

**SUMMARY
OF
MINUTES OF THE FORTY-FIFTH MEETING
OF THE MRC JOINT COMMITTEE
MEKONG RIVER COMMISSION
26-27 APRIL 2017, LUANG PRABANG, LAO PDR**

GENERAL

1. The Joint Committee of the MRC (the Joint Committee/JC) held its Forty-Fifth Meeting, Plenary Session (hereinafter referred to as “The Meeting”), on 26-27 April 2017 in Luang Prabang, Lao PDR. The proposed Agenda items include the following (Appendix No.1: Provisional Agenda):

- Report by the Chief Executive Officer on progress since the Forty-Fourth Meeting of the MRC Joint Committee
- Report on Cooperation with Dialogue Partners, Development Partners, and Regional Initiatives
- Report on the implementation of the IWRM-based Basin Development Strategy 2016-2020, including the joint projects under the National Indicative Plans and Report on the implementation of the National Indicative Plans of Cambodia, Lao PDR, Thailand and Viet Nam by each MC
- Progress on implementation of Public Participation in the context of MRC
- Discussion on the implementation of MRC Procedures and the Joint Platform’s work including updates on the PNPCA Prior Consultation process for the Pak Beng hydropower project
- Discussion on updating of the implementation of the MRC decentralization (Batch 2)
- Opportunity for the MRC to become a Green Climate Fund (GCF) Accredited Entity
- Report on the operations of Mekong Hydrological Cycle Operation System (HYCOS)
- Report on Hydrological Conditions of Lower Mekong Basin
- Information on the Dates and Venue of the Forty-Sixth Meeting of the MRC Joint Committee and the Twenty-First Dialogue Meeting

2. On 25 April 2017, the JC held a Private Meeting and a Preparatory Meeting to discuss issues of benefits and mutual concern and prior to the Meeting.

A. Opening Address by the Member of the MRC Council for Lao PDR

3. H.E. Mme. Monemany Nhoibouakong, Deputy Minister of Natural Resources and Environment, Vice Chairperson of the Lao National Mekong Committee, Alternate Member of the MRC Council for Lao PDR delivered her opening remark by emphasizing the meaningful and effort by all the Members of the Joint Committee, CEO and all the staff of the MRC Secretariat for contribution to MRC activities. H.E. Mme. Monemany Nhoibouakong also appreciated the outcome from the preparatory meeting of the MRC Joint Committee namely on the effective and transparent financial and human resources management system aiming for leaner and efficiency of MRC.

B. Statement by the Chairperson of the Joint Committee for 2017

4. The incoming Chairperson of the MRC Joint Committee (JC) for 2017 expressed his pleasure in welcoming all the Delegates to this 45th JC Meeting. Despite enormous challenges lying ahead, the Chairperson was fully convinced that all the obstacles to the MRC sustainable development will soon be overcome with the support from the JC Members from the Member Countries and the obstacles in return would provide the opportunity for the MRC to be more resilient as it gradually grows into a leaner and more efficient organization with self-financial sufficiency. Before declaring the meeting open, the Chairperson expressed his optimism that with the continued spirit of Mekong cooperation, important matters tabled for the discussions today will be deliberated effectively to bring about more sustainable outcomes and for the Secretariat to implement its ongoing plans.

C. Matters for Information

C.1 Report by the Chief Executive Officer on progress since the Forty-Fourth Meeting of the MRC Joint Committee

5. CEO of the Secretariat presented his report on key progress and development since the 44th Meeting of the Joint Committee (JC) including implementation of the IWRM-based Basin Development Strategy (BDS) 2016-2020, MRC Decentralisation, MRC reforms such as restructuring and financial reform, the organization's funding situation, cooperation with Dialogue Partners and partnerships with other regional and international River Basin Organizations, implementation of the Council Study, and key divisional progresses. These progresses include a few highlights such as the Pak Beng Hydropower Project (PBHP) PNPCA implementation, implementation of the Transboundary Environment Impact Assessment Project, State of Basin Report, successful relocation process following the high-level decision to have only one-office location of the MRC Secretariat and future operations of the Regional Flood Management and Mitigation Centre (RFMMC).

6. The Meeting took note with appreciation of the report on progress made by the Secretariat presented by the CEO and requested the Secretariat to take the MCs' concerns into consideration.

C.2 Report on Cooperation with Dialogue Partners, Development Partners and Regional Initiatives

7. For this agenda item, the Secretariat reported first on the cooperation with the Dialogue Partners and Development Partners particularly the progress made with China including joint research, joint technical symposium, possible cooperation in Lancang-Mekong Cooperation mechanism and the coming hydrology technical visit by China to Cambodia and Thailand, followed by that with other regional or international partners. A few highlights include four new funding agreements concluded with the Governments of the Netherlands, Sweden, Germany and Japan which amounted to USD 10.8 million. Originally, the Netherlands' pledge had been EUR 4 million following the discussion in 2016, but the signed amount was only USD 2,174,000 due to its change of policy. Out of USD 65 million needed for implementation of the Strategic Plan 2016-2020, MRC has managed to secure 92% (~60 million) of its funding needs. It was estimated that the funding gap for MRC Strategic Plan 2016-2020 will be around USD 5 million if the EU's pledge is signed. Strategic collaboration and partnerships with other regional and international organisations and River Basin Organizations through various mechanisms have been maintained. A High Level Dialogue on Mekong Sustainable Development is proposed by MRCS and DPs and a concept note will be shared with MCs. In addition, discussions and MOU preparation with Association of Southeast Asian Nations (ASEAN) are ongoing; as are dialogue, and reciprocal visits of the MRC to the Mississippi and vice versa; planned collaboration with Korean Development Institute (KDI), ongoing discussions with Morocco who expressed interest in becoming one of the MRC's Partners. The Secretariat sought JC endorsement for the Secretariat to proceed further and sign the MoU with Morocco.

8. The Meeting took note of the progress on the cooperation reported by the Secretariat and agreed for the Secretariat to sign the MOU with Morocco and then develop concrete action plan for MCs consideration.

C.3 Report on the implementation of the IWRM-based Basin Development Strategy 2016-2020, including the joint projects under the National Indicative Plans and Report on the implementation of the National Indicative Plans of Cambodia, Lao PDR, Thailand and Viet Nam by each MC

Report on the implementation of the IWRM-based Basin Development Strategy 2016-2020, including the joint projects under the National Indicative Plans

9. Providing the Meeting with background information of the MRC BDS and SP 2016-2020, the Secretariat reported on the implementation of the National Indicative Plans and its joint projects. Containing two parts - Promotion of the development opportunities in the BDS through joint investment projects and national investment projects of basin significance and contribution to MRC outcomes and outputs (which address the Strategic Priorities in BDS) through national activities and decentralized activities, the NIPs are dynamic documents and will be adjusted as needed. The Secretariat provided summary of the content of the four NIPs in terms of national projects and national activities. Positive comments were made concerning the directions of the joint projects, some national projects of basin significance, and decentralized activities as a result of a regional meeting on the dissemination of the NIPs conducted on 1 September 2016. Following the recommendations from the BDP's work on regional costs and benefit sharing and the new Basin Development Strategy, five joint projects of the NIPs for 2016-2020 have been identified as follows: 1) A project on water security and sustainable development between Cambodia and Viet Nam, 2) A project on sustainable water resources development and management in the Sekong between Cambodia, Lao PDR and Viet Nam, 3) A project on transboundary cooperation for flood and drought management in Thai-Cambodian border area between Thailand and Cambodia, 4) A project on Lao-Thai safety regulations for navigation between Lao PDR and Thailand, and 5) A project on cross border water resources development and management, including environmental impact monitoring of Don Sahong hydropower project between Cambodia and Lao PDR. A detailed Project Information Note (PIN) has been prepared for each joint project, and promotional report will be used to promote the joint projects for funding and implementation support among Development Partners. The PINs and the promotional report have been finalized based on two subsequent regional meetings. The Secretariat will further support Member Countries (MCs) in fund mobilization and integrating the NIP M&E into the common MRC SP & NIP M&E framework. As immediate next steps, the Secretariat will support the MCs to establish a national working group in each country to support the coordination and negotiation between the countries sharing the joint projects. As agreed during regional working sessions, the Secretariat had to write an official letter to the MRC Council requesting their kind consideration and endorsement of the promotional report annexed with the detailed JPINs as well as the establishment of a national working group in each Member Country. The Secretariat sought JC guidance to enhance the implementation of the Joint Projects.

10. The Meeting took note of the progress reported by the Secretariat and agreed that endorsement of the joint projects could be done at the Joint Committee level.

Report on the implementation of the National Indicative Plans of Cambodia, Lao PDR, Thailand and Viet Nam by each MC

Thailand

11. There are 19 projects and activities in the National Indicative Plan (NIP), being implemented by Thailand during the period 2016-2020, in association with the cooperation framework of the Mekong River Commission (MRC). Of the 19 projects/activities, nine (9) are those of Core Functions Decentralization (CFD) activities that have already been transferred from the MRC to the country. The rest includes those related to water resources management projects, capacity building and organizational development of the Secretariat of Thai National Mekong Committee (TNMCS). Implementation of these projects/activities, with an exception of two joint-projects with Cambodia and the Lao PDR, will rely on national budget being allocated annually by the Royal Thai Government (RTG).

12. NIP 2016-2020 was prepared by TNMCS in late 2015, with technical support from a National Advisor on NIP seconded by MRCS. Final draft of Thailand NIP2016-2020 (V 3.1) consisting of the aforementioned 19 projects and activities was completed in early 2016 and

endorsed by TNMC at its meeting chaired by the Minister of MONRE (MRC Council Member for Thailand) on 10 March 2016. The endorsed document however still contained two pending items of the mentioned “joint-projects” with Cambodia and the Lao PDR. Both the projects were at their initial conceptual stage and their project identification notes (PINs) still required further elaborations, with regional consultations to follow.

13. On the other hand, in April 2016, the Thai Cabinet approved the Roadmap for implementing the nine (9) CFD activities in the NIP Document, implying that the implementation of Thailand NIP2016-2020 could commence in 2016 as planned.

14. In September 2016, the National Advisor was engaged again to help complete the budget and other related planning, including finalization of the pending PINs of the two joint-projects and planning for monitoring and evaluation (M&E) of the NIP implementation during the 5-year period (i.e., 2016-2020).

15. In November 2016, after consultations and deliberations among the LAs concerned, a budget-frame of USD 10.2 million (2 million/year) was endorsed by TNMC for implementing all the 19 projects/activities. It may be noted that although the situation was late to follow the normal procedures, the DWR could however arrange to secure USD 440,000 out of the national budget (of fiscal year 2016/17) for immediate implementation in 2016 (Starting from October 2016).

16. Moreover, NIP 2016-2020 are considered to present in the revised National Water Resources Management Strategy of 2015-2026 (WRMS 2015-2026) in line with the National Strategy 2017-2036 .The revised WRMS 2015-2026 will be finished in August 2017.

Viet Nam

17. There are 25 projects and activities in the National Indicative Plan, being implemented by Viet Nam during 2016-2020, consisting of 2 joint projects (optimization of sustainable development), 3 IWRM projects (basin wide significance); 5 improvement of knowledge activities; 2 institutional strengthening projects/activities; 3 assessment activities; 2 strategy/planning projects; 3 guidance/procedures activities; and 5 decentralization activities.

18. Viet Nam presented the report of implementation of NIP 2016-2020. The presentation included the national perspectives for preparing the NIP, key features and progress of projects. The progress of included 1) the establishment of River Basin Committee of the Sesan-Srepok Basin, 2) development of new water resources and hydromet monitoring stations in the Central Highlands and Mekong Delta were presented and highlighted under the Mekong Integrated Water Resources Project. Regarding the decentralization activities, the implementations are in progress in line with roadmap and the commitment funding by sector Ministries.

Cambodia

19. Cambodia’s NIP, 2016-2020 has been approved in August 2016, consisting of 4 joint projects, 2 national projects, 2 national activities and 9 decentralized activities. Since then, the NIP has been presented to the Development Partners at the regional NIP Workshop in September 2016 and promoted to a number of development partners and partners, namely Japan, LMI, EU and Asian Water Council for their possible consideration on funding support. However, the funding support has not been secured for actual implementation.

20. In cooperation with the regional team and other member countries, the PINs of the four joint projects have been jointly prepared for promotion. Fund mobilization will be further made through the national effort and with the support from the MRC Secretariat.

21. Cambodia has joined with the regional team and other member countries for the development of the M&E system for NIPs. Further work on testing and improvement of the National M&E system will be undertaken for the NIP implementation.

Lao PDR

22. Lao PDR presented the progress implementation of National Indicative Plan in Lao PDR, The presentation included the approved numbers of national projects and the progress after the approval of the NIP as well as the updated on the funding status of each projects and activities under NIP. The NIP for Lao PDR was approved on 07 November 2016 and the dissemination workshop on Basin Development Strategy 2016-2020 and Lao PDR's NIP was conducted on 16 Jan 2017 and the internal discussion to develop PIN for the proposed joint project was conducted. He emphasized that internal fund raising mobilization has been conducted by both LNMC and the line ministries in order to promote of Lao PDR-NIP. He then provided summaries future plan of Lao PDR-NIP such as (1) continue the coordinate with the MRCS to promote the funding mobilization for Joint Project Implementation, (2) mainstream the National projects and activities under the Lao PDR NIP to national and sector planning system; and (3) establishment the monitoring and evaluation system for Lao PDR NIP's Implementation.

C.4 Progress on implementation of Public Participation in the context of MRC

23. For this agenda, the Secretariat provided a brief background, in which at the Joint Committee (JC) Meeting in August 2014, Cambodia, Thailand and Viet Nam agreed with the Statement on Public Participation in the Context of MRC 2013, except for Lao PDR who asked for more discussions at the national level. Subsequently, a national consultation workshop on the Statement and MRC Disclosure Guidelines was organized in March 2015 for Lao National Mekong Committee Secretariat (LNMCS) and line agencies. As part of the implementation of the public participation, and as stated in the Annual Work Plan 2017 and the Roadmap for the Pak Beng PNPCHA, a Regional Stakeholder Forum on Pak Beng Hydropower Project and the Council Study were organized in Luang Prabang on 22 and 23 February 2017. Independent feedback from the forum suggested over 90 percent satisfaction for the process and engagement conducted by MRC. As part of the strategy to improve media relations and promote public understanding and awareness of current works, communication materials on the MRC e.g. prior consultation process for Pak Beng hydropower project, the role of MRC, were produced and the media was invited to the Regional Stakeholder Forum on Council Study and Pak Beng Hydropower Project as a stakeholder. As a way forward, the second Regional Stakeholder Forum on the Pak Beng PNPCHA was planned to be organised in May 2017 to offer another opportunity for stakeholder engagement on the Pak Beng PNPCHA. The Secretariat will follow up with LNMC to clear all pending issues related to the Statement on Public Participation and update relevant information according to the new MRC SP 2016-2020 and new structure as appropriate.

24. The Meeting took note of the information reported by the Secretariat.

D. Matters for Consideration

D.1 Discussion on the implementation of MRC Procedures and the Joint Platform's work including updates on the PNPCHA Prior Consultation process for the Pak Beng Hydropower Project

25. Providing progress of each of the MRC Procedures, the Secretariat reported on progress on implementation of the MRC Joint Platform's work. As part of the efforts to support and enhance the MRC Joint Platform's works as an informal forum to explore technical options to streamline the implementation of the MRC Procedures, the 3rd MRC Joint Platform was organised from 31 October to 1 November 2016 in Hanoi, Viet Nam. As a result, the meeting suggested the MRC Secretariat to further work on the PNPCHA lessons learnt which should be treated as a "Living Document" and the development of the PNPCHA Commentary. Following the guidance from the 3rd MRC Joint Platform, the MRC Secretariat has shared a revised PNPCHA Commentary concept note including approach, timeline, roadmap, and resources needed with the Member Countries as suggested in the meeting. A regional consultant has been recruited to carry out this important exercise and a kick-off meeting organised to finalise the scope of work, methodology and approach, detail work plan and the concept note for conducting national consultation. The MRCS and the consultant will work closely with each NMC to have national consultation meetings with senior national experts and relevant officials starting from early May 2017. The Secretariat sought JC guidance on the implementation of

the MRC Procedures and the Joint Platform's work including updates on the PNPCA Prior Consultation process for the Pak Beng hydropower project.

26. The Meeting took note of the progress on the updates on the PNPCA Prior Consultation process for the Pak Beng hydropower project including the proposed approach for having an agreed "Statement" in which a set of measures will serve as basis for the development of Joint Action Plan.

D.2 Discussion on updating of the implementation of the MRC decentralization (Batch 2)

27. There are now seven activities to be decentralized during 2016-2020 for Batch 2 including 1) Ecosystem health monitoring (EHM), 2) Fisheries monitoring, 3) Field data collection for SIMVA survey, 4) Discharge Measurement and Sediment Monitoring, 5) Preparation of National Indicative Plan, 6) water quality (for Cambodia and Lao PDR only), and 7) monitoring rainfall and water levels (for Cambodia and Lao PDR only). The Secretariat also presented the status and progress of each activity along with financial transfer schedule and proposed solutions (as a result of the regional meeting on decentralization on 10 April 2017). The Secretariat sought JC guidance on the implementation, financial schedules and proposed solutions.

28. The Meeting took note of the progress on decentralization Batch 2 reported by the Secretariat and reaffirmed the financial handover schedules as agreed especially for water quality monitoring (100% by Cambodia and Lao PDR from 2020), fisheries monitoring (100% by MCs from 2021), ecosystem health monitoring (100% by MCs from 2023), and sediment monitoring (100% by MCs from 2021).

E. Other business

E.1 Opportunity for the MRC to become a Green Climate Fund (GCF) Accredited Entity

29. Providing information of what the GCF is all about including its scope of work, working modality, and how national and regional entities could access it, the Secretariat informed the Meeting of the rationales MRC should seek to become a regional accredited entity of the GCF and what benefits would be derived for the MRC and national entities in their mandates and work, especially that related to climate change impacts and mitigation, improved management of water resources in the basin and further down to basin-wide strategies (sectoral strategies on hydropower, flood, fisheries, climate adaptation, basin development, waterborne transport, environment assets and drought) as well as supporting the development of joint projects (infrastructure and non-infrastructure) in the MCs. Specifically, outcome 2 of MRC Strategic Plan 2016-2020 is aiming at an improved management of water resources in the basin. This objective will be achieved by developing basin-wide strategies (sectoral strategies on hydropower, flood, fisheries, climate adaptation, basin development, waterborne transport, environment assets and drought) as well as supporting the development of joint projects (infrastructure and non-infrastructure) in the MCs. Becoming a GCF accredited entity would allow MRC to develop these projects in line with the fund requirements and thus ensure their funding. The Secretariat also reported on how MRC could be ready for such accreditation and stages required for the process. The secretariat sought further guidance by the JC for its further actions.

30. The Meeting took note of the information and the initiative taken by the Secretariat.

E.2 Report on the operations of Mekong Hydrological Cycle Operation System (HYCOS)

31. Giving a bit of the background on the establishment and operations of the HYCOS, and Major Issues and Challenges for HYCOS Station Operations, Mr. Suthy proposed short-term and Long-Term Plans for securing the Mekong-HYCOS operations, the long-term solution including budget needed and HYCOS Station Network Expansion. After consultation

with MC on the HYCOS network expansion, MC agreed to build two new station in the uppermost upstream of Lao PDR namely at Xieng Kok and to upgrade 7 stations from manual operation to telemetry. These 9 stations include 3 stations in Cambodia (Preah Romkel, Koh Khel and Neak Luong), 4 stations in Lao PDR (Xieng Kok, Paksane, Thakhet and Savannakhet) and 2 stations in Vietnam (Long Xuyen and Cao Lanh). Per agreed plan, the construction and upgrade of the 9 stations should be completed within 2017. The Secretariat sought JC guidance on the proposed short and long-term plan for maintenance of the current, not operation of the HYCOS stations particularly in Thailand and Lao PDR as well as a proposal for seeking additional/increasing financial contribution from the Member Countries annually or using the OEB fund to allocate specifically support the HYCOS operations and maintenance.

32. The Meeting took note of the information reported by the Secretariat and would discuss further at the upcoming project coordination and management meeting of HYCOS on 16 May 2017, Bangkok, Thailand.

E.3 Report on Hydrological Conditions in the Lower Mekong Basin

33. The Secretariat presented the general hydrological conditions in the Lower Mekong Basin, covering two main parts: rainfall conditions over the basin and river monitoring on the mainstream for the period of November 2016 – April 2017. The key findings in the document are summarised here. Total rainfall for this period was recorded 256 mm or 70% higher than the average of 2008-2014. Additionally, the central Viet Nam experienced intense rainfall in December 2016, which was most likely influenced by meteorological factors: cold surge and easterly waves. Less rain was observed in northeast Thailand in January 2017, and in Vientiane in April 2017. Furthermore, flows at all mainstream stations for this period were most of time higher than that of 2015-2016 and the long-term average of 1960-2014. Moreover, China notified MRCS and its Member Countries about flow regulation from Jinghong Dam to accommodate Water Splashing Festival of Dai people. These events have been captured at Chiang Saen since 2014.

34. The Meeting took note of the information reported by the Secretariat and ensured the Member Countries' need for relevant information regarding the hydrological conditions of the Lower Mekong Basin as mentioned above be included in the document for the next JC Meeting.

E.4 Information on the Dates and Venue of the Forty-Sixth Meeting of the MRC Joint Committee and the Twenty-First Dialogue Meeting

35. The Secretariat provided the Meeting with the following suggestion for their consideration.

- (i) Monday 28 August 2017 for the MRC Joint Committee Preparatory Meeting;
- (ii) Tuesday 29 - Wednesday 30 August 2017 for the Forty-Sixth Meeting of the MRC Joint Committee; and
- (iii) Thursday 31 August 2017 for the Twenty-First Dialogue Meeting.

36. The Meeting took note of the proposed dates by the Secretariat and instructed the Secretariat to further follow up for the exact dates with NMCs and Dialogue Partners accordingly.