Agenda B.1

Progress Report on the Study on Sustainable Management and Development of the Mekong River including Impacts by Mainstream Hydropower Projects

Preparatory Meeting of the MRC Joint Committee
For the Forty-Second Meeting of the MRC Joint Committee
Mekong River Commission
09 September 2015
Vientiane, Lao PDR

Contents

• Background
• Overall Progress
• Challenges
• Proposed Revised Implementation Schedule
Objectives

• Further develop/establish a reliable scientific evidence of positive and negative environmental, social, and economic impacts of water resources development

• Integrate results into the MRC knowledge base to enhance the BDP process

• Promote capacity and ensure technology transfer to Member Countries

Overall Timeline Perspective

December 2011 Council Study Conceived January 2013 Concept Note January 2014 Terms of Reference

9 September 2015 (Now) Implementation Going On

41st JC Meeting agreed in principle

Concept → Inception Planning → Implementation → Extension

October 2014 Inception Report

31 March 2016 Original target completion date
OVERALL PROGRESS

Assessment Framework:

6 Thematic Teams
5 Discipline Teams
1 Cumulative Team
Major Stages of Activities

Technical tasks fall under five major stages of technical activities:

1. Formulation of Development Scenarios
2. Development and Setup of Models, DSS, Tools
3. Baseline Assessment
4. Scenario Assessments
5. Report Preparation

Management and Coordination (MRCS and MCs)

Formulation of Development Scenarios

Progress:
- Agreement on the three main development scenarios
- Agreement on the climate change scenarios
- Data collected (some thematic teams)

Status: Some Thematic Teams on schedule, others are behind

End of 2015 Task Completed
Development and Setup, WUP-FIN, and eWater Source

- **Development and Setup of Models, DSS, and Tools**
  - March 2015: 4th RTWG Meeting
  - April 2015: Small Group Technical Meeting
  - July 2015: 11th TACT Meeting
  - August 2015: 5th RTWG Meeting
  - November 2015: 6th RTWG Meeting

**Progress:**
- Approval of Modelling Approach by TACT and RTWG
- Calibration of SWAT, IQQM, and ISIS (upper Pakse) for flow completed

**Status:** Beginning to see delays and impacting subsequent tasks

Development and Setup of DRIFT DSS for LMB

- **Development and Setup of Models, DSS, and Tools**
  - March 2015: Field Visit and Technical Work Sessions (Delta and Tonle Sap)
  - March 2015: 4th RTWG Meeting
  - May 2015: 41st JC Meeting
  - September 2015: Knowledge Capture Workshop 2
  - September 2015: 42nd JC Meeting
  - November 2015: 6th RTWG Meeting

**Progress:**
- Preliminary Indicators
- Initial Response Curves
- Technical Reports 1 & 2

**Status:** Largely on schedule except for Delta
Scoping and Development of Methodology for Social and Economic Assessments

Development and Setup of Models, DSS, and Tools

- March 2015 4th RTWG Meeting
- August 2015 9th RTWG Meeting
- November 2015 6th RTWG Meeting
- May 2015 41st JC Meeting
- September 2015 42nd JC Meeting

Status: Schedule adjusted as per budget availability

Baseline Assessment – Selection of Baseline

- March 2015 4th RTWG Meeting
- April 2015 Small Group Technical Meeting
- July 2015 11th TACT Meeting
- August 2015 5th RTWG Meeting
- November 2015 6th RTWG Meeting
- May 2015 41st JC Meeting
- September 2015 42nd JC Meeting

Status: Substantial delays. Cannot start baseline assessment without selecting baseline

Progress:
- Working Papers on Modelling Results to Support Baseline Selection

Date TBD Task Completed
Draft Technical Documents Completed

- Technical Note: Modeling Framework for the Council Study (May 2015)
- Technical Note: Comparison of Environmental Flow Assessment Tools (November 2014)
- Technical Note: Comparison of the Current DRIFT Version for the Council Study from the IBFM Predictive Tool (January 2015)
- Technical Report: Focus Area and Indicator Selection (April 2015)
- Technical Report: Field Trip Part 1 Specialist Field Notes (April 2015)
- Technical Report: DRIFT DSS-Setup for the LMB (August 2015)

CHALLENGES
Challenges Now and Ahead

Issues Related to Scope

- Baseline Selection
- Data availability and collection
- Testing of DRIFT - DSS

Management and Coordination Challenge

- Issues Related to Scope
- Implementation Schedule
- Funding Gap
Funding Gap

- Only about 60 percent of the budget expected from external funding has been secured to date
- Current programme in-kind contribution will end by 2015
- Potentially substantial increase in scope and delays in schedule will worsen the funding gap

### Secured External (DP)

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Fund</td>
<td>2,874,220</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>650,400</td>
<td>Water Management Trust Fund</td>
</tr>
<tr>
<td>Australia</td>
<td>463,820</td>
<td>Council Study Trust Fund</td>
</tr>
<tr>
<td>Germany</td>
<td>260,000</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>SDC</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Programme Managed</td>
<td>857,349</td>
<td></td>
</tr>
<tr>
<td>Luxembourg (Repurposed)</td>
<td>500,000</td>
<td>Managed by CCAI</td>
</tr>
<tr>
<td>ISH</td>
<td>165,000</td>
<td>Managed by ISH</td>
</tr>
<tr>
<td>Finland (Accrued Interest)</td>
<td>192,349</td>
<td>Managed by IKMP</td>
</tr>
<tr>
<td><strong>Total Trust Fund and Programme Managed</strong></td>
<td><strong>3,731,569</strong></td>
<td></td>
</tr>
</tbody>
</table>
External Funding Gap

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Amount USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget Required</td>
<td>7.1M</td>
</tr>
<tr>
<td>External Funding Required</td>
<td>6.2M</td>
</tr>
<tr>
<td>Secure Funding (Australia, Finland, Germany, Luxembourg, SDC, USA)</td>
<td>3.7M</td>
</tr>
<tr>
<td>External Funding Gap</td>
<td>2.5M</td>
</tr>
</tbody>
</table>

Trust Fund Financial Status

- Based on report 21 July 2015

<table>
<thead>
<tr>
<th>Project</th>
<th>Budget (USD)</th>
<th>Spent to Date (USD)</th>
<th>Balance (USD)</th>
<th>Percent Spent to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Fund</td>
<td>2,874,220</td>
<td>720,315</td>
<td>2,153,905</td>
<td>25.1</td>
</tr>
</tbody>
</table>
Planned Expenditure for Remaining Period 2015 (Trust Fund Only)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Budget (as of 21 July 2015)*</td>
<td>2,153,905</td>
</tr>
<tr>
<td>Consultants</td>
<td>1,101,726</td>
</tr>
<tr>
<td>Travel</td>
<td>87,863</td>
</tr>
<tr>
<td>Regional and National Meetings</td>
<td>182,939</td>
</tr>
<tr>
<td>Operational Cost</td>
<td>40,450</td>
</tr>
<tr>
<td>MAF (11%)</td>
<td>155,428</td>
</tr>
<tr>
<td>Total Planned Expenditure</td>
<td>1,568,406</td>
</tr>
<tr>
<td>Remaining Budget in 2016</td>
<td>585,499</td>
</tr>
</tbody>
</table>

PROPOSED REVISED IMPLEMENTATION SCHEDULE
Proposed Revised Implementation Schedule – Phase 1 and 2

PHASE 1

Dec 2015 or early 2016 depending on remaining secured funding

Models/DSS/Methods Setup
Formulation of Development Scenarios
Baseline Assessment
Interim Reports
Phase 2 Plan
Transition

PHASE 2

When additional funding becomes available
Duration: 6 – 9 months*

Baseline Assessment (Cont’d)
Scenario Assessments
Final Reports


- Map and Data Specification Document of Development Scenarios
- Technical Specification Document for the Modeling Approach for the Council Study (DSF, eWATER Source, WUP-FIN)
- Technical Specification Document for the DRIFT-DSS for LMB (including the BioRA consolidated specialists report) except Delta
- Detailed Methodology for the Socio-Economic/Macro-Economic Assessment
Interim Data and Model Deliverables – End of 2015/Early 2016

- Database of Development Scenarios
- Calibrated and Validated Models (DSF, eWATER Source, WUP-FIN)
- DRIFT-DSS for LMB except Delta

The Joint Committee is specifically requested to:

- Take note of progress to date
- Agree on the proposed revised implementation schedule and provide further guidance particularly on funding gap