**Report of the Mekong River Commission**

**Summary**


The commission may wish to take note of the report.

1. 2017, the second year of the MRC Strategic Plan 2016-2020, was a year of significant achievement for the Mekong River Commission (MRC), building on the reforms and preparatory works of 2016. The MRC’s role as both a knowledge hub and water diplomacy platform were cemented. The MRC completed the Council Study, i.e. a comprehensive study on the sustainable management and development of the Mekong river basin, including impacts of hydropower projects on mainstream, facilitated an agreed joint statement on the third proposed mainstream project and subsequent development of the Joint Action Plan, commenced the work on the Joint Environment Monitoring for mainstream projects, led the process to approve two basin-wide strategies (on fisheries and climate change), updated the technical guidelines of two MRC procedures, increased communication, dissemination, stakeholder engagement, and partnership, enhanced cooperation with China, and introduced various performance monitoring measures to increase MRCS efficiency and effectiveness.

**MRC Strategic Plan**

2. To recap, for the years 2016-2020, the MRC focuses its work on four key result areas to achieve its strategic outcomes as agreed in the MRC Strategic Plan. An overview of the MRC Strategic-Plan 4 key results areas and their associated 7 outcomes is given below. Under the 7 outcomes, there are about 35 outputs.
Table 1
Summary of Key Result Areas of MRC SP 2016-2020

<table>
<thead>
<tr>
<th>Key Result Area 1: Enhancement of national plans, projects and resources based on basin-wide perspectives</th>
<th>Outcome 1: Increased common understanding and application of evidence-based knowledge by policy makers and project planners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outcome 2: Environment management and sustainable water resource’s development optimised for basin-wide benefits by national sector planning agencies</td>
</tr>
<tr>
<td></td>
<td>Outcome 3: Guidance for the development and management of water and related projects and resources shared and applied by national planning and implementing agencies</td>
</tr>
<tr>
<td>Key Result Area 2: Strengthening regional cooperation</td>
<td>Outcome 4: Effective and coherent implementation of MRC Procedures by the Member Countries</td>
</tr>
<tr>
<td></td>
<td>Outcome 5: Effective dialogue and cooperation between Member Countries and strategic engagement of regional partners and stakeholders on transboundary water management</td>
</tr>
<tr>
<td>Key Result Area 3: Better monitoring and communication of the Basin conditions</td>
<td>Outcome 6: Basin-wide monitoring, forecasting, impact assessment and dissemination of results strengthened for better decision-making by Member Countries</td>
</tr>
<tr>
<td>Key Result Area 4: Leaner River Basin Organisation</td>
<td>Outcome 7: MRC transitioned to a more efficient and effective organisation in line with the Decentralisation Roadmap and related reform plans</td>
</tr>
</tbody>
</table>

Implementation progress and achievements

3. This report gives details on some of the most important progress and achievements of outputs under each outcome in 2017.

Outcome 1

4. At the end of 2017, the MRC completed the six-year Study on the Sustainable Management and Development of the Mekong River Basin, including impacts of mainstream hydropower projects. The launch of the study, which came to be known as the Council Study, considered three scenarios – early development (2007), definite future (2020) and planned development (2040). The main outputs from the Study include integrated and cumulative assessments of water resource development impacts and key messages for decision-makers in the four Member Countries. The Study developed tools and datasets that can be used and replicated to guide future policy-oriented research, and generated some important findings that have added to the knowledge base on sustainable management of the Mekong River. Continued dissemination of the Study’s findings to policy makers, and integration of the Council Study findings into various MRC activities are planned for 2018. The Study’s findings led to the conclusion that joint efforts must be made by the riparian countries if the Mekong development would be beneficial for all.
Outcome 2

5. The Mekong Basin is particularly at risk from the effects of climate change. The *Mekong Climate Change Adaptation and Action Plan* (MASAP) represents a significant breakthrough for the Member Countries in their efforts to implement a coordinated response. Approved in 2017 at the 24th Council Meeting in Thailand, the Plan represents inputs from stakeholders from across the Mekong Region. The Plan synthesizes the framework in terms of legal, policy, institutional and stakeholder aspects, highlights the impacts of and vulnerability to climate change in the LMB, and provides strategic guidance articulated in 7 strategic priorities. Several the MRC’s climate activities piloted under the plan have already been taken up by the Member Countries.

6. To safeguard the food security and livelihoods of millions of people living along the Mekong River, regional cooperation on fisheries management is vital. In November 2017, the *Mekong Basin-wide Fisheries Management and Development Strategy 2018-2022* (BFMS) was approved by the MRC Council. To implement the Strategy, the countries developed a five-year Project-Based Action Plan to tackle regional and transboundary issues, including; the sustainable use and conservation of fish resources; gender equity in fisheries management and development; and property rights in fisheries. Under the Action Plan, appropriate projects are being designed to address the Strategy's priorities. For the first time, data from all four Member Countries can be analysed together, supporting more effective decision making for the sustainable management of fisheries.

Outcome 3

7. In 2017, the MRC finalized the *Guidelines for Transboundary Environmental Impact Assessment* (TbEIA). The Guidelines, which are set for official approval in March 2018, will increase transboundary communication and coordination, further strengthening the bonds between the countries of the Lower Mekong Basin. A comprehensive consultation process at national and regional levels was decisive in finalizing the Guidelines, raising the awareness in the Member Countries of the need for TbEIA and facilitating agreement on key issues; for example, a clear step-by-step process that guides MCs on how to implement TbEIA effectively. The Guidelines can be used for joint studies on projects with potential transboundary environmental impacts, and supplement existing MRC Procedures, such as the Procedures for Data and Information Exchange and Sharing (PDIES), the Procedures for Water Use Monitoring (PWUM), and the Procedures for Maintenance of Flows on the Mainstream (PMFM).

8. In 2017 the MRC completed the *Guidelines for Hydropower Environmental Impact Mitigation and Risk Management in the Lower Mekong Mainstream and Tributaries*. The overall goal of the Guidelines is to provide measures, guidelines, best practice, and state-of-the art impact mitigation approaches for the sustainable development of hydropower dams in the Lower Mekong Basin and tributaries. Findings derived from the Guideline development process were used to improve the quality of the Procedure for Prior Notification, Consultation and Agreement (PNPCA) technical review of the Pak Beng Hydropower Project in 2017. In addition, the Guidelines have improved relevant stakeholders understanding of Mekong-specific hydropower impact mitigation options.

9. The year also saw completion of the *SUMALOM-Nam Ton Project*, a collaborative project between the MRC and the Lao and German Governments through the German Development Bank (KfW). The Project aimed at
showcasing best practices in sustainable watershed management and addressing the issue from a regional perspective. The Project culminated with a Regional Workshop on Watershed Management on 15-16 August. More than 70 watershed practitioners, including representatives from the four Member Countries, international organisations, the private sector, river basin communities, and academia shared their expertise and experiences. The experiences gained through the Project and its numerous collaborative activities have raised the awareness of key stakeholders and provided a regional knowledge base for sustainable watershed management in the Lower Mekong Basin.

10. Another tool - *The Rapid Basin-wide Hydropower Sustainability Assessment Tool* (RSAT) has been under development since 2009. Following years of trials and improvements, in 2017 RSAT became an important tool for the MRC and Member Countries. The RSAT provides a framework and methods to apply Integrated Water Resource Management (IWRM) principles for a Basin-wide approach to sustainable hydropower development. The approach considers broader environmental, economic, technical, social, strategic and cumulative impacts as well as institutional responses for sustainable development. The tool has been the basis for dialogue between Cambodia and Viet Nam on the shared Srepok River Basin and has been applied at community level in Vietnam to facilitate discussions on how to protect and improve flood and drought conditions in the Cham Island Marine Protected Area.

Outcome 4

11. Following controversy and a lack of formal agreement for the first two prior consultation processes for mainstream dams on the Lower Mekong Basin, there was a clear understanding that the PNPCA process for the Pak Beng Hydropower Project (PBHPP) needed to see a marked improvement. On conclusion of the PNPCA process for the BBHPP, a Statement by the MRC Joint Committee included a request to the MRC to support – for the first time – the preparation of a Joint Action Plan (JAP). The JAP aims to provide mechanisms for ongoing feedback, data exchange, and knowledge sharing between Lao PDR (Project Implementer) and the MRC concerning the ongoing design, construction, and operation of the PBHPP. The JAP has transformed the PNPCA process; it now has a clear endpoint with concrete decisions toward enhancing measures to avoid, minimize and mitigate potential transboundary impacts while enhancing good faith between the Member Countries.

Outcome 5

12. Building on the progress that was made in 2016, in which the MRC and China worked together on the Joint Observation and Evaluation of the Emergency Water Supplement, the two parties joined efforts again in 2017 to organize the 3rd MRC-China Joint Technical Symposium and to begin the Joint Research on Hydrological Impacts of the Lancang Hydropower Cascade on Downstream Extreme Events. The two-day symposium, which was held on 16-17 October 2017 in Nanjing, China, hosted more than 40 participants from the Member Countries as well as representatives and experts from regional and international organisations and institutes. These two major initiatives exemplify the strengthened commitment to cooperation between the MRC and China, also evident in continued data sharing, annual dialogue meetings and study exchanges/visits.

13. During 2017, the MRC made great efforts to communicate and engage with stakeholders and the public. Exchanges and learning events with Development Partners, such as ASEAN, IWMI, IUCN, Oxfam, SEI and WLE,
were a key feature of our engagement activities. One such activity in April saw MRC Council Members and ministers from Lao PDR, Thailand and Viet Nam make a historic exchange visit to the Mississippi River to observe and draw lessons on water resources development and management. The year also saw the MRC host six Regional Stakeholder Forums (RSF), all of which aimed to bring together government representatives and broader stakeholders in a spirit of open and constructive dialogue. MRC Communication and outreach also experienced significant gains with digital and social media activity, news media coverage, and outreach events all increasing considerably.

**Outcome 6**

14. This year’s growth in data sharing between the MRC, Member Countries, Development Partners, and research institutes confirmed the MRC as a key regional knowledge hub. In 2017, the MRC received a total of 685 data and information requests, with the website receiving up to 40,000 visitors. Technical measures to make data and information more easily accessible made a significant contribution to the user-friendliness of MRC Information Systems. For instance, the Climate Change Atlas allows the assessment of climate change impacts in the Lower Mekong Basin based on different climate scenarios. In addition, the IS Team enhanced cooperation with our regional counterparts. A fascinating example was our partnership with the Japan Aerospace Exploration Agency’s (JAXA) Space Applications for Environment (SAFE) prototype project to enhance the use of satellite data. SAFE aims at improving input for the Soil and Water Assessment Tool (SWAT), a tool used by the MRC to support decision making.

**Outcome 7**

15. One of the biggest challenges for institutions in moving gender equality forward is the gap between policy and implementation. Although the Member Countries endorsed the MRC Gender Policy in 2000, its implementation has proved difficult. The **MRC Gender Action plan**, approved in 2017, was developed to address this challenge. The Plan consists of comprehensive and concrete requirements to address gender equality at institutional and project levels. During development of the Plan, a gender analysis was carried out, which has given MRC a solid basis to encourage Member Countries to increase female participation at meetings and consultations. In October, a regional workshop was organized with the support of GIZ, SIDA, and Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN), to disseminate the results of the analysis and consult on the draft Plan. In 2018, in line with globally well-recognized practice, the MRC will aim for at least 30% of female participation from each Member Country attending regional consultations.

16. Other works making good progress under this outcome are:

- **Expert Group establishment**: 4 expert groups will start operationalization in 2018 on a learning by doing basis: Basin Planning, Environmental Management, Data Modelling and Forecasting, and Strategy and Partnership.
- **Finance & HR reforms**: Fraud Prevention and Anti-Corruption (FPAC) and Code of Conduct approved; HR, Finance, Admin, Fixed Assets, Procurement Manuals update are on going.
- **Annual Work Planning**: AWP 2018 preparation completed by December.
- **M&E**: Annual Report 2016 finalized, Mid Year Report 2017 prepared, internal monitoring established.
17. 2017 was an important year of achievements for the organization. In terms of output status, about 74 percent are on track. In terms of making an impact, many activities as detailed above are showing evidence of change in their work, making good progress towards reaching the ultimate change of influencing policies, plans and projects by 2020.