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For sustainable development



## Agenda G.3

# Progress Report on the Study on Sustainable Management and Development of the Mekong River including Impacts by Mainstream Hydropower Projects



*Twenty-second Meeting of the MRC Council  
Session 2: Twentieth Development Partners Consultative Group  
Meeting  
Mekong River Commission  
13 January 2016  
Phnom Penh, Cambodia*

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## BACKGROUND

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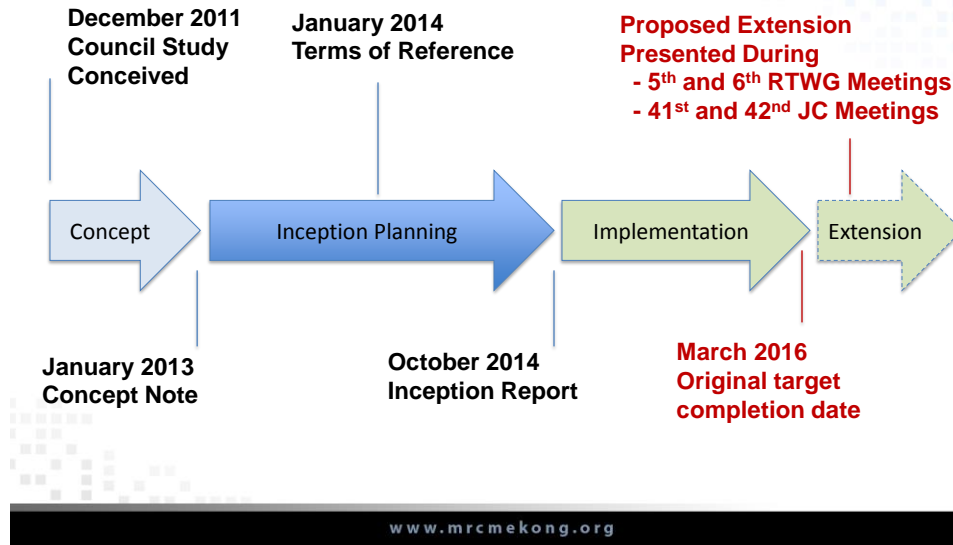
## Objectives

- Further develop/establish a reliable scientific evidence of positive and negative environmental, social, and economic impacts of water resources development
- Integrate results into the MRC knowledge base to enhance the BDP process
- Promote capacity and ensure technology transfer to Member Countries



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# Overall Timeline Perspective



## Added Values of Council Study



- Six thematic areas “equally” analyzed
- Management options also considered, not only development
- Higher resolution than broad-based approach by taking advantage of new tools and new data collected
  - Socio-economic assessment
  - Ecosystem assessment (and value of ecosystem services)
  - Climate Change
  - Differentiation of thematic-specific impacts in addition to cumulative impacts
- Distribution of costs and benefits and contribution of natural resources analyzed

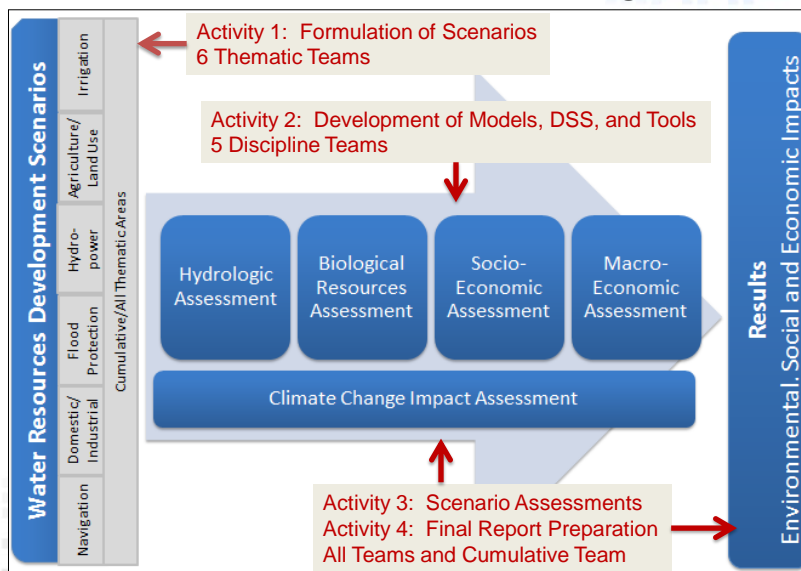
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  - Distribution of costs and benefits

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## Current Implementation Arrangement



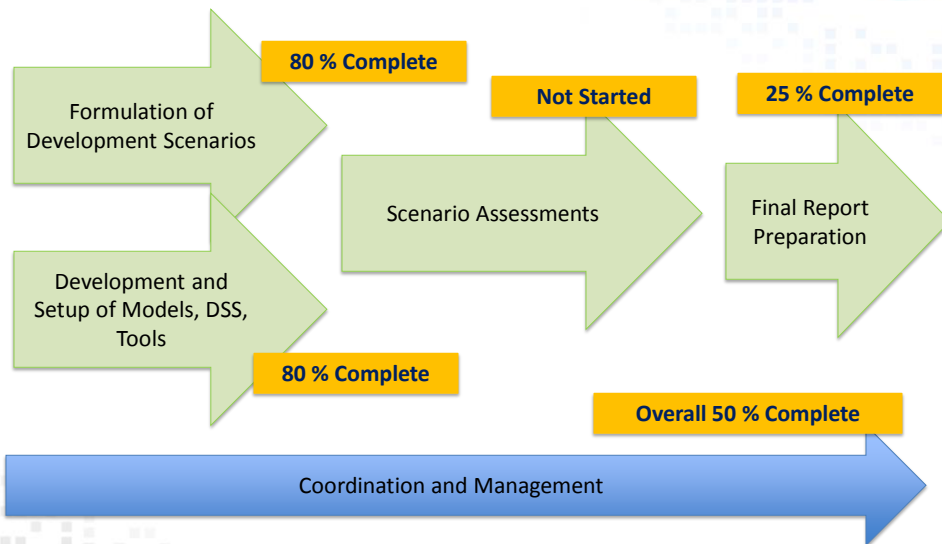
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# OVERALL PROGRESS BY ACTIVITY

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## Major Activities



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## Management and Coordination



- Three RTWG Meetings
- Regional Technical Working Sessions (Thematic and Discipline Teams)
- National Consultations
- Stakeholder Meetings (Mekong Forum, as-needed meetings)
- Coordination with Secretariat and Member Countries
- Reporting to DPs
- Information Exchange with Delta Study
- CS Web Site

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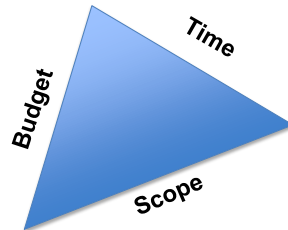
## CHALLENGES

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# Continuing Challenges



## Management and Coordination Challenge



- Issues in Scope
- Implementation Schedule
- Funding Gap

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## Scope Issues



- Selecting Baseline for the Council Study took enormous effort and time. Consensus was achieved only in November 2015
- Data availability and extent of work required to formulate the development scenarios including thematic sub-scenarios continue to remain relatively uncertain.
- Extent and rigor of modeling adopted for the Delta as per the modeling approach remains uncertain with respect to fully capturing the complexity of the Delta and hence, reasonably modelling impacts.
- Extent required by MCs to test the new ecosystem model (DRIFT-DSS developed for LMB) is unknown at this time.

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## Schedule Constraints



- 1.5-year Implementation Schedule instead of the originally planned 3-year Implementation Schedule
  - To Compensate Delays During the Planning/Inception Phase
- Compressed Implementation Schedule is Simply Not Realistic
  - Not Compatible with Current Implementation Arrangement
  - Not Compatible with Participatory Process Adopted

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## Budget Constraints



- Only 3.7M of the 6.2M external budget required has been secured

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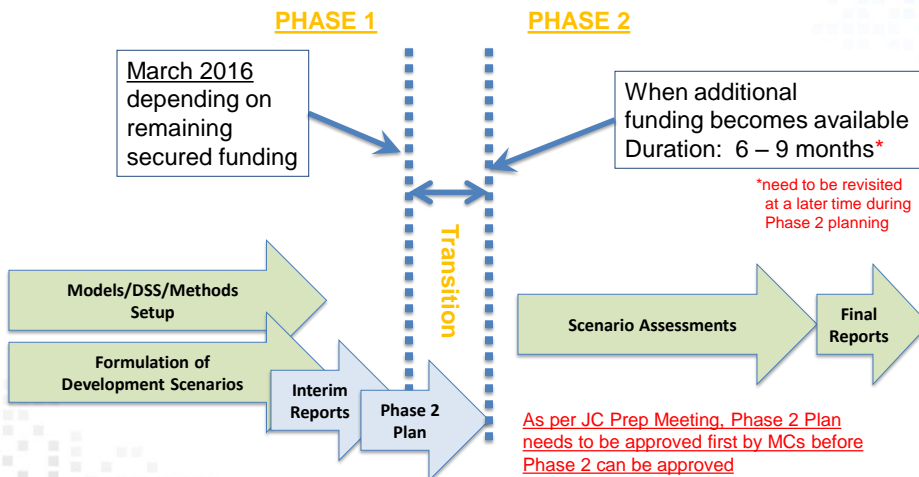




# PROPOSED CORRECTIVE ACTION: IMPLEMENTATION SCHEDULE

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## Proposed Implementation Schedule



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## Phase 1 Preliminary Results/ Draft Reports in Preparation

- 6 Interim Thematic Assessment Reports
- 6 Working Papers on Development Scenarios
- Interim Technical Report: Model Specifications and Initial Calibration
- Interim Technical Report: BioRA DSS Technical Specifications
- Technical Notes: Scoping and Detailed Methodology for Social and Economic Assessments
- Technical Report: Climate Change Scenarios for the Council Study

**Submitted to MCs for Review**

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## Transition Period



- Period of minimum level of activities for the Council Study
- Activities will include the following:
  - Final Draft Implementation Work Plan for Phase 2
  - National Consultations to disseminate interim reports/results
  - Capacity building (if funding outside of CS is available)
  - Fund raising
  - Complete any outstanding tasks in Phase 1

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## Phase 2

- Scenario Assessments
  - Reference Scenario 2007
  - Development Scenarios 2020 and 2040
  - Development Scenarios 1960 and 2000
- Procurement and Implementation of Coastal Assessment
- Preparation and Delivery of Final Cumulative and Thematic Assessment Reports
- Meetings
  - RTWG Meetings
  - National Consultations
  - Regional Stakeholder Meetings
  - Small Technical Work Group Meetings

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## **PROPOSED CORRECTIVE ACTION: REVISED IMPLEMENTATION ARRANGEMENT FOR PHASE 2**

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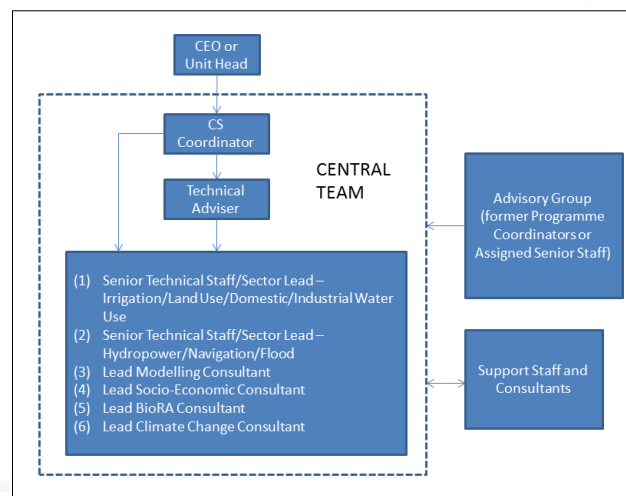
# Proposed Implementation Arrangement

- Council Study Coordination (Split into two roles as per original plan)
  - Council Study Coordinator (for project management)
  - Technical Adviser (for technical coordination)
- Smaller Management and Technical Team
  - By consolidating thematic and discipline teams
  - Inherently improve communication and coordination

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## Smaller Team



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# PROPOSED CORRECTIVE ACTIONS TO ADDRESS BUDGET CONSTRAINT

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## Overall Budget Situation

Budget Item	Amount USD
Total Budget Required	7.3M*
External Funding Required	6.2M
Secured Funding (Australia, Finland, Germany, Luxembourg, SDC, USA)	3.7M
<b>External Funding Gap</b>	<b>2.5M</b>

\*includes Programme in-kind contribution of USD 1.1M

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## DPs Contribution to the Secured Funding

Funding Source	Amount	Project Name
<b>Trust Fund</b>		<b>2,874,220</b>
Finland (End: 31 Dec 2015)	650,400	Water Management Trust Fund
Australia (End: 1 Apr 2016)	463,820	Council Study Trust Fund
Germany (End: 31 Mar 2016)	260,000	
Luxembourg (End: 31 Dec 2015)	500,000	
SDC (End: 30 Jun 2017)	500,000	
USA (End: 30 Sep 2016)	500,000	
<b>Programme Managed</b>		<b>857,349</b>
Luxembourg (Repurposed) (End: 31 Dec 2015)	500,000	Managed by CCAI
ISH (End: 31 Dec 2015)	165,000	Managed by ISH
Finland (Accrued Interest) (End: Indefinite)	192,349	Managed by IKMP
<b>Total Trust Fund and Programme Managed</b>		<b>3,731,569</b>

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## Budget Allocation of Secured Funding vs. Original Total Budget Allocation



Cost Category	Estimated Total Budget	Budget Allocated from Secured Funding (USD)	Percent of Total Allocated Budget
Coordination and Management*	885,000	774,351	87.5
International/Regional Consultants	1,867,123	1,013,288	54.3
National Consultants	879,000	729,626	83.0
Travel	403,500	135,200	33.5
Meeting Costs	859,667	518,506	60.3
Operational Costs	231,625	183,142	79.1
Payment of Coastal Assessment	250,000	0	0.0%
<b>Sub-Total</b>	<b>5,375,915</b>	<b>3,354,113</b>	
Contingency 5%	268,796		
MAF 11%	591,351	377,455	
<b>Total</b>	<b>6,236,061</b>	<b>3,731,569</b>	<b>59.8</b>

\*includes BioRA technical coordination, current and former CS Council Study Coordinator, and administrative assistant

## Spent To Date as of December 2015 and Expected Remaining Budget in 2016



Project	Budget (USD)	Invoiced and Paid as of Dec 2015 (USD)	Estimated Outstanding Invoices in 2015 (USD)	Estimated Total Spent in 2015	Estimated Percent Spent in 2015	Estimated Budget Available for 2016 (USD)
Trust Fund	2,874,220	1,796,384	496,930	2,293,314	79.8	580,906
Programme-Managed	857,349	548,470	155,000	703,470	82.1	153,879
Total	3,731,569	2,344,854	651,930	2,996,784	80.3	734,785

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## Potential Corrective Actions Due to Budget Constraints



- Review and reduce scope of work
- Postpone some tasks to 2017 to take advantage of additional funding in 2017
  - For example: Coastal Assessment
- Adopt an abbreviated consultative process (less number of regional/national meetings and smaller but more effective)
- Adopt smaller but effective Secretariat Council Study Team
- Combine with other studies to cost-share common tasks
- Seek direct additional funding for the Council Study

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## CONCLUDING REMARKS

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## Concluding Remarks



- Implementation Underway with objective of completing Phase 1 by 31 March 2016
  - Draft final interim reports
  - Interim products (Models, DSS, Methods, Database)
- Implementation of Phase 2 Highly Dependent on Budget
- Revised Implementation Arrangement is Inevitable and Necessary
- Review and Adjustment of Council Study Scope is Warranted In Light of Budget Constraints

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***The Council may wish to:***

- ***Take note of the progress of the Council Study including challenges related to scope, schedule, and budget.***
- ***Provide any guidance and comments with the proposed Phase 2 extension of the implementation of the Council Study.***

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**ADDITIONAL SLIDES FOR Q&A**

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## Activity 1: Formulation of Development Scenarios

- Member Countries (MCs) Agreed on the following development scenarios to assess:
  - 1960, 2000, 2007, 2020, 2040
  - 2007: Reference Scenario
  - 1960: In Principle (Depending on data availability)
- Thematic Teams have worked directly with MCs to collect data on infrastructure and operations in support to formulate development scenarios
- Thematic Teams have presented preliminary results during 6<sup>th</sup> RTWG Meeting (December 2015)
- Overall Status: Delays due to difficulty and uncertainty in availability of quality data
  - Some Teams made good progress, others are behind
  - Some adjustments in scope and approach proposed and agreed by MCs

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## Activity 2: Development and Setup of Models, DSS, and Tools

- MCs Agreed with Modeling Framework and Approach
  - DSF Models supplemented by other models/tools such as WUP-FIN and eWater Source to provide full modelling functionality for flow, sediment, and nutrients required for the LMB
- Developed Initial Version of the Ecosystem Model for LMB (i.e., using DRIFT-DSS Tool)
  - Will be subjected to testing as per MCs requirement before continuing development of the Ecosystem Model for the Delta
- Developed draft methodology to support socio-economic impact assessment
- Selected Climate Change Scenarios for Assessment in the Council Study
- Overall Status: Delays in the setup and calibration of the DSF and supporting models
- **Percent Completion = 80**

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## Activity 3: Scenario Assessments

- Overall Status: Not Started
- This activity requires completion of Activities 1 and 2

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## Activity 4: Report Preparation

- Planned and prepared interim reports
- Some interim reports completed and submitted to MCs for review
- Overall Status: Task began earlier as per original plan
  - Interim reports prepared as per MCs request to receive (incremental) results earlier
- **Percent Completion = 25**

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# Council Study Coordinator



- Full Time
- From the region either in-house staff of the Secretariat or a regional consultant
- Responsibilities:
  - Overall day-to-day coordination and project management (scope, schedule, budget)
  - Controlling and tracking expenditures
  - Administrative and contractual management of consultants
  - Coordination and communication with MCs
  - Reporting to CEO and senior management
  - Planning and implementation of regional and national meetings
  - Progress reporting and communication with DPs
  - Assistance to fund raising activities

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# Technical Adviser



- Part-time
- International/regional consultant (SSA)
- Responsibilities: Assist the CS Coordinator with the following:
  - Coordinating, reviewing and consolidating technical inputs of the technical members of the teams (consultants and in-house technical staff)
  - Lead the review of the technical reports and the preparation of the main report deliverable
  - Provide technical guidance and direction
  - Lead technical presentations and discussions during regional and national meetings

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## Smaller and Leaner Team



- With no Programmes in the new structure, combine discipline and thematic teams into one team
- Consolidate water use teams (irrigation, agriculture, domestic, industrial, and other land use)
- Consolidate hydropower, navigation, and flood protection
- Discipline technical leads (i.e., lead consultants) reporting or working directly with the CS Coordinator and Technical Adviser