



MRC Secretariat Response to the Joint Development Partner Statement

at the 24th Meeting of the MRC Council on 29 November 2016

REFORM, DECENTRALISATION, AND STRATEGIC PLAN (SP) 2016-2020

Mid Term Review (MTR) of the SP

The MTR has already been budgeted in the Annual Work Plan (AWP) 2018. There will be two teams, one conducting the review of the overall progress of the MRC SP and another one, with support from DPs, to focus on the operational aspects. The CEO even suggested to conduct the subject review right from now to complete it before July 2018. Immediate conduct would put its effectiveness in use for the remained duration of the strategic plan.

Implementation, Financial Management and Monitoring and Evaluation

We take note of the recommendations on implementation of the MRC SP and have included them in the AWP 2018. We also will further develop the online application for M&E and financial systems. We will also follow the Basket Fund Guidelines and prepare the Guidance Note and AWP related documents in a timely manner.

The MRC is improving our Financial Management System for accurate and consistent financial reporting. The CEO together with the MRC Chief Finance Officer (CFO), Chief Human Resource Officer (CHRO) and a GIZ IT consultant accomplished a mission to the site of the service provider for the finance and human resource management information system to assess their implementation statuses. The conclusion was the deployed systems satisfied 100% requirements of the contract. However, the CFO still indicated that his needs were met only 60%.

Both, the CFO and the CHRO joined the organisation much later after the systems were deployed. Other factors are a new structure of the MRC and substantially reduced staffing level of the organisation that call for additional updates to the existing systems. We trust that the improved system will help us produce financial reports on time and provide better information for governance meetings. We will also incorporate Budget Implementation Guidelines into the Financial Manual. A section in the manual will contain guidelines for the management of the Administrative Reserve Fund.

On decentralisation, the Secretariat has proposed many measures to address issues and will conduct in-depth assessment as part of the MTR to make specific recommendations on which monitoring stations relating to hydro met (HYCOS), rainfall and water levels (for flood), and sediment will require the MRCS stronger management and support. The CEO requested immediate repair of the Vientiane kilometre-4 station's slope gauge and the refilling of a prepaid communications sim card to make the station operational again, using the funding from the basket fund if needed.

Expert Groups will start operation in 2018 in a learning by doing basis. Meetings of expert groups are planned in the 2018 calendar. There will be less ad hoc regional meetings or consultations. Partners and stakeholders could be considered to observe relevant meetings of the Expert Group on Strategy and Partnership and others. The Secretariat has made efforts in rescheduling the number of events down to 50 for the whole 2018 by combining events into ones together with expert group meetings. Efforts were also spent on optimisation of event locations and numbers of participants to reduce unit costs of meetings and events. Recent efforts in introducing TOEIC (Test of English for International Communications) are expected to improve efficiency of the Commission events.

Poverty and gender

We are working on the implementation of the Gender Action Plan, approved in 2017 and integrated into the AWP 2018. Some key activities in 2018 include the integration of gender issues in the Social Impact Monitoring and Vulnerability Assessment (SIMVA) and the preparation of the Sustainable Hydropower Development Strategy. We will follow up with the Gender Action Plans of the National Mekong Committees that support the implementation of these regional gender activities. The capacity of staff in mainstreaming gender in technical work will be gradually strengthened through many activities, including a follow up of gender responsibilities in job descriptions, incorporating gender mainstreaming into ToRs (Terms of Reference) for consultants, recruiting gender specialists when needed for specific tasks, and engaging more technical support from the MRC-GIZ gender advisor.

PRIOR CONSULTATION PROCESS AND HYDROPOWER PROJECTS

Joint Action Plan for the Pak Beng hydropower project

Since the endorsement of the Statement in June 2017, four drafts of the Joint Action Plan (JAP) have been prepared and tabled for discussion with the Member Countries (MCs). The first draft was discussed at the 32nd MRC Joint Committee (JC) Taskforce Meeting on 28 July 2017. The second draft was circulated to the MCs for comments during August-September 2017. The third draft was tabled at the 4th MRC Joint Platform Meeting on 5 October 2017.

Consequently, the fourth draft was submitted to the MRC JC members for consideration as a “working draft” at its Preparatory Meeting of the 24th MRC Council Meeting on 28 and 29 November 2017. Due to differences of opinion of the MCs, the MRCS was requested to hold a working session of the MRC Joint Platform on 13 December 2017 to revise the final draft JAP. Prior to the session, the MRCS held an informal discussion with Lao PDR on the issues, and advanced the draft final JAP version 4.2 into version 4.3. At the working session, the MCs discussed and revised the draft final JAP version 4.3 to draft version 4.4. At the meeting the MCs agreed that each MC shall hold a final national consultation using the draft final JAP version 4.4 for “information sharing and explanation” without making major changes during January-February 2018. After that, it is expected that the final JAP version 5 will be submitted for approval by the MRC JC in May 2018.

In early 2018 MRCS will hold a regional stakeholder forum, among other things, in order to share the results of the Prior Consultation process for the Pak Beng Hydropower Project (PBHPP) as well as the contents of the JAP for PBHPP. Stakeholders will have opportunities to provide comments and inputs.

Post-PNPCA process for Xayaburi and Dong Sahong hydropower projects

A core MRCS team was formed to review the projects’ design changes. Following the receipt of the latest report from Lao PDR on the design change in November 2017, the team is currently reviewing the report and other submitted documents following an agreed approach and structure. A preliminary draft of the review covering five main aspects; navigation lock, fish passage, sediment transport, water quality and aquatic ecology, and dam safety, is expected to be available in late January 2018 for review and discussion with technical input from international experts. The final review is expected to be available in February 2018. The results will then be presented at the Stakeholder Forum in March 2018.

A comprehensive proposal on establishment of the MRC joint monitoring programme for the Mekong mainstream hydropower projects has been prepared and agreed with the MRC Member Countries. Based on the agreed proposal, design of the joint monitoring programme is being carried out and will be completed by the end of 2018. The programme will then begin implementation starting in 2019.

As funding requirements for the establishment of the joint monitoring programme are very high, along with efforts of the Member Countries, both technical and financial support from development partners is very important for the success of the programme. At this moment, besides the support provided for design of the joint monitoring programme, Germany through GIZ also expressed its interest to continue support for the implementation of pilot cases, and is currently trying to secure a budget to this end.

Thailand's proposed new water use/diversion projects

The MRCS has recently written a letter to seek assistance from the Thai National Mekong Committee to collaborate with relevant national line agencies or responsible organisations to officially provide the progress and status of the project with relevant information on the feasibility study and plan of the project.

Because this project was proposed and the pre- and feasibility studies conducted after 2006, the MRC has the view that it is important for Thailand to share the results of the study and any subsequent plan for the submission of the proposed project to the MRC as defined in the Procedures for Notification, Prior Consultation and Agreement (PNPCA) process, if required. This formal information is also very useful for the MRCS to prepare the State of Basin Report and Basin Development Strategy, as well as to address media and public concerns and speculation.

COUNCIL STUDY AND OTHER RESEARCH ACTIVITIES

Completion of the Council Study (CS)

After completion of the CS in December 2017, the Commission will focus on dissemination and uptake including continuing with the implementation of collaborative modelling and preparing the concept note for practical uptake of the CS results for immediate use/application under current MRC activities, such as; i) development of the State of Basin Report; ii) development of the Drought Management Strategy; iii) review and update of the Sustainable Hydropower Development Strategy; and iv) update of the Basin Development strategy 2021-2025. Apart from this, there will be follow-up activities on capacity building for different MRCS specialists on the uses of the CS's developed tools, and dissemination of CS results and findings to other partner agencies, DPs, and national dissemination forums.

A concept note on review and update of the Preliminary Design Guidance (PDG) for mainstream dams as well as a concept note on review and update of the Sustainable Hydropower Development Strategy (SHDS) have been tabled for consultation with Member Countries at national and regional levels from September to November 2017. All Member Countries confirmed it as a high priority for the update of the PDG to be completed by the third quarter of 2018, and for the SHDS by early 2019. The MRC JC took note of both concept notes at its Preparatory Meeting of the 24th MRC Council Meeting on 28 and 29 November 2017. A stakeholder forum was also organised on 15 December 2017 to obtain further inputs for better preparation of the objectives, scope and approach for the update. It is expected that the PDG update will begin in January 2018 and the SHDS in March 2018.

The MRC Technical Guidelines for the Transboundary Environmental Impact Assessment are in the process of finalisation. The MRCS organised a regional consultation meeting in late November 2017. The MCs acknowledged improvement of the revised Guideline's contents and recommended the MRCS to have another round of national and regional consultations with the MCs to discuss and agree on the final draft of the Guidelines before they are submitted to the MRC Joint Committee for consideration and approval. National and regional consultations are planned for January-February 2018.

PREPARATION OF 3RD SUMMIT

Preparation of the Summit, and its International Conference, is well underway. It is expected the Prime Ministers will reaffirm the mandate of the MRC and highlighted the recently agreed financial contribution formula with equal sharing by 2030. This is a significant commitment of all member countries to the MRC and Mekong cooperation. Stronger relations are being worked on with Dialogue Partners, including the Mekong Lancang Cooperation, and ASEAN. It is expected that high level representation from China, Myanmar and ASEAN will attend the Summit.