



# Mekong River Commission

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## SUMMARY

OF

### MINUTES OF THE FORTY-EIGHTH MEETING OF THE MRC JOINT COMMITTEE MEKONG RIVER COMMISSION 24-25 APRIL 2019, VUNG TAU CITY, VIET NAM

#### GENERAL

1. The Joint Committee of the MRC (the Joint Committee/JC) held its Forty-Eighth Meeting (hereinafter referred to as "The Meeting"), on 24-25 April 2019 in Vung Tau City, Viet Nam. The proposed Agenda items include the following (**Appendix No.1: Provisional Agenda**):

- Consideration and approval of the Human Resources Manual
- Consideration and approval of the Procurement Manual
- Consideration and approval of the Administration Manual
- Consideration of the key recommendations of the Mid-Term Reviews (Operational Review, Strategic Plan Review, and Decentralization Review)
- Consideration and taking note of the State of Basin Report 2018 (SOBR 2018) as a technical reference
- Consideration for agreement on the MRC Indicator Framework (MRC-IF)
- Discussion on the status of Initial Studies (flood management) and finalization plan
- Progress on the implementation of Procedures for Notification, Prior Consultation, and Agreement (PNPCA) and MRC Joint Platform
  - Consideration and taking note of the progress of the PNPCA implementation
  - Consideration and taking note of the Working Paper on the PNPCA Commentary
  - Consideration and taking note of Handbook on Understanding of the 1995 Mekong Agreement and the Five MRC Procedures
  - Consideration and approval of the revised Terms of Reference (ToR) of the MRC Joint Platform
- Cooperation and engagement with Development Partners, Dialogue Partners and Others
- Report on HR staffing issue and other related matters
- MRC Financial Reports (Basket Fund, Earmarked Fund, and Administrative Reserve Fund)
- Progress on the Implementation of the updated Basin Development Strategy for 2016-2020, including Joint Projects under NIPs 2016-2020; and Preparation of Updated Basin Development Strategy for 2021-2030
- Report on progress on the updating of Preliminary Design Guidance 2018 (PDG2018) for Proposed Mainstream Dams and the updating of Sustainable Hydropower Development Strategy (SHDS 2019) for the Lower Mekong Basin
- Report on the MRC Hydromet Network and Discharge and Sediment Monitoring Activities
- Report on progress of Drought Management Strategy 2020-2025

- Report on Hydrological conditions in Lower Mekong Basin (LMB)
- Progress on Joint Research on Hydrological Impacts of the Lancang Hydropower Cascade on Downstream Extreme Events
- Reinvigoration of the MRC's data and information system

## **Statement by the Chairperson of the MRC Joint Committee for 2019**

2. Welcoming all the participants to the Forty-Eighth Meeting of the MRC Joint Committee and expressing thanks for both the Secretariat and the Viet Nam National Mekong Committee for their excellent preparation, the Chairman highlighted a few significant achievements and developments the MRC has made over the past years. These remarkable milestones include 1) early contributions by the Member Countries, 2) a successful transition between the outgoing and incoming CEO of the MRC Secretariat, 3) a recent successful conclusion of the six-month Prior Consultation Process for the proposed Pak Lay Hydropower Project, 4) good news of MRC being granted a status of Observer to the Joint Working Group of the Mekong-Lancang Water Resources Cooperation with overwhelming support from the MRC Member Countries, and 5) key progress on new Strategic Plan and an updated Basin Development Strategy 2021-2030. Before closing, the Chairperson encouraged all the delegates to enrich the discussion and provide their constructive and insightful comments on the issues put forward for the Meeting.

### **A. Matters for Consideration**

#### **A.1 Consideration and approval of the Human Resources Manual**

3. To begin with, the Secretariat presented to the Meeting improvement made to the Human Resources (HR) Manual including background on the Personnel Manual in 2006, three parts of the revised HR Manual, main improvements of the HR Manual, recommendations from the 34<sup>th</sup> JC TF, finalization process, and pending final approval of the JC and justifications. The Secretariat sought JC approval of the HR Manual.

4. The Meeting approved the HR Manual and requested the Secretariat to send the revised Manual to the Member Countries for double checking and official use, effective from May 1, 2019.

#### **A.2 Consideration and approval of the Procurement Manual**

5. For this agenda item, the Secretariat reported to the Meeting on overall updating of the Procurement Manual based on the existing Procurement Manual, as well as the summary of the proposed updates including Procurement threshold matrix of Chapter 3. The Secretariat sought the JC approval of the Procurement Manual for its further implementation.

6. The Meeting approved the Revised Procurement Manual, effective from May 1, 2019, and requested the Secretariat to send the revised Manual to the Member Countries for double-checking.

#### **A.3 Consideration and approval of the Administration Manual**

7. The Secretariat then moved on to report on the main updates of the Administration Manual, specific sections for the JC's consideration including Section 5 on Administration Regulations and Section 6 on Fixed-Asset Management part. The Secretariat sought the JC approval of the Administration Manual for its further implementation with its issue of transport allowance and honorarium and expenditure for gift.

8. The Meeting approved the Administration Manual, effective from May 1, 2019 and requested the Secretariat to send the revised Manual to the Member Countries for double-checking.

#### **A.4 Consideration of the key recommendations of the Mid-Term Reviews (Operational Review, Strategic Plan Review, and Decentralization Review)**

9. For this agenda item, the Secretariat provided a brief background of the mentioned independent Mid-Term Reviews. The Secretariat sought agreement of the JC regarding alternative approval wordings for some documents such as 1) MRC Strategy, Plan and Procedures, 2) Guidelines, and 3) Studies, Assessments, Reports and Papers, and 4) Inviting the LMWRCC to be a permanent observer to the Expert Group on Strategy & Partnership and the Working Session of the Joint Committee (attached to the Dialogue Meeting). As for the Decentralization, six overall

recommendations of the MTR Review have been provided for the decentralization (D.1-D.6). The Secretariat sought agreement of the JC on the following: 1) Developing handover agreements with a slower transition period, 2) Using ARF as well as earmarked DP fund to fund already decentralized activities that are experiencing national funding challenges and allocated during the AWP process, and 3) Carrying out an audit (detailed assessment) of regional and relevant national monitoring network and socio-economic data sets. For Operational Review, 59 detailed recommendations have been produced for MRC. All of the recommendations have been discussed by the recent 34<sup>th</sup> JC Task Force with some receiving its agreement, others receiving its disagreement and the remaining recommendations have been further forwarded to the JC for its consideration and agreement. Specifically, the Secretariat sought the JC agreement to the points as follows:

- *Revise the Rules of Procedures, combining the ones for the JC and MRCS (for JC approval) and the one for Council for Council approval in 2020*
- *Conduct a review (study) of the National Mekong Committees in 2020*
- *Accept three members from DPs into the Budget Committee until 2030*
- *Change the name of the RFMMC to the “Regional Flood and Drought Management Centre”*
- *For Stakeholder engagement specialist to relocate to OCEO and Navigation specialist to PD*
- *Change the Annual Work Planning to multi-year one starting from next Strategic Plan.*

10. The Meeting took note of the report and agreed to one additional representative of the DP as member of the BC as requested by the DPs. The Joint Committee agreed to the following:

\*Approval wordings for documents are as follows:

- Strategy, Plan, Procedure (must be endorsed by the JC, and approved by the Council)
- Guidelines (aim to “agree” by the JC, but if cannot, “agree as working version”)
- Study, Assessment, Report (no need for agreement by the JC, but “taking not as technical reference”)

Other agreements are the following:

- Invite the LMWRCC to be a non-permanent observer of the Expert Group on Strategy & Partnership on a case-by- case basis.
- For decentralized activities without handover agreements, for MRCS to develop those agreements with a slower transition period and readjust existing agreements for a more realistic timeline for the countries consideration.
- Propose clear budget and rationales to use ARF to fund already decentralized activities that are experiencing national funding challenges.
- Carry out an audit (detailed assessment) of regional and relevant national monitoring network and socio-economic data sets.
- Revise the Rules of Procedures, combining the ones for the JC and MRCS (for JC approval) and the one for Council approval in 2020.
- Conduct a study of the National Mekong Committees in 2020.
- Change the name of the RFMMC to the “Regional Flood and Drought Management Centre”
- For Stakeholder engagement specialist to relocate to OCEO and Navigation specialist to PD
- Change the Annual Work Planning to multi-year starting next Strategic Plan.

#### **A.5 Consideration and taking note of the State of Basin Report 2018 (SOBR 2018) as a technical reference**

11. The Secretariat started reporting on the above agenda with 1) Background and Purposes of State of Basin Report, 2) Progress on development of State of Basin Report 2018, 3) A snapshot of the State of Basin Report 2018 and its findings, 4) roles of the SOBR, 5) Structure of the SOBR, 6) Environmental status and trend, 7) Status and Trends of living conditions and well-being, 8) Status and Trends of Employment in MRC Water and related Sectors, 9) Overall Contributions of Basin Economy, 10) Overall Economic Conditions in the Basin, 11) Overall Climate Change Patterns and Response, 12) Overall Status and Trends of Cooperation in MRC framework, 13) Summary of State of the Upper Mekong River Basin in China, 14) State of the Upper Mekong River Basin in Myanmar, 15) Key Findings and Conclusions, 16) Summary of conclusions, challenges and recommended priority actions, 17) Six Key Recommendations made for consideration when updating the BDS 2021-2025, 18) Notes for attentions and 19) Next steps. The Secretariat sought JC agreement to the SOBR as a technical reference for publication and its approval of the proposed next steps.

12. The Meeting approved the SOBR for publication with appropriate disclaimer statement and dissemination and agreed on the proposed next steps by the Secretariat.

## **A.6 Consideration for agreement on the MRC Indicator Framework (MRC-IF)**

13. For this agenda, the Secretariat reported to the Meeting on 1) Background and Purpose of the MRC-IF, 2) Process of Updating the MRC-IF, 3) A snapshot of the MRC Indicator Framework, 4) The importance of the MRC-IF, 5) Roles of the MRC-IF, 6) Key Goals to Update the MRC IF, 7) Structure of the Updated MRC-IF, 8) MRC IF linkage with Data Acquisition and Generation Action Plan, 9) MRC-IF linkage with Sustainable Development Goals (SDGs), 10) Key Components of the Updated MRC-IF, 11) Notes for Attention, and 12) Next steps. The Secretariat sought JC agreement to MRC-IF Batch 1 as a Technical Reference for publication and further applications and approval of the proposed next steps to finalize Batch 2 - Technical Guidance for the implementation of the MRC-IF.

14. The Meeting agreed on the Batch 1 MRC-IF and the next steps proposed by the Secretariat and encouraged the Secretariat to further prepare the Batch 2 of the MRC IF soon.

## **A.7 Discussion on the status of Initial Studies (flood management) and finalization plan**

15. The MRC Secretariat presented the above agenda by reporting on 1) Flood risk management in the LMB, 2) Rationale for the Initial Studies Project, 3) Formulation of the Initial Studies Project, 4) Implementation of the Initial Studies Project, 5) Flood Frequency Distributions & Flood Damage Curves, 6) The importance of completing ISP, 7) Solving the deficit (financial solution), and 8) Rationale for the completion. The Secretariat sought JC's provision of its no-objection for its proposed financial solution.

16. The Meeting approved the financial solution proposed by the Secretariat as soon as the commitment letter from the Netherlands is received and requested the Secretariat to come up with a clear and detailed proposal for the discussion at the next Budget Committee Meeting in June 2019.

## **A.8 Progress on the implementation of Procedures for Notification, Prior Consultation, and Agreement (PNPCA) and MRC Joint Platform**

17. For the above agenda, the Secretariat reported to the Meeting on A) Progress on the Implementation of the MRC PNPCA including the following outcomes: 1) the Agreement on the JC Statement for the PLHPP, 2) the Approval of the Joint Action Plan for PBHPP, and 3) the Approval the Joint Action Plan for PLHPP; and B) Implementation of the MRC Joint Platform including 1) Revised ToR of the MRC Joint Platform, 2) Working Paper on PNPCA Commentary, and 3) Handbook on Understanding the 1995 MA and the five MRC Procedures. Besides requesting JC to take note of the Progress of MRC PNPCA implementation, the Working Paper on the PNPCA Commentary and the Handbook on Understanding of the 1995 Mekong Agreement and the five MRC Procedures, the Secretariat sought the JC approval of the Revised Terms of Reference (TOR) of the MRC Joint Platform.

18. The Meeting approved the revised TOR of the Joint Platform and took note of the Commentary Note of PNPCA, Handbook on Understanding of the 1995 Mekong Agreement and MRC Procedures; and requested the dissemination of these documents to MCs and acceleration of the Joint Action Plans implementation for both the PBHPP and PLHPP.

## **A.9 Cooperation and engagement with Development Partners, Dialogue Partners and Others**

19. The Secretariat reported to the Meeting on 1) the cooperation with Development Partners (DPs) including new contributions from the EU and Germany in particular; 2) DP's perspective on the Secretariat's financial management; 3) Cooperation with the MRC's Dialogue Partners – China and Myanmar beginning with enhanced communication and notification, completion of the Joint Research, Chinese JRP Project, review of the MRC State of Basin Report, contribution of China to the BDS update, and other technical cooperation between the MRC and Lancang Mekong Water Resources Cooperation Center among others. As for Myanmar, the cooperation aspects include the State of Basin Report and the JRP Project. The Secretariat also reported on the Mekong-Lancang Cooperation and other regional frameworks including Mississippi River Commission (MiRC) and US Army Corps of Engineers (USACE) and Murray Darling Basin Authority (MDBA) as well as various dialogues held by the MRC with CSOs.

20. The Meeting took note of the report by the Secretariat and had no objection to the revised MOU between the Secretariat and the Lancang-Mekong Water Resources Cooperation Centre with some suggestions by the Member Countries to be addressed. They welcomed the 2<sup>nd</sup> EGSP meeting

to focus on coordination and info sharing among Mekong related frameworks with Thailand suggesting the Secretariat to hold the meeting earlier than planned. Lao PDR requested a review of various MOUs that MRC has with partners in terms of their effectiveness.

## **B. Matters for Information**

### **B.1 Report on HR staffing issue and other related matters**

21. For the JC's information, the Secretariat reported to the Meeting on 1) HR staffing data including corresponding budget for each category of staff, 2) Director rotation and current contracting of the Directors, and 3) JRP recruitment and budget allocation. The Secretariat requested the JC to take note of the above report and provide further guidance.

22. The Meeting took note of the report by the Secretariat.

### **B.2 MRC Financial Reports (Basket Fund, Earmarked Fund, and Administrative Reserve Fund)**

23. The Secretariat reported the following for the JC's information. These include MRCS overall financial status as of March 2019. The overall income of the period is 4,677,409 (BF: 1,083,240, EF: 3,584,798 and ARF: 9,370), while the overall expenditures of the period are 2,642,443 (BF: 1,795,078, EF: 845,824, and ARF: 1,542). The BF has been over spent by using Cash carry over from 2018. Besides, the Secretariat internal controls and auditing have also been reported along with the main outcomes of the 1st MRC Audit Committee meeting.

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

### **B.3 Progress on the Implementation of the updated Basin Development Strategy for 2016-2020, including Joint Projects under NIPs 2016-2020; and Preparation of Updated Basin Development Strategy for 2021-2030**

25. For the JC's information, the Secretariat reported on 1) background of the BDS, MRC SP and MRC Annual Work Plan, 2) the implementation of the NIPs and JPs in the Member Countries; and 3) the updating of Basin Development Strategy 2021-2030 and next steps.

26. The Meeting took note of the progress on the work on the BDS and NIPs.

### **B.4 Report on progress on the updating of Preliminary Design Guidance 2018 (PDG2018) for Proposed Mainstream Dams and the updating of Sustainable Hydropower Development Strategy (SHDS 2019) for the Lower Mekong Basin**

27. The Secretariat reported the following for JC's information including 1) The updating of Preliminary Design Guidance for Proposed Mainstream Dams and next steps; and 2) The process of updating the Sustainable Hydropower Development Strategy 2019 including its objectives, concerns and next steps.

28. The Meeting took note of the progress on the work on the PDG and SHDS.

### **B.5 Report on the MRC Hydromet Network and Discharge and Sediment Monitoring Activities**

29. For the JC's information, the Secretariat presented the following: 1) Current status of the Mekong Hydromet Network, 2) Mekong HYCOS Station Expansion Plan, 3) Major Issues and Challenges, 4) The Mekong Discharge and Sediment Monitoring, and 5) Major Issues, Challenges and Proposed Solutions for DSMP.

30. The Meeting took note of the progress reported by the Secretariat.

### **B.6 Report on progress of Drought Management Strategy 2020-2025**

31. For this agenda, the Secretariat reported on A) Progress on Drought Management Strategy, including the political-level affirmation for the Drought Management Strategy 2020-2025, its subsequent development and the five priority areas: (1) Indicator Monitoring, 2) Drought Forecasting and Early Warning, 3) Capacity Building, 4) Mitigation Measures, and 5) Information Sharing and Dissemination); and B) Other activities and tasks.

32. The Meeting took note of the progress reported by the Secretariat.

## **B.7 Report on Hydrological conditions in Lower Mekong Basin (LMB)**

33. For this agenda item, the Chairperson suggested discussion should begin without the presentation to save time.

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

## **B.8 Progress on Joint Research on Hydrological Impacts of the Lancang Hydropower Cascade on Downstream Extreme Events**

35. The Secretariat reported to the Meeting on 1) background of the Joint Research; 2) Objectives and scope of the Joint Research; 3) team composition; 4) process and progress of the research; and 5) next steps. As part of the next steps, the following have been planned: 1) The draft technical report will be circulated to member countries within the next 2 weeks; 2) A regional consultation meeting on the draft technical report has been scheduled for May 2019; and 3) After changes are made in response to the comments/suggestions from the countries, the technical report and its findings will be disseminated through appropriate channels and future Joint MRC and LMC Regional Workshop with participation from all the relevant stakeholders to be decided and invited by the MRC, the IWMI, the IWHR and the LMWRCC.

36. The Meeting took note of the updated information provided by the Secretariat.

## **B.9 Reinvigoration of the MRC's data and information system**

37. For JC's information, the Secretariat reported on 1) the background and rationales for the invigoration of the MRC's data and information system, 2) next steps, 3) areas of enhancement and multi-DP support and engagement, and 4) development process plan for 2019.

38. The Meeting took note and requested the Secretariat to follow the views and suggestions by the Member Countries for further development process including an applicable concept note.

## **Other Business**

- **Verbal report by Member Countries on the recruitment progress of Director position**

39. The Chairperson informed that the Member Countries will be reporting back to the Secretariat regarding the decision on recruitment process of the Director position.

- **Proposed agenda for Joint Committee's working session (September 2019): Report by each Member Country on "water resources cooperation projects under Mekong-related frameworks – Mekong Lancang, Greater Mekong Sub-region, Mekong-Japan, Mekong-Korea, Lower Mekong Initiative, ACMECS, and ASEAN"**

40. The Meeting took note of the information reported by Thailand regarding the ACMECS and LMI and requested the Secretariat to further consider in MRC cooperation activities with the LMI.

- **Proposed reporting formats and responsibilities by JC Chair and CEO to the Council**

41. The Meeting took note of the remark and information by the Chairperson and the CEO.