

SUMMARY OF
MINUTES OF THE FORTY-FIRST MEETING
OF THE MRC JOINT COMMITTEE
MEKONG RIVER COMMISSION
6-7 MAY 2015, SIEM REAP, CAMBODIA

GENERAL

1. The Joint Committee of the MRC (the Joint Committee) held its Forty-first Meeting, Plenary Session (hereinafter referred to as “The Meeting”), on 6-7 May 2015 in Siem Reap, Cambodia. The proposed Agenda included the following items (Appendix No.1: Provisional Agenda):

- Report by the Chief Executive Officer on progress since the Fortieth Meeting of the MRC Joint Committee
- Endorsement of the aggregated inflation formula
- Progress on decentralisation of the MRC’s Core River Basin Management Functions
- Progress on Cooperation with Dialogue Partners
- Progress on the implementation and update of the MRC IWRM-based Basin Development Strategy and preparation for the Strategic Plan 2016-2020
- Information on the Date and Venue of the Forty-second Meeting of the MRC Joint Committee to be held back-to-back with the Twentieth Dialogue Meeting

2. On 5 May 2015, the MRC Joint Committee (JC) held a Private Meeting and a Preparatory Meeting to discuss issues of mutual concern and benefit prior to the Meeting.

3. The Meeting was chaired by **H.E. Mr. Te Navuth**, Secretary General, Cambodia National Mekong Committee, Member of the MRC Joint Committee for Cambodia, Chairperson of the MRC Joint Committee for 2014-2015. The Meeting was attended by 65 participants from the MRC Member Countries (MCs), the OIC of the MRC Secretariat, Directors, Section Chiefs of the Secretariat, and Observers from the Dialogue Partners (China) and ADB (Annex 1: List of Participants).

A. Opening Address by the Member of the MRC Council for Cambodia

4. The MRC Secretariat received information from Cambodia National Mekong Committee Secretariat that due to a prior commitment, the Member of the MRC Council for Cambodia would not be able to deliver the Opening Session.

B. Statement by the Chairperson of the Joint Committee for 2014-2015

5. To begin with, the Chairperson of the MRC JC for 2014-2015 expressed his pleasure to welcome all distinguished delegates to the Meeting. The Chairperson then brought all the participants’ attention to the agenda items that need the JC members’ attention and helpful deliberation. Among others, the Chairperson emphasized the process of the adoption, updating and acceleration of the implementation of the IWRM-based Basin Development Strategy, new planning approach by streamlining all its Basin Strategy, Strategic Plan and National Indicative Plans and their linkages as well as the greater role played by the Member Countries in taking up more CRBMFs by 2030 to make the organisation’s performances and operations more efficient. Recalling the mandate of the MRC in promoting balanced and equitable development of the Mekong water and its related resources, the Chairperson stressed on the organisation’s essential role in helping its Member Countries to integrate basin-wide perspectives into development plans and activities in order for them to achieve mutual benefits. The Chairperson also recalled the Seventh World Water Forum in Korea, which marked the twentieth anniversary of the Mekong River Commission. The Chairperson raised among other issues, enhanced and fruitful cooperation with the MRC Dialogue

Partners – China and Myanmar through information sharing, meetings and exchange of technical visits and capacity development under the Junior Riparian Professional Project. Lastly, the Chairperson encouraged active participation and frank discussions among the participants to provide needed input on important and strategic matters tabled for the Meeting.

C. ADOPTION OF THE AGENDA

6. The Meeting adopted the Agenda with a proposal from Lao PDR to remove the D.1.3 (Progress on decentralisation of MRC's Core River Basin Management Functions), as this agenda item still needs more discussions at JC Task Force (JCTF) Meeting.

D. Management, Organisational and Cooperation Matters

D.1 Mekong River Commission Secretariat

D.1.1 Report by the Chief Executive Officer on progress since the Fortieth Meeting of the MRC Joint Committee

7. The Secretariat reported to the Meeting on main progress carried out since the 40th Joint Committee Meeting beginning with progress on the implementation of the Mid-term Review (MTR) recommendations of both MRC Programmes and MRC Strategic Plan (SP), good progress made on the IWRM-based Basin Development Strategy (BDS) 2011-2015 implemented through the Regional Action Plan (RAP) by MRC Programmes and the four National Indicative Plans (NIPs) by the Member Countries (MCs). The Secretariat informed the Meeting of the fourteen overarching recommendations of the Roadmap for decentralisation agreed to by JC and Council and to be implemented through (1) decentralisation of the CRBMFs to be implemented at the national level (Batch 1 for the current SP period) and centralisation of the core functions to be implemented at the regional level (centralised activities), (2) MRCS restructuring, (3) Staffing reform and (4) Financial reform. The Chairperson then shared with the Meeting progress of the Council Study and remaining challenges including scope/quality, time, and budget for its completion by March 2016 (as per original schedule). Among other organisational matters, the Secretariat reported on the progress on the recruitment of the Riparian CEO, recommendations of the Independent Organisational Review (IOR), the MRCS financial reform in the form of Basket Fund, positive funding situation of the Secretariat with the Development Partners (DPs) to implement activities of the MRC Programmes, regional cooperation with international River Basin Organisations (RBOs) and enhanced cooperation with the MRC DPs and capacity development under the Junior Riparian Professional (JRP) Project.

8. The Meeting voiced concerns over delayed implementation of activities in some Programmes such as DMP, IKMP and M-IWRMP. In response, the Secretariat informed implementation of some Programmes' activities has been in good progress and ensured further implementation of those activities. The Meeting took note of the progress reported by the Secretariat.

D.1.2 Endorsement of the aggregated inflation formula

9. In presenting this agenda item, the Secretariat reported on the presentation made at the Preparatory Meeting of the MRC JC the day before. At the 40th JC Meeting on 30th September 2014 in Cambodia, and the JC preparatory Meeting of the 21st Council Meeting on 14th January 2015 in Viet Nam. Thailand advised the Secretariat to find a better approach to calculate inflation rates to be used for future budget estimation. In response, the Secretariat has studied the aggregated inflation formula used by the European Central Bank, which was developed by the European Union Center of Excellence of the University of North Carolina (USA). In order to calculate aggregated inflation, a weighted average is used. The European Central Bank multiplies each country's inflation rate by the relative size (the weight) of each particular country, and then adds all the rates together. The calculation formula for the aggregated inflation rate is divided into three steps including (1) calculate the total size of the economy, (2) find the relative size of each country, and (3) find the weighted

average by adding up each country's inflation value multiplied by its respective weight. The Secretariat has further studied the available data from the World Bank's website and found that both actual inflation rates of the four Member Countries are available in this website, which is measured by the Consumer Price Index (CPI).

10. While receiving clarification from the Secretariat on the reasons why only the data from World Bank and not from the Member Countries were cited, the Meeting did not come to the conclusion for endorsement and took note of the Secretariat's report on the calculated formula.

D.2 Mekong River Commission

D.2.1 Progress on Cooperation with Dialogue Partners

11. The Secretariat moved on to present the progress on cooperation with the Dialogue Partners, focusing first on the progress on the ongoing implementation of the renewed Agreement on Provision of Hydrological Information of the Lancang/Mekong River in the Flood Season by MWR to the Secretariat signed during the Secretariat's annual visit to Beijing from 5-8 August 2013. The Secretariat also raised progress on subsequent provision of needed information during September 2014, March and April 2015; meetings and a number of technical visits from March 2014 till April 2015 including the 6-8 November 2014 visit to the MRC at Office of the Secretariat in Vientiane (OSV) of a Chinese high-level delegation led by the Vice Minister of Water Resources of China. Other progress included Chinese participation and presentation at side event of the recent 7th World Water Forum (WWF) in Daegu, Republic of Korea on 13 April 2015 and the most recent field visit of a team of Chinese scientists to the OSV on 23 April 2015. Progress was also made in capacity development under the JRP Project. For Batch 11 in 2015, the Secretariat would invite nomination of JRPs to be starting from May 2015 to November 2015. As a recap, the Secretariat recalled the issues for further cooperation since the bilateral meeting during the MRC 2nd Summit in Viet Nam including work plan for joint scientific study between MRC and China experts on flow fluctuation at Chiang Saen, Co-organisation of the 2nd Ecosystem Study Commission for International Rivers (ESCIR) Symposium, visit to Nhuozadou hydropower station, and feedback on Rapid Sustainable Assessment Tool (RSAT). Progress on cooperation with Myanmar was also reported including water borne transportation, Navigation Advisory Body Meeting, Myanmar membership in MRC, 2nd MRC Summit in April 2014, and progress on capacity building under the JRP Project. For Batch 11, the Secretariat will invite nomination of JRPs to be starting from May 2015 to November 2015.

12. Advising the Secretariat to improve the preparation of the agenda for the next Dialogue Meeting by having more consultation with the Member Countries and suggesting the Secretariat consult White Paper on cooperation with China and other relevant papers, the Meeting took note of the progress on the cooperation with the Dialogue Partners presented by the Secretariat.

E. MRC Programmes

E.1 Discussion on Policy and Strategy Issues and Procedure-related Matters

E.1.1 Progress on the implementation and update of the MRC IWRM-based Basin Development Strategy and preparation for the Strategic Plan 2016-2020

13. For this agenda, the Secretariat reported on the Basin Development Strategy (BDS) Strategic priorities being addressed through the Basin Action Plan (BAP). As of December 2014, 14% of the activities has been completed and 76% is being implemented by MRC Programmes through the MRC SP. Within the same period, 70% of the projects of NIPs is being implemented and some are completed by Line Agencies and RBCs in coordination with NMCs. By December 2015, over 2/3 of the BAP would be completed, addressing all 12 strategic priorities in the BDS. The updating of the BDS for 2016-2020 built on the achievements of the current BDS, plus new information. 4 Regional Technical Working Group (RTWG) meetings (11th, 12th, 13th and 14th), 3 internal MRC Programme workshops, 2 rounds of national consultations and a regional stakeholder forum have been held. The Secretariat is currently negotiating and finalizing the BDS. It was expected that the meeting

of JC Working Group in mid-May will finalise the BDS 2016-2020 and the JC can endorse the BDS 2016-2020 in June 2015. Apart from the BDS, the Secretariat also reported on the preparation of the MRC SP for 2016-2020, including the streamlined planning process, the new MRC SP replacing all 'Programme Documents' for 'funding appraisal' by DPs and the draft MRC SP containing the results chain of outcomes, outputs and activities, timelines, inputs, budgets, and performance indicators. Between first and second week of May, the DPs will conduct their appraisal of version 2 of the MRC SP for funding. The MRCS will prepare NIP updating guidelines by May and provide Member Countries (MCs) with technical and preparatory support (NIP updating is a decentralised activity) in 2015. The MCs can then fund NIP finalisation in early 2016.

14. Proposing their concern over the activities of the SP to be thoroughly discussed with the Member Countries and suggesting more involvement by the Member Countries in finalising the BDS update, the Meeting took note of the progress on the implementation of the IWRM-based BDS, the updating of the Strategy and the preparation of the MRC SP. The Meeting instructed the Secretariat to work further with the JCWG to finalise the BDS and submit for JC consideration and endorsement in June. More attention to basin-wide and transboundary projects as recommended by the DPs would be made for the updated NIPs, and the Secretariat would emphasise this aspect in the updating NIP guidelines. The Secretariat would also ensure "basin wide climate and sector strategies" would be added in the input box in the figure for the BDS-MRC SP-NIP.

F. Other Businesses

F.1 Information on the Date and Venue of the Forty-second Meeting of the MRC Joint Committee to be held back-to-back with the Twentieth Dialogue Meeting

15. The Secretariat informed the Meeting of its proposed date of August for the next Forty-second JC Meeting to be held back-to-back with the Twentieth Dialogue Meeting. However, due to limited time interval, the Secretariat re-proposed that the Twentieth Dialogue Meeting be held back-to-back with the Twenty-second MRC Council Meeting in January 2016 in Cambodia.

16. With agreement from China to have the Twentieth Dialogue Meeting held in 2016, the Meeting took note of the change in the date for the Twentieth Dialogue Meeting and the proposed dates of 25-27 August 2015 for the Forty-second JC Meeting. The Secretariat would work to coordinate further with the Member Countries for the exact dates for the Forty-second JC Meeting in August 2015 and for the Twentieth Dialogue Meeting in 2016.