Role of MRC in Sustainable Hydropower Development – Update of Basin-wide Strategy for Hydropower Development

The 4th Hydropower Forum – Developers Dialogue
10th – 11th August 2017
MRCS, Vientiane, Lao PDR
1.1 Role of MRC in SHD as per MA 1995 (1)

➤ Before first SHDS-2011 – investigation and assessment of individual projects and DOS for hydropower development (engineering, economics, less focus on environment and social)

➤ Facilitate co-operation in hydropower sector as guided by Articles of MA 1995:

  — Article 1: Areas of Cooperation – in all fields including hydropower
  — Article 2: Projects, Programs and Planning
  — Article 3: Protection of the Environment and Ecological Balance
  — Article 4: Sovereign Equality and Territorial Integrity
  — Article 5: Reasonable and Equitable Utilization
1.2 Role of MRC in SHD as per MA 1995 (2)

- Develop Tools, Guidelines and Guidance to fundamentally support sustainable hydropower planning and management in LMB:
  - Environmental & Socio-Economic Baseline Information for Hydropower Planning (ISH11)
  - Identification of Ecologically Sensitive Sub-Basins for Sustainable Development of Hydropower on Tributaries (ISH01)
  - Guidelines on the multi-purpose evaluation of hydropower Project (ISH02)
  - Guidelines for hydropower environmental impact mitigation and risk management in Lower Mekong mainstream and tributaries (ISH0306)
  - Basin-wide Hydropower Sustainability Assessment Tool (RSAT)
1.3 Role of MRC in Engagement with HDs (1)

- MRC works with all Stakeholders to ensure good understanding of Basin Needs, Opportunities, Challenges “towards optimal and sustainable development”

- Private Sector Developers play a key role in facilitating, financing and implementing of hydropower developments in LMB

Therefore, MRC seeks to engage with Hydropower Developers (as a key stakeholder) to ensure developments properly consider:

- Cross sectoral benefits/impacts
- Reduction in transboundary impacts
- Enhancement of water, food and energy security
1.4 Role of MRC in Engagement with HDs (2)

• MRC’s BDPs and CIAs (*Scenario Assessments, Council Study*) provide Developers with an understanding of transboundary benefits and consequences in their developments.

• *Early stage dialogue* between MRC and Developers assists to ensure guidelines and all member country expectations are clear.

• *Mutual sharing* of information, guidelines and technical know-how build knowledge for all stakeholders.

• No surprises in the PNPCA process, better quality submissions for MRC assessment!
2. MRC BDS and SP 2016-2020

Outcome 2: Update Basin-wide Strategy for Sustainable Hydropower Strategy

3 Strategic Priorities:
1. Joint activities for cooperation on sustainable planning and management of HP
2. Monitoring and coordination of hydropower operations with adaptive management
3. Governance and transboundary cooperation

Outcome 3: Review Preliminary Design Guidance for Mainstream Dams
3. Update of the MRC’s SHDS 2019

3.1 Objective of MRC’s SHDS 2019

- **Optimal** and **sustainable** hydropower development **pathway alternatives** are designed taking into account:
  - Development opportunities to enhance benefits beyond national borders;
  - Minimisation of adverse trans-boundary impacts;
  - Supporting water, food and energy security.
3. Update of the MRC’s SHDS 2019

3.2 Principles (adapted from 1998, Council Approved)

1. Sharing of Data and information
2. Close co-operation with international institutions
3. Focus on IWRM based planning for HP to meet objective:
   - Sector integration
   - Improvement of national plan towards the Basin Strategy
   - Informing regional energy/transmission planning as appropriate
4. Guided by:
   - “Good practice” CIA (e.g. Council Study, BDP2, SEA),
   - Design Guidance (e.g. PDG and ISH0306), and
   - Stakeholder participation
5. Encourage private sector involvement in Sustainable HP practice
3. Update of the MRC’s SHDS 2019

3.3 Part of the Planning Cycle

- Refreshed MRC Strategic Planning Cycle
- State of Basin Report
- National and Regional Perspectives
- Scenario Assessment

1. Strategic Review
2. Principles and Procedures
3. Monitoring and Database Systems
4. Participation
5. Funding
6. Strategic Planning and Update

- National Indicative Plans
- MRC Strategic Plan
- Action Planning

Iteration of Alternative Hydropower Scenarios
Test against Basin Vision
3. Update of the MRC’s SHDS 2019

**3.4 Methodology – Integrated Planning Approach**

<table>
<thead>
<tr>
<th>NEEDS</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Food and Livelihood Security</td>
<td>• Tributary hydropower development</td>
</tr>
<tr>
<td>• Resilience against drought and Flood</td>
<td>• Expansion of irrigated agriculture</td>
</tr>
<tr>
<td>• Energy Security</td>
<td>• Mainstream hydropower development</td>
</tr>
<tr>
<td>• Navigation</td>
<td>• Other opportunities: fisheries, navigation, flood and drought management,</td>
</tr>
<tr>
<td></td>
<td>watershed management, tourism and environment</td>
</tr>
</tbody>
</table>

**Integrated Sector Strategies**

- Fisheries Management Strategy
- Strategy for ID and Protection of Environmental Assets
- Navigation Masterplan
- **Sustainable Hydropower Strategy 2019**
- Irrigation Plans
- Climate Change Adaptation

**Basin Needs, Opportunities and Challenges**

- Cooperation and Dialogue
- National Plans optimised for basin outcomes
- Opportunities for Joint Action/projects

**Economically prosperous, socially just and environmentally sound Mekong River Basin**
3. Update of the MRC’s SHDS 2019

3.5 Methodology – Interactive Strategy Development

- Gather data and existing Scenarios/planned pathways
- Regional Interconnection
- Detail alternative pathways and evaluate
- Regional Planning Workshops consider options
- Report on Final recommended pathway options input to Basin Strategy
- Input to Regional Processes, Sector Masterplans
- SHDS 2019-Negotiation, Joint Actions, cooperation Nat/Reg
- Input to National Plans

CIA-baselines
Council Study
BDP
Delta Study
SEA

New Ideas

National Plans (PDP, Irrig)
HP Status and flexibility
3. Update of the MRC’s SHDS 2019

3.6 Outputs

1. Documented and evaluated alternative sustainable hydropower development pathways;

2. A description of opportunities to enhance benefits beyond national borders and minimise adverse transboundary impacts;

3. Crosscutting strategy to benefit the Basin Development Strategy process 2021 to 2015; and

4. Agreed set of Strategic Actions detailed to ensure the delivery of SHDS objective.
3. Update of the MRC’s SHDS 2019

3.7 Timeline

<table>
<thead>
<tr>
<th>STEPS</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHDS Timeline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare CN and TOR; internal MRCS consultation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submit CN/TOR to MCs for consideration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procur Technical Team</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilise Technical Team</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation for work Scope and Project Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inception report (Methodology)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Analysis and preparation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iterative Regional Planning Workshops/Evaluation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National CONSULTATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft Final report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERACTION WITH BASIN PLAN PROCESS (MRCs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment of DFR and Final Report and RECOMMENDATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional CONSULTATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder forum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRC JC consideration and approval</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you