingly decentralised during 2011-2015. Around 60 other activities were initially assessed for decentralisation over the next four Strategic Plan periods up to 2030. Some 30-40 remaining activities were preliminarily classified as centralised activities with a high level of MRCS coordination and implementation.

III. Programme implementation

1. Agriculture and Irrigation Programme (AIP)

7. AIP has been re-oriented, and its Programme Document for 2011-2015 was only approved in December 2011. In 2011 AIP continued the implementation of its existing projects such as finalization of the reports for the Water Use Efficiency (WUE) project and Sustainable and Efficient Water Use in Irrigated Agriculture in the LMB (SEWU). AIP also focused on the formulation of the AIP Document 2011-2015 and identification of priority activities.

2. Basin Development Plan (BDP)

8. In 2011, BDP Phase 2 achieved most of its planned outputs and outcomes, the most important outcome being the approval of the first Integrated Water Resources Management (IWRM) Basin Development Strategy for the period 2011-2015. The BDP also made good progress on the implementation of the Strategy through a participatory process of preparation and approval of a Basin Action Plan consisting of regional and national action plans.

3. Drought Management Project (DMP)

9. The focus of the work in 2011 was the formulation of the Programme Document and preparation for its approval. The inventory of drought management policies and mitigation strategies of the Member Countries will be developed for the future development of the Regional Integrated and Comprehensive Drought Management and Mitigation Strategy.

4. Environment Programme (EP)

10. The EP continued its water quality monitoring and ecological health monitoring survey activities. It also focused on implementation of the Procedures for Water Quality (PWQ) by finalizing the technical guidelines and increased national capacities in monitoring and reporting the status and trend of Mekong water quality. Decentralisation of priority environmental monitoring and assessment is being made progressively, starting with the water quality monitoring network.

5. Fisheries Programme (FP)

11. In addition to preparing and disseminating technical, scientific and fisheries management information on the Lower Mekong Basin, in 2011 the FP has also shared its experiences and contributed to a number of regional events, such as the 9th Asian Fisheries Forum in Shanghai, China, in April 2011; the FAO/APFIC Consultation on 'Fisheries and Climate Change', in Kathmandu, Nepal, in May 2011; the ASEAN/SEAFDEC Conference on Sustainable Fisheries for Food Security Towards 2020 in Bangkok, Thailand, in June 2011; and a Consultation on Development Trends in Fisheries and Aquaculture in Asian Lakes and Reservoirs, in Wuhan, China, in September 2011.

6. Flood Management and Mitigation Programme (FMMP)

12. Severe flooding events in 2011, inside and outside the Basin, have had an enormous impact on the MRC Member Countries. The Regional Flood Management and Mitigation Centre, although experiencing some difficulties, contributed significantly to the analysis and emergency response of 2011 floods, and have since undertaken simulations and tests to analyze and improve flood forecasting. In 2011, although the programme operated under a bridging phase it continued its daily flood forecasts during the flood season, and river monitoring during the dry season, and enhanced understanding and knowledge and skills of personnel of the National Centres in a mainstream flood forecasting and in a Flash Flood Guidance system. It also carried on the knowledge and skills built for Member Countries on application of Integrated Flood Risk Management.

7. Integrated Capacity Building Programme (ICBP)

13. In 2011, ICBP continued to support a series of capacity building activities namely training courses, workshops, excursions and exchange visits. In addition, the programme also addressed capacity needs that involve a regional process with training plans tailor-made to the needs of the MRCS, the NMCs and line agencies in the four MRC Member Countries. ICBP had considerably put its effort in the preparation of capacity for the decentralization of seven river management core functions and the development of the Monitoring and Evaluation System. In addition, under the Junior Riparian Professional (JRP) Project, 40 JRPs from Member Countries including 1 from China have graduated and returned to their respective line agencies.

8. Information and Knowledge Management Programme (IKMP)

14. As mentioned earlier in the report, the decentralisation of selected MRC Core River Basin Management Functions is ongoing, exemplified by the Information and Knowledge Management Programme where the HYCOS project (the hydro-meteorological network) is successfully moving towards handing-over its operations to the Member Countries starting in 2012. IKMP provided the required hydro-meteorological and related data in a timely manner other programmes and national projects. It continued to improve data storage system and IT infrastructure at MRCS and NMCS. The MRC Toolbox was continuously developed, improved and widely used by other MRC programmes, NMCS and national line agencies. The first edition of the Toolbox is available on the Portal.

9. Navigation Programme (NAP)

15. The programme successfully established a standing bilateral committee to oversee the implementation of the Navigation Agreement between two Member Countries (Viet Nam and Cambodia). In the first quarter of 2011, NAP commenced the Risk Analysis of the Storage, Carriage and Handling of Dangerous Goods along the Mekong River. The Risk Analysis determines the risk of oil spills, fire, explosions and major incidents in ports, petroleum terminals and waterways along the Mekong River system and what their impacts could mean to the people living along the river, not only in the villages but also in the urban centers, and how spills could harm the environment. The analysis will also produce a set of recommendations on how to address the identified risks.

10. Climate Change and Adaptation Initiative (CCAI)

16. In 2011, experiences and lessons learned in climate change adaptation were identified from the demonstration and basin-wide pilot activities and some were documented in reports of these local projects. A Synthesis Report of Good Practices and Challenges for Successful Climate Change Adaptation is being prepared from the first regional meeting of demonstration projects in July 2011. A report on Climate Change Impacts on wetland and biodiversity is being prepared as one of the products of the basin-wide assessment of climate change impacts. Regarding the demonstration sites, work on vulnerability assessment and adaptation planning have been conducted by Member Countries. As a first step for scoping of the Mekong Adaptation Strategy and Action Plan, a review of existing and on-going climate change related strategies, programmes, projects and activities at regional and national levels is being undertaken.

11. Initiative on Sustainable Hydropower (ISH)

17. The focus of ISH in 2011 was on expanding MRC hydropower knowledge base and evaluating the basin/sub-basin assessment tool called Rapid Sustainability Assessment Tool (RSAT) which was developed in a collaborative process in 2009-2010 coordinated by the ISH working closely with NMCS and ECSHD Partners (ADB, MRCS and WWF). The initiative also executed Benefit-Sharing Mechanisms at Regional, National and Community Levels as well as preparing a multi-year follow-up to technical recommendations concerning mainstream dams and MRC cross-programme work.

12. Mekong Integrated Water Resources Management Project (M-IWRM-P)

18. The project's main activities in 2011 focused on the preparation and submission for consideration a concept note entitled Improvement of the MRC Procedure Implementation. Regarding the study on significant tributaries in the LMB, M-IWRMP is supporting the development of a synthesised report, which will clarify the definition and terms used in the 1995 Mekong Agreement regarding "significant" tributaries, which could affect the mainstream in terms of water utilisation. The initiative organised a regional meeting to enable the agreement on the process, approach and basic content of the transboundary project proposals and continued with the formulation of proposals.

13. Watershed Management Project (WSMP)

19. The WSMP aims to strengthen the planning, coordination and piloting replicable development solutions for sustainable watershed management and IWRM principles. The objective of the project to support the project site in Lao PDR, Nam Ton watershed, and to capture issues of regional interest and relevance which may be promoted as replicable development solutions. The project's inception report was finalized at the end of December 2011. Major activities of WSMP in 2011 covered the successful preparation and organization of an International Conference on Watershed Management. A joint Conference Technical Paper had been prepared and distributed to partners and participants.

IV. Donor support

20. Development Partners' support to MRC remains strong. In 2011, the MRC received a number of funding pledges made available for the realization of its activities this Strategic Plan period. The multi-year total budget for MRC Programmes amounts to US\$ 141.1 million. The total funding, either signed or committed stands at US\$ 69.61 million in addition to US\$ 38.59 million associated technical cooperation (GIZ, KfW). The total funding needs thus are US\$ 68.39 million.

V. Cooperation with dialogue partners

21. Cooperation between MRC and Dialogue Partners is being strengthened. This can be seen by the recent participation of MRC Member Countries and the Secretariat staff in the flood forecasting technology training in November 2011 in Wuhan, China. China is also sharing its daily hydro-meteorological data with the MRC during the wet season as agreed under the

implementation plan of the Agreement to share hydro-meteorological data with the People's Republic of China.

22. Through the regular annual Dialogue Meeting and the follow up meetings with MRC's focal point for People's Republic of China, the MRC maintains a close coordination and always keeps the Dialogue Partners informed on new emerging issues related to the MRC.

23. Cooperation in capacity building was further enhanced under the framework of the MRC Junior Riparian Professional (JRP) Project. The first JRP from Myanmar is currently training at the Mekong-IWRM Project in the Office of the Secretariat in Vientiane.

VI. Cooperation with other regional or international partners

24. The Secretariat works on building or reinforcing strategic partnerships with regional and international organisations. In June 2011, the MRC was invited by the US Government to visit the Mississippi River Commission. This exchange visit gave an opportunity for MRC to share best practices and learn from the US experience in managing a major river basin. The MRC and the Mississippi River Commission are working on a five-year plan to implement the MoU signed in 2010. In addition, the MRC Secretariat and the US Government are also currently discussing the next steps to expand cooperation through partnerships with key US agencies, such as the US Geological Survey and National Heritage Institute.

25. Several governments have expressed their interest in engaging more with the MRC, including the Russian Federation and the Republic of Korea. The Russian Federation sent delegates from the Ministry of Water Resources and Meteorology to the Secretariat and proposed to organise a seminar between Russian experts and MRC delegates in Moscow in 2012. This activity could ultimately lead to potential opportunities for further technical engagement with the MRC. The Republic of Korea sent a group of researchers from the Korean Southeast Asian Studies (KISEAS) to evaluate options for a re-engagement of the Republic of Korea with the MRC.

26. In 2011, the MRC received visits from several delegations, including one from the Chu-Talas Joint River Commission based in Kyrgyzstan and one from India including senior representatives from several institutions related to the water sector in India. The MRC has also been actively involved in major international and regional events, such as the Bonn Conference 2011 on Water, Energy and Food Security Nexus – Water Recourses in the Green Economy; the Forum on Hydropower and Mekong Basin Sustainable Development; International Conference on Water Resources and Renewable Energy development in Asia; the World Large River Conference; an International Conference of International Hydropower Association; an International Conference on Ecological Security: Climate Change and Socio-economic Policy Development Implications in the GMS; the First International Environment Forum for Basin organization and International Conference on Asia-Europe Transboundary Water Cooperation; the International Singapore Water Week 2011. The MRC also prepares and organises an International conference on transboundary river basin management called "Mekong2Rio", which will provide input to discussions at Rio+20, the United Nations Conference on Sustainable Development, that will be held in Brazil.