



Mekong River Commission

MK G/R 10015

**Mekong Integrated Water Resources
Management Project**

INCEPTION REPORT

Final Version

Prepare by:

Mekong Integrated Water Resources Management Project

Mekong River Commission Secretariat

September 2010

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Executive Summary

After over a decade of its appearance, the Mekong River Commission (MRC) is facing several challenges in playing the role of an international river basin organization. With the fast pace of water resources development in the basin, particularly in the developments related to the hydropower generation in the mainstream and various types of water uses, the MRC is making every effort to materialize “meeting the need keeping the balance” in the Mekong basin.

All nations in the basin want to utilize water and related resources in the basin for economic growth, poverty reduction for achieving the Millennium Development Goals (MDGs). Accelerating water resources development needs to be complemented by effective governance and management of water, and related resources to ensure that further development of water-related resources recognises the vital ecosystems and capture fisheries productivity, which the majority of the poor depend on for their livelihoods. An underlying assumption of this Project is that at this critical juncture, all countries would benefit from improved application of Integrated Water Resources Management (IWRM) principles and practices at the basin, national and project levels.

During 2000-2008, the MRC implemented the Water Utilization Programme (WUP) that developed basin models, procedures and technical guidelines to implement the 1995 Mekong Agreement. The WUP was considered successful but incomplete, as highlighted in the WUP Evaluation and the Mid-term Review of the MRC Strategic Plan 2006-2010. Moreover, if not being continued, the outputs of WUP would not be sustainable. The MRC therefore wished for an urgent follow-up of the WUP, especially to finalize the pending procedures and technical guidelines and put them into realistic implementation, to apply IWRM approaches and principles in the region while to promote pro-poor development and environment protection with emphasizing on transboundary or basin-wide nature. As a follow-up of the WUP, the Mekong IWRM Project has been formulated in a partnership between the countries in the Lower Mekong Basin (LMB), Mekong River Commission (MRC), and the Australian Agency for International Development (AusAID) and the World Bank (WB).

With financial support from AusAID (AUS 700,000) and PHRD, during 2008 and 2009, the MRC has implemented the preparation phase and formulated Mekong IWRM Project (M-IWRMP). After a series of national and regional consultations, the Project Document had been formulated and approved by the MRC Council in November 2009. This approval paved a favourable condition for securing further financial support of AusAID (AUS \$ 7 million) to implement the regional component.

The Project will address IWRM challenges in the LMB through a three tier approach, combining interlinked basin, national and cross-border initiatives in synergy with the MRC-led basin development planning process. These form the three respective components of the Project: regional, national and transboundary. The regional component sits at the apex, and provides the overall framework of principles, procedures and guidelines for IWRM and water utilisation negotiations, within which the transboundary (managed under the umbrella of the regional component) and national work will be framed. As such the Project components will complement each other in improving the functioning of the institutional framework, in building knowledge and improving decision making processes for the sustainable development of water and related resources.

The regional and transboundary components are coordinated, managed and implemented by the MRCS in close cooperation with the LMB Countries based on funding from both AusAID and the World Bank. The WB indicated its readiness to fund for the regional and transboundary components of the Project with its two-phase Adaptable Programmatic Loans (APL1 & 2). The budget that would be available as of 2011 is also supplementary to the budget secured from AusAID. The national and transboundary components, currently under preparation, will be implemented with grant and credit from WB through APL 1 & 2 after successful appraisal and the WB board’s approval, expectedly at the end 2010.

After a minor delay in implementation due to personnel reason, the Project has been initiated as planned with the establishment of a fully-staffed Project Coordination and Management Unit (PCMU) attached to

the MRCS Planning Division. Taking into account the latest changes in the basin including additional support from the WB, the PCMU has held internal discussions with the relevant programmes, sections and units of the MRCS and a round of national consultations for the revision of the Project Implementation Plan (PIP), for the facilitation in preparing the national and transboundary components, and for undertaking project activities. As a result of the first regional consultation workshop as well as the first Project Steering Committee (PSC), this Inception Report and its PIP, which includes detailed activities for the regional component and the transboundary activities, have been revised. The transboundary project proposals will be further elaborated in detail with separate documents and workplans. Additional transboundary projects can be proposed by the LMB countries for implementation between 2010 and 2014.

Though well formulated, the success of the Project is still subject to several challenges. A significant challenge for the regional component of the Project is to strengthen the MRC implementation framework toward IWRM, the role of the MRC Council and Joint Committee and the MRC Secretariat through the finalisation of the procedures and technical guidelines for water utilisation, and then to demonstrate their effective implementation. The implementation of the procedures and of the related IWRM principles will be successful if they will be applied on both the regional and national levels.

Another challenge will be ensuring the overall coherence of the Project, particularly as the responsibility for different tasks is distributed to different programmes of the MRCS, and to the NMC Secretariats (NMCS) in each of the four LMB Countries. Effective and efficient coordination and leadership will be required to ensure that each component works and that all components interlink logically, and that the overall Project substantively contributes to the MRC, to the governments and the wider societies of the Mekong River Basin.

In spite of these challenges the four MRC member countries have confirmed, their commitment to joint efforts in implementation of the 1995 Mekong Agreement at the Hua Hin Summit (April 2010) and encourage MRC to address these challenges through preparation and implementation of the IWRM-based Basin Development Strategy.

The Project Implementation Plan (PIP) outlines outputs, activities, responsibilities and budget for the entire Project duration. However, due to the IWRM complexity and many interlinkages a certain implementation flexibility needs to be ensured and the Plan is considered as a living document. The PIP will be updated, supplemented and revised when needed. The revised Plan will be presented once a year for discussion and agreement to the PSC. The implementation success of the Project will be assessed using a monitoring and evaluation scheme. This scheme will be developed in the first Project year and will also consider the sufficient links between all project components regarding sustainable IWRM outcomes.

ACRONYMS AND ABBREVIATIONS

APL	Adaptable Programmatic Loan
AusAID	Australian Agency for International Development
BDP	MRC Basin Development Plan Programme
EP	MRC Environment Programme
FP	MRC Fisheries Programme
GEF	Global Environment Fund
ICBP	MRC Integrated Capacity Building Programme
ICCS	International Cooperation and Communication of MRC Secretariat
IKMP	MRC Information and Knowledge Management Programme
IWRM	Integrated Water Resources Management
ISH	MRC Initiative on Sustainable Hydropower
JC	MRC Joint Committee
LMB	Lower Mekong Basin
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
M-IWRM Project	Mekong Integrated Water Resources Management Project
MRC	Mekong River Commission
MRCS	Mekong River Commission Secretariat
NMC	National Mekong Committee
NMCS	National Mekong Committee Secretariat
NILA	National Implementation Line Agency
NGO	Non-Governmental Organisation
NPC	National Project Committee
O&M	Operation and Maintenance
PAD	Project Appraisal Document
PHRD	Policy and Human Resource Development Fund, Japan to World Bank
PCMU	Project Coordination and Management Unit
PDIES	Procedures for Data and Information Exchange and Sharing
PIP	Project Implementation Plan
PLD	Planning Division of MRC Secretariat
PMFM	Procedures for Maintenance of Flows on the Mainstream
PNPCA	Procedures for Notification, Prior Consultation and Agreement
PSC	Project Steering Committee
PWQ	Procedures for Water Quality
PWUM	Procedures for Water Use Monitoring
QA	Quality Assurance
RBC	River Basin Committee
RBO	River Basin Organisation
SEA	Strategic Environment Assessment (Impact Assessment)
TNMC	Thai National Mekong Committee
TOR	Terms of Reference
WB	World Bank
WUP	MRC Water Utilisation Start-up Project

1. BACKGROUND

1.1 Introduction

The Mekong Integrated Water Resources Management Project (M-IWRM-Project) (henceforth, “*the Project*”) builds on the foundation laid by the Water Utilisation Start-up Project (WUP) that was implemented by the Mekong River Commission (MRC) from 2000 to 2008 with funding from the Global Environment Fund (GEF) through the World Bank (WB). The Project has been developed by MRC with the support of the Australian Agency for International Development (AusAID) and the WB. The Project concept was prepared in June 2008 drawing on inputs from MRC Member Countries and from a series of regional consultations. A more detailed Project Concept and Preparation Plan, prepared in February 2009¹, drew on earlier documents and presented an implementation strategy with clearly defined objectives, outcomes, outputs and activities, implementation arrangements and risk analysis.

The Project is structured around three principle elements, the Project context and rationale, the objective and design, and the implementation and management. These are preceded by a general introduction which establishes the background and provides an overview of the development context and principles which underpin the Project.

The Project comprises three interlinked components at basin (regional), transboundary and national project levels. The regional component sits at the apex and provides the overall framework of the principles, procedures and guidelines for Integrated Water Resources Management (IWRM) and water utilisation negotiations, within which the transboundary and national work will be framed. This inception document addresses the regional component (supported by AusAID and WB) in detail. The transboundary component is coordinated and managed under the umbrella of the regional component by the MRCS (PCMU). Both, the transboundary and national components, are financed by the WB, are still under elaboration and will go for approval in the end of 2010.

1.2 The 1995 Mekong Agreement and Water Utilisation Start-up Project

In the Agreement on Cooperation for the Sustainable Development of the Mekong River Basin (the 1995 Mekong Agreement) the four countries in the Lower Mekong Basin (LMB) agreed to continue cooperating in the sustainable development of the water and related resources of the Mekong Basin for “*An economically prosperous, socially just, and environmentally sound Mekong River Basin*”. The Agreement established the MRC as a focal point for the cooperation, and to assist the Member Countries in achieving their aims through the provision of shared information, technical guidance, and consultation. Moreover, the Agreement established a forward-looking framework for pursuing the concept of IWRM at the basin level.

The Agreement calls for the formulation of a Basin Development Plan to promote, support, cooperate with and coordinate the development of the full potential of sustainable benefits to all Member Countries, and to prevent inappropriate use of the Mekong River Basin waters, with emphasis and preference on joint and/or basin-wide development projects (Article 2). This development process is grounded on:

- The protection of the environment, the natural resources, the aquatic life, and the ecological balance of the basin from pollution or other harmful effects resulting from any development plans and/or uses of water and related resources (Article 3).
- The cooperation on the basis of sovereign equality and territorial integrity in the utilisation and protection of the water resources (Article 4). Article 5 ensures the right of each country to develop certain categories of projects (which must be notified to the MRC Joint Committee) without the need for consent from the other countries, provided that these projects do not cause harm to others (Article 7), whilst recognising that other types of development are of basin-level significance and require prior consultation and agreement.
- The establishment of water utilisation procedures and guidelines that 1) facilitate interaction between the Member Countries, are consistent with their aims, and provide a mutually agreed basis for defining the sustainable limits for water-related basin development at any one point in time, and 2) the establishment of a monitoring system and procedures that both ensures that the

¹ Mekong Integrated Water Resources Management Project, Project Concept and Preparation Plan, MRC, 5th February 2009

sustainable limits are not being exceeded, and provides information that will help guide the future development of the Mekong Basin (Articles 6 and 26).

The WB has worked closely with the MRC on the WUP to support the development of regional knowledge on the dynamics of the Mekong Basin, and of procedures to provide a regional enabling framework for, and to inform on water utilisation in the LMB. The main outputs of the WUP include:

- **Decision Support Framework (DSF)**², consisting of a suite of basin-wide models, a knowledge base, and emerging impact assessment tools.
- **Transboundary Analysis**, which sets out the preliminary approach for addressing transboundary environmental management³ and demonstrates a few alternative development scenarios illustrating the economic, environmental and social benefits, and the costs to each of the LMB countries⁴.
- **Procedures** that elaborate various provisions of the 1995 Mekong Agreement, including Procedures for Data and Information Exchange and Sharing (PDIES, approved 2001), Procedures for Water Use Monitoring (PWUM, approved 2003), Procedures for Notification, Prior Consultation and Agreement (PNPCA, approved 2003), Procedures for Maintenance of Flows on the Mainstream (PMFM, approved 2006), and Procedures for Water Quality (PWQ, draft submitted for approval).
- **Technical Guidelines** in support of the implementation of the procedures that have also been drafted and approved by the Joint Committee, including: Guidelines on Custodianship and Management of the Mekong River Commission Information System – in support of the PDIES (2002), Guidelines on Implementation of the PWUM (2006), and Guidelines on Implementation of the PNPCA (2005). In addition, MRCS internal guidelines have been drafted to guide the processing and review of notifications within the Secretariat in a systematic and constructive manner.

Although there is scope for improvement, particularly of its impact assessment capabilities, the DSF by providing a hydrological overview, the original DSF has made a significant contribution to the Member Countries and the international community in the understanding, function and potential for development of the Mekong Basin. The DSF is being used to determine changes in river flow and in assessing related hydrological impacts that have already occurred, or may occur in the future, as a result of infrastructure development (dams and diversions) within the basin, and climatic variations. During the process of upgrading and improvement, other aspects of impacts, such as sedimentation have been taken into account by IKMP to expand the knowledge base, and develop other impact assessment tools. The original DSF plus the new tools are being now collectively referred to as the MRC Toolbox.

The PDIES implementation has resulted in the sharing of meteorological, hydrological and other data from LMB countries. The PNPCA has been operational for some time, and although the Member Countries are now following the procedures, the implementation needs to be improved. The other procedures and guidelines are in their infancy as there has been limited implementation within each country at the level of the line agencies and their field operations. The reasons for this may include insufficient awareness, the complexity of some of the procedures or guidelines, delays in waiting for final approvals and the perception that the procedures are restraining or regulatory mechanisms.

The independent WUP Evaluation⁵ undertaken in 2007, recognised that WUP “...has been successful in meeting the legal requirements, commitments and expectations set out in key documents with one exception.” – the final adoption of the PWQ. The Evaluation also concluded “...that without a follow-up project, the achievements, outputs and long-term value of the WUP...will not be sustainable and have limited impact.” The Evaluation also identified several important areas for further work. These areas are central to the ability of the MRC to implement the 1995 Mekong Agreement effectively, and include the importance of finalising the procedures and guidelines, and the need to extend these beyond the MRC

² DSF will be integral part of the MRC Toolbox that is currently developed.

³ MRC WUP, Transboundary Diagnosis Analysis, 2003

⁴ MRC Integrated Basin Flow Management, 2004 - 2008

⁵ Independent Evaluation of the Water Utilization Start-up Project, Final Report, 28th December 2007

Secretariat (MRCS) and the National Mekong Committee Secretariats (NMCSs) in order to reach line agencies and key ministries with the mandate to implement the procedures in national decision making on Mekong Basin water and related resources. Similarly, the Mid-term Review of the MRC Strategic Plan⁶ recognised WUP “...as a programme that produced tangible outputs and moulded the Mekong cooperation for nearly a decade.” and recommended to prioritise “...a time-bound plan to see the ‘unfinished’ business of WUP completed so as to support Member Countries in their water utilisation negotiations.” The below table summaries how lessons-learnt have been reflected in the project design.

Table 1.2.1: Lessons-learnt⁷ from WUP taken up in the Project design

WUP lessons	Reflected in Project design
<p>Project approach and design</p> <p><i>Focus on consensus building.</i> WUP adopted a method of formal negotiations among representatives from the respective governments, comprising technical (line ministries) and legal/administrative (the Ministry of Foreign Affairs) aspects. These negotiations often encountered difficulties in the early stage as participants from one country did not understand other countries’ positions. The process for developing rules would be more efficient if WUP organised more informal workshops and by inviting additional stakeholders to deepen their understanding of each country’s view to help develop broad consensus among the Member Countries.</p>	<p>The Project will apply a programmatic approach , and establish different mechanisms for communication, dialogue, negotiation and consensus building for each component. The Project design recognises the importance of flexibility in Project implementation, to respond to emerging issues and needs at the different levels.</p>
<p><i>Implementation at country level.</i> WUP mainly aimed at finalising the rules for water utilisation through the MRC, but did not consider the implementation of these rules by the line ministries at the national levels. Similarly, WUP aimed at developing hydrological models in the MRC, but did not pay sufficient attention to disseminating the models to the countries so that they could apply these to infrastructure planning. WUP impacts would have been consolidated if these points were considered.</p>	<p>The Project comprises three interlinked components at basin (regional), transboundary and national project levels. The regional component provides the overall framework of the principles, procedures and guidelines for IWRM and water utilisation negotiations, within which practical work under the transboundary and national work will be framed. IWRM principles will be promoted at national level through enhanced national legislation and institutional frameworks, and capacity development for river basin planning and IWRM priority projects. The Project’s transboundary component will scope the application of WRM planning and implementation of priority cross-border projects.</p>
<p><i>Capacity development.</i> WUP lacked adequate resources for capacity building at the national level as well as at the community level to effectively coordinate water resources utilisation and prevent or mitigate conflicts among stakeholders. Technical assistance alone cannot attain improved water utilisation and poverty reduction.</p>	<p>The Project design acknowledges the considerable scope for institutional development and capacity building for IWRM. This is especially timely for the recently established national water and (related resources) management agencies and their affiliates at the sub-basin levels. The aim is to strengthen their coordination and monitoring role for IWRM, while the long established line agencies do most of the on-the-ground sector management. This national capacity development process will be supported by the regional component capacity building activities, to be implemented by the MRC Integrated Capacity Building Programme (ICBP). A respective strategy paper will articulate the contribution the Project will make to gender equality of opportunities, poverty alleviation and improving the situation of marginalised ethnic minorities.</p>

⁶ Mid-term Review of the MRC Strategic Plan 2006-2010, Consultant’s Final Report, May 2009

⁷ Lessons extracted from WUP Evaluation, 2007; WUP Completion Report, 2008; World Bank WUP Implementation Completion and Results Report, 2009; and Mid-term Review of the MRC Strategic Plan, 2009.

WUP lessons	Reflected in Project design
<p><i>WUP follow-up and sustainability.</i> The achievements and outputs of WUP are currently not sustainable and may therefore only have limited long-term impact in informing and influencing water resources management and development in the basin.</p>	<p>The Project addresses a range of (thematic and geographic) IWRM challenges at different levels in LMB. The Project also includes time-bound workplan to finalise Procedures and Guideline by MRC participating programmes in early stage of the project period.</p>
<p>Project implementation</p> <p><i>Coordination and synchronisation.</i> Although the intention of the 1995 Mekong Agreement was that the procedures would be enabling mechanisms, and work in progress to implement the Agreement, this could not be fully implemented. This may have been the result of the first phase of MRC's Basin Development Plan Programme (BDP) and WUP getting out of synchrony, with the BDP being unable to deliver an effective plan and yet WUP still being delivering mechanisms. Since the mechanisms came first, they may have appeared to be a regulating rather than a facilitating framework for basin development and investment.</p>	<p>Close coordination with BDP shall ensure in synergies between water utilisation procedures, basin development planning, and implementation on the ground..</p>
<p><i>Communication.</i> A better communication strategy to the stakeholder regarding the application of the hydrological models and water utilisation procedures could have been considered. Further, the progress and final outcome of the water utilisation procedures would have been disclosed and disseminated not only to the line ministries, but also to the riparian communities and local government which may be directly affected by the procedures.</p>	<p>A Project specific and adequately resourced communication strategy shall aim at decision makers and the public.</p>

1.3 Policies and Commitments of LMB Countries

Both the national socio-economic development plans of LMB Countries and the 1995 Mekong Agreement show that the development of the Mekong Basin's water and related resources is to the forefront in their efforts to boost economic growth, reduce poverty and meet the Millennium Development Goals (MDGs).

The LMB Countries have already agreed on the broad directions that IWRM should take in the Mekong Basin for regional development and management of water and related resources, as reflected in the "Strategic Directions for IWRM in LMB", approved by the MRC Council in 2005. This collated the directions for water resources management identified in national plans and strategies, and added a regional dimension. It developed indicators of what were considered as being the attributes of "good IWRM" and concluded that, at that stage, when measured against these indicators, the level of IWRM performance across all four countries was varied but was continually strengthening. It stated that for future sustainable development of the basin, and for the success of the basin planning process, continued IWRM strengthening was essential. It identified the eight major areas of IWRM that are seen as being the most relevant to the Mekong Basin⁸, and specified a broad reaching objective for each category with a general description as to how the various "players" or stakeholders in the Basin might address issues as a means of moving toward the objectives. However, the document was limited in how it considered links to the national planning processes, largely because at that stage, scenario assessments of the likely impacts of various levels of development on the environmental and social resources of the Basin had not been undertaken. Also there was no in-depth discussion on the emerging possibilities of mainstream infrastructure and how this would impact on the fisheries and ecology of the LMB and the livelihoods of resource dependent people. These issues, and many cross sectoral considerations, such as the assessment of hydropower dam impacts on hydrological regime, fish migration in the LMB, fish species diversity, water quality, and socio-economics and livelihoods are now being at least partially addressed by the MRC through the BDP as well as the SEA processes.

⁸ Eight priority IWRM key result areas identified in the Strategic Directions for IWRM in LMB are: 1) Economic development and poverty alleviation; 2) Environmental protection; 3) Social development and equality; 4) Dealing with climate variability; 5) Information based planning and management; 6) Regional cooperation; 7) Governance and 8) Integration through basin planning

The LMB Countries have demonstrated their desire to translate these high level commitments and IWRM guidance into actions. In their WUP Winding-Down Reports, the LMB Countries highlight common urgent recommendations to finalise and enforce the procedures and technical guidelines, and to build capacity for the implementation of regional tools⁹. Case studies have been performed as pilots in all four countries by the MRC IKMP during the last four years. Results have been integrated in the BDP findings. Thailand is currently testing the respective scenario models within selected RBCs. Work is going on to refine the DSF while improving credibility of results through model comparison and quality assurance of input data and processes.

There has been a much more proactive and cooperative approach to the implementation of the water utilisation procedures and technical guidelines, and especially those of the PNPCA. As of date of this Inception Report, the MRC Secretariat had recorded 34 projects covered by 29 notifications, a significant increase from the total of 17 projects covered by 17 notifications as of March 2008. The 2010 figure includes notifications that were carried out retroactively as part of the process of ensuring the completeness of the PNPCA dataset. In addition, the Member Countries agreed, in March 2008, to share information, and in particular, information on those mainstream projects requiring prior consultation. This information provides the Member Countries with an opportunity to share information on their planned projects at an early stage, and so improving the level of transparency and discussion within the MRC on important project proposals. In 2008, Lao PDR initiated the process by sharing preliminary information on the hydropower projects planned on the mainstream. Likewise, Cambodia and Thailand shared preliminary information in 2009, on planned hydropower projects.

At its 29th Meeting in March 2009, the Joint Committee called for a timely sharing of data and information under the PDIES and PWUM. At the same meeting, the Joint Committee requested the revitalisation of the development of the Technical Guidelines for the PMFM, and took note of the MRC Disclosure Policy. Recently, Memoranda of Understanding (MOUs) have been agreed with LMB Countries for increasing data for flood risk management, and a data needs assessment has been performed sharing a standardised approach and an established institutional mechanism, that of the Technical Assistance and Coordination Team.

As for the Procedures for Water Quality (PWQ), the Thai National Mekong Committee (TNMC) has suggested a broadening of the scope of application of these Procedures. The proposed rewording may facilitate the approval awaited from the Cabinet of the Royal Thai Government. The Joint Committee has approved the mobilisation of the Water Management Trust Fund to finalise the Technical Guidelines for the PWQ. The delayed approval of the PWQ may create a risk that would undermine the overall commitment and efforts of the LMB Countries to implement the procedures. Nevertheless, it is obvious that the procedures will require prioritisation and differing time frames. The accelerated water resource development in the Mekong Basin, and, in particular, possible national decisions in the near future on large infrastructures (hydropower dams on the LMB mainstream and diversion), make the PNPCA the top priority, complemented by the BDP and the Strategic Environmental Assessment (SEA) process and the intensified implementation of the PWUM. On the other hand, the results of the MRC water quality monitoring and bio-monitoring have shown that water quality is generally good in the LMB¹⁰.

Cooperation between line agencies, NMCS and other national stakeholders in the joint basin development planning process has been increasing. All existing, planned and potential water uses identified by countries have been put into an integrated basin-wide and participatory assessment framework, which looks at possible transboundary impacts and tries to identify a balance between water resources development and protection in order to meet national and regional sustainable and equitable objectives. This will help the LMB Countries to build a shared view and a framework to guide further

⁹ WUP Implementation Completion Report, Annex O – Winding Down Reports: Lessons learned from the NMCs, June 2008

¹⁰ Mekong River Report Card on Water Quality (2000-2006), MRC, September 2008. Mekong River Report Card on Aquatic Ecological Health (2004-2007), MRC, December 2008.

development and management of the basin resources. This joint framework will help build an increased understanding and synergies demonstrating the benefits of integrating the procedures and guidelines in national planning and decision making. This will help build the confidence of both national planners and private developers in that the national projects have been considered from the perspective of their transboundary consequences and basin sustainability.

In April 2010 the first ever MRC Summit was held successfully in Thailand with the participation of all four Prime Ministers of the MRC countries and high ranked officials from China as well as Myanmar. The heads of the four MRC country governments re-confirmed their commitment to joint efforts in implementation of the 1995 Mekong Agreement and encourage MRC to address these challenges through preparation and implementation of the IWRM-based Basin Development Strategy.

1.4 Development Partners' Water Sector Involvement

The promotion of sustainable development through strengthened governance and effective cooperation is given a high priority in the agenda of many Development Partners. The Development Partners have provided strong support to the LMB Countries and the MRC in their long history of cooperation to alleviate poverty and to protect the shared resources of the Basin.

Mekong Water Resources Assistance Strategy (MWRAS)

The WB and Asian Development Bank (ADB) support the Greater Mekong Sub-region initiative which is an inter-governmental cooperation involving Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam and China's Yunnan Province and the Guangxi Zhuang Autonomous Region. This initiative is grounded in the commitment to regional cooperation and integration among the countries to achieve sustainable economic development.

The WB has identified water resources as a key sector due to the numerous on-going issues, such as hydropower development, navigation, and irrigation. The WB developed a joint strategy with the ADB to guide their assistance for water resources development in the Mekong Basin. The strategy describes the large potential for increased irrigation and hydropower but emphasises the need for a careful analysis of the social and environmental impacts. One common core measure of the Mekong Water Resources Assistance Strategy is that "developing IWRM capacities in all the countries needs to be given priority"¹¹. The WB subsequently prepared a Greater Mekong Regional Strategy Note - a multi-sector strategy which included the water resource sector. This Note, presented to the WB Board of Directors in June 2007, identifies the need for a regional water resources project aimed at supporting the LMB Countries in the implementation of the IWRM principles.

Australian/AusAID's Mekong Water Resources Programme – Delivery Strategy 2007-2012¹²

Founded on the AusAID Strategy for the Greater Mekong Sub-region¹³, the Australian Mekong Water Resources Program Delivery Strategy (2007-2012) aims to achieve three strategic objectives:

1. Strengthening institutions;
2. Building reliable knowledge;
3. Making more informed decisions on the region's water resources.

In relation to the first objective to '*strengthen institutions to improve integrated water resource management (IWRM) in the region*', AusAID highlights that the equitable and efficient use and management of water resources will contribute to improved regional cooperation, poverty reduction and sustainable development. IWRM is seen as a possible pathway to more efficient use and management of water and related resources.

¹¹ Mekong Water Resources Assistance Strategy, WB and ADB, June 2006

¹² Delivery Strategy 2007-2012 of the Australian Mekong Water Resources Programme, April 2010

¹³ The Greater Mekong Sub-region, Australia's Strategy to Promote Integration and Cooperation, 2007-2011, AusAID, September 2007

To pursue the Program's objectives, Australia's supporting activities address the following priority issues:

- **Capacity building** - technical and social capacity building to enable integrated water resource management, a process referred to in short form as IWRM.
- **Environmental change** - adapting to climate and other environmental change.
- **Food security** - ensuring there is enough food for vulnerable and marginalised people.
- **Hydropower assessment** - comprehensively assessing options, including alternatives.
- **Transboundary engagement** - engaging more constructively on water-related issues between all six countries of the Mekong Region.
- **Corporate social responsibility** - encouraging private sector leadership and accountability.

These objectives align to the needs of the MRC in the attempts to follow-up on the WUP achievements and to move forwards in order to fulfil the intentions expressed in the 1995 Mekong Agreement.

1.5 Project Preparation

The preparation modalities of the Mekong IWRM Project were defined at the concept stage. The MRCS, together with the LMB Countries, led the preparation of the regional component with a grant from AusAID. Since 2010 the World Bank also supports the regional and transboundary components. This WB grant is channelled through the MRCS. The WB and the LMB Countries lead the preparation of the national component with a grant from the Japanese Government (PHRD), provided directly to Cambodia, Lao PDR and Viet Nam. Project preparation in Thailand uses part of AusAID's support to the MRC and the Mekong Water Management Trust Fund.

The Project preparation plan was consolidated into three phases with key deliverables. For Phases 1 and 2 covering the Regional Component, these were:

Phase 1: November – December 2008

- Planning schedules;
- Indicative regional component and overall work plans;
- Project document outline; and
- Follow-up and on-going advice to stakeholders.

Phase 2: December 2008 – July 2009

- Regional component logical framework and work plan;
- Draft work plan(s) for national and transboundary components;
- First Project document for AusAID's consideration; and
- Follow-up and on-going advice to stakeholders.

The preparation of Phase 3 including the transboundary and national components depends much on the WB progress in its negotiations with the LMB Countries toward final approval. At present progress is various across countries and appraisal is expected to take place in the second half of 2010, ready for submission to the WB Board later in 2010. The first draft of the WB Project Appraisal Document (PAD) should be available was shared in August 2010. Key deliverables for Phase 3 are as follows:

Phase 3: August 2009 – July 2010

- Project logical framework finalised;
- Work plans for national component;
- Work concept for the transboundary component and its projects;
- World Bank Project Appraisal Document (draft);
- Project Inception report; and
- Follow-up and on-going advice to stakeholders.

After the Council's acceptance of the Project initial concept in 2006, the Project has now gone through a broad participatory process for its conceptualisation, formulation and preparation. This process reflects the thorough considerations and subsequent commitments of the LMB Countries to the Project innovation and its implementation. Table 1.5.1 summarises key events in the Project preparation.

Table 1.5.1: Key events in the formulation and preparation of the M-IWRM-Project

Date	Event	Key decision points
December 2006	13 th MRC Council meeting, Ho Chi Minh City, Viet Nam	Initial briefing on formulation of the WB/MRC Mekong IWRM Support Project (M-IWRM-SP), formerly known as the GEF/WUP2. The 13 th MRC Council meeting accepts the initial Project concept.
April 2007	World Bank mission to the MRC and NMCs	World Bank Aide-Memoire summarises Project scope and structure. Countries letters of endorsement sent to GEF.
October 2007	Meeting between GEF Chief Executive Officer and World Bank	GEF requests China's participation in the Project as a new condition for GEF funding. AusAID expresses interest in supporting the Project formulation and implementation.
8 January 2008	1 st regional workshop on the Project formulation at MRCS	Member Countries agree to the Project objectives and three interlinking components: regional, national and transboundary.
15 February 2008	Letter of commitment from WB	PHRD proposals for Cambodia, Lao PDR and Viet Nam submitted to WB for preparation of the national and transboundary components. The funding for Project preparation in Thailand mobilised from the MRC Water Management Trust Fund and AusAID.
1 -3 April 2008	27 th JC meeting, Da Nang, Viet Nam	The JC took note of the Project concept and requested the acceleration of the Project formulation.
24-25 April 2008	Informal consultations with LMB Countries	Member Countries discuss detailed concept of the regional component and the identification of activities for national and transboundary components.
6-7 May 2008	2 nd regional workshop on Project formulation and Final workshop of WUP, MRCS	Countries agree for the regional component to address tools (not only hydrological but also impact assessment) and finalisation of procedures/technical guidelines as key activities. Discussion and comments on activities of the national and transboundary components and agreement to finalise the Project concept. Member Countries through WUP Winding-Down Reports reiterate the need to maintain WUP momentum.
21 October 2008 and 6 March 2009	Regional meetings on the Mid-term review of the MRC Strategic Plan 2006-2010	MRC to concentrate on the core basin management function through joint basin planning process and encourage wider application by LMB Countries of procedures/guidelines, and tools developed by the MRC on their behalf.
11 December 2008	1 st regional workshop on Project preparation	Member Countries agree with the Project objective, structure, preparation plan and sub-components under the regional component. MRCS to move forward with the preparation of regional component.
17 March 2009	2 nd regional workshop on Project preparation	Member Countries agree to proposed Project concept, scope and implementation arrangements for regional component. Discussions on linkages between regional component, and national and transboundary components. Member Countries strongly request for the regional component to facilitate actual transboundary cooperation such as the pilot application of procedures, guidelines and tools e.g. through RBO in the Sesan basin.
26-27 March 2009	The 29 th JC Meeting in Thailand	The JC has endorses the design of the regional component and instructs MRCS to submit the Project document to AusAID.
29-30 July 2009	The 30 th JC Meeting in Lao PDR	The JC requested to undertake a process to submit the Project document for JC's endorsement and Council's approval by late 2009
25 November 2009	The 16 th Council Meeting in Thailand	The Council approved Project, paving the way to implement the regional component and formulation of the national and transboundary components of the Project.
30 June 2010	1 st Regional Consultation Workshop in Viet Nam	Member countries considered the revision of the Draft Project Inception Report and Implementation Plan (PIP)
1 July 2010	1 st PSC Meeting in Viet Nam	The LMB countries agreed on the Inception Report and its PIP under the condition that all discussed comments are fully integrated in the inception document. There was also agreement that the transboundary component will be managed by the MRCS PCMU..

2. CONTEXT AND RATIONALE

2.1 *Regional Relevance*

Emerging Water Resources Development in the Mekong River Basin

In 2009, the total population living in the Lower Mekong Basin was estimated at 65.7 million, the majority living in rural areas. Projections estimate that by 2020, the Basin's population will reach some 80 million. Although millions of the poor rely on the exploitation of the natural resources of the Mekong Basin for their food security and livelihoods, water infrastructure development here is limited in comparison to that in most other large river basins in the world.

In terms of water resources in the Mekong River Basin, annual runoff average of LMB around 475km³/year. Per capita resources currently stands at 8500m³/person/year which is 'plentiful' compared with the most other international river basins. Upper Basin flow (from China and Myanmar) constitutes around 18% of total Mekong Flows. The proportion is higher in the dry season, when snow melt contributes a significant component of flow. In most parts of the basin, flows in driest three months constitute less than 10% of total annual flows, while flows in the wettest three months make up over 50% of total annual flows. During the wet season, between 1 and 4 million hectares of floodplain are submerged, including the Tonle Sap Great Lake in Cambodia. More than 60% of the floodplain are within the Cambodia's part of LMB.

The furthestmost downstream stretch of the Mekong Basin is by far the largest water using area in the basin. Diversions from the mainstream above the Mekong Delta, so far, are negligible. The Lao PDR and Cambodia divert only about 1% of the Mekong annual water resources in their territories. Seasonal regulation of river flow through storages behind dams is still insignificant although this is changing. Existing dams and storages are not significant when considered in relation to the Basin's average flow; storage of water resources corresponds to only 2% of the average annual flow.

Research of the MRC Fisheries Programme has quantified the immense value of the Mekong's capture fisheries in terms of its contribution to the economies of the LMB countries (first sale value of landed fish USD 2.5 to 3 billion per annum), as well as to household nutrition, income, livelihoods and food security (e.g. fish and aquatic animals contribute more than 80% of the protein intake of Cambodians according to the recent MRC and FAO estimate). Sustainable fisheries productivity is contingent on the ecological integrity of the Mekong river system. For instance, the 'flood pulse' in and out of the Tonle Sap Great Lake is a very important trigger in the fish breeding and migration cycle.

Water quality in the mainstream is generally good, and is rarely a constraint to water use. The exception is saline intrusion, acid sulphate drainage and pollution in intensively used areas of the Vietnamese Delta.

Water resources development is accelerating in the Mekong Basin, in particular for the generation of hydro-electricity. China is completing its hydropower cascade on the Upper Mekong River, the Lancang. The Xiaowan and the Nuozhadu hydropower projects, in particular, with 9,900 and 12,300 million m³ of active storage, respectively, are likely to cause significant seasonal redistribution of flow. In the four LMB countries, about 10 large (> 10 MW) hydropower projects are under construction and almost 150 projects are planned, including 11 mainstream projects.

The LMB Countries also have plans to increase irrigated agriculture, improve navigation, reduce flood damage, and improve the public water supply. Agriculture is the most dominant water related sector, particularly in Thailand and Viet Nam. However, expansion of the present levels of irrigation is limited by unavailability of dry season flows. Navigation is an important sector but largely undeveloped in the sense that it follows informal patterns and so far, is not an integrated part of the transport sector.

A range of factors is driving this development. The drivers include a complex mix of: energy demand, energy prices, and quests for national energy security; food security concerns exacerbated by the recent spike in food prices; flows of private capital; and trends towards large infrastructure investment. In addition, concern over climate change is a major justification for renewable hydro electricity. At the

basin level, the financial attractiveness of the hydro-power development on the mainstream in the LMB is enhanced by the large storage dams that are being developed in the Upper Mekong Basin. At the national level, the Governments increasingly recognise that developing some of the economic potential of the water resources in the Mekong Basin for hydropower, navigation, irrigation, and flood management can contribute to increasing economic growth, alleviating poverty, improving livelihoods, and meeting the Millennium Development Goals.

Problem Analysis

Accelerating water resources development in the Mekong Basin needs to be complemented by effective as well as integrated management of water and related resources to ensure that development of the water resources (i) is sensitive to the maintenance of vital as well as functioning ecosystems and productivity of capture fisheries, on which most of the poor depend for their livelihoods and (ii) becomes a negotiated integration process, which synthesises the differing positions and conflicting interests of the various countries, sectors and populations. This will require an improvement in the application of IWRM principles and practices at basin-wide (regional), the transboundary and the national and project levels.

From a Mekong Basin perspective, the following definition of IWRM is emerging as highly relevant and relates closely to the 1995 Agreement.

IWRM is a process that promotes the coordinated development and management of water, land and related resources, in order to maximise economic and social welfare in a balanced way without compromising the sustainability of vital ecosystems. IWRM emphasises integration of the management of land and water resources, of surface water and groundwater, of upstream and downstream uses, of sectoral approaches, of economic production and environmental sustainability, and of the state and non-state stakeholders.¹⁴

IWRM is not an end in itself but a means of achieving three key strategic objectives:

- **Efficiency**, since, given scarcity of resources (natural, financial and human), it is important to attempt to maximise the economic and social welfare derived not only from the water resources base but also from investments in water services provision.
- **Equity** in the allocation of scarce water resources and services across different economic and social groups is vital to reduce conflict and promote socially sustainable development.
- **Sustainability**, as ultimately all attempts at water management reform will fail if the water resources base and associated ecosystems continue to be regarded as infinitely robust and we continue to put at risk ‘the water system that we depend on for our survival’

The IWRM approach recognises the transboundary consequences of development decisions by sector agencies in the sovereign riparian countries in the Mekong Basin and that the MRC as an inter-governmental river basin organisation relies on the endorsement of approaches by its Member States. Many activities are being taken through the BDP process and other MRC Programmes to raise awareness on these transboundary consequences and to take them into consideration in national decision making through partnerships with national line agencies and other stakeholders. Transboundary management initiated under the WUP has been further promoted through a number of initiatives such as the MRC-ADB cooperation in the Sekong, Sre Pok and Se San sub-basin (3S).

There is an increasing recognition in the LMB that decisions affecting the most significant mainstream flows have already been taken by China, who has gone a long way in developing hydropower potential. This has changed the context of joint planning for the development and management of water and related resources in the LMB. Some of the consequences here will be positive and others potentially negative, and addressing them through the principle of “river basin as the right unit for water resource management”¹⁵ is challenged by the fact that China is not a member of the MRC. However, increased cooperation is evident from the 2008 MRC Dialogue meeting with China and Myanmar, and subsequent exchanges and discussions are exploring concrete opportunities for cooperation.

There is also a range of short to medium term IWRM challenges that need to be addressed in the LMB.

¹⁴ Global Water Partnership, 2000

¹⁵ Dublin Principles, 1992

At the basin-wide level, there is a growing demand for a participatory options-assessment to inform joint decision making by the LMB countries on an acceptable balance between further resource development and resource protection in order to maintain the existing ecosystem services and their contribution to food and livelihoods security. This will lead to a joint selection of “development opportunity space” for further water-related resources development by the LMB Countries and their stakeholders. The development opportunity space needs to be ascertained and reflected in national plans, and implemented through various collaborative and coherent actions at the basin and sub-basin levels.

The development of hydropower dams for electricity generation plays and will play an important role in water resources development in the Mekong Basin. The implementation of IWRM and the MRC PNPCA will be a challenge regarding future infrastructure projects in the LMB. The respective installation of an appropriate implementation mechanism for the basin-wide scale will increase the knowledge of upstream as well as downstream transboundary effects, ensure transparency and facilitate decision making to enable economic development as well as ensuring environmental sustainability at the same time.

To monitor the use of this development opportunity space furthestmost downstream effectively, periodic State of the Basin Reports and reports on the “Aquatic Ecological Health” will be prepared. The development opportunity space will provide incentives for the finalisation and implementation of the agreed water utilisation procedures – a task assigned in the 1995 Mekong Agreement - which will offer an opportunity for the MRC to review preparation reports on significant projects that are likely to be controversial and that might stretch the agreed “development space”, and to discuss its findings with the respective governments. The Project will play a critically important role in improving governance and openness, through improving the implementation of relevant MRC procedures and by fostering strong stakeholder engagement in its activities.

At the transboundary level, the main IWRM issue is the predominantly sector-oriented planning and large, single purpose projects, particularly in the hydropower projects and irrigation sectors. A significant issue is the potential conflict between mainstream hydropower development and maintaining productive capture fisheries. Single-purpose projects can be more profitable to the developer/owner/operator than are multi-purpose projects. However, they often increase the adverse effects both downstream and upstream of the project. There is a need to increase the awareness and the capacity of line agencies to work with each other, and with the developers, towards designing and assessing projects from a multi-purpose perspective. This is also valid for other transboundary issues, which will be addressed with concrete activities.

At the national level, there is considerable scope for institutional development and capacity building for IWRM. This is especially timely for the recently established national water and (related resources) management agencies and their affiliates at the sub-basin levels¹⁶. The aim is to strengthen their coordination and monitoring role for IWRM, while the long established line agencies do most of the on-the-ground sector management. The strengthened resource management agencies will then be in an excellent position to interact with and support the MRC in the joint management of the Basin’s resources, including an improved implementation of the water procedures and other guidelines, methods, tools and processes that are being developed under MRC Programmes.

¹⁶ Primary responsibility for water resource management in LMB governments rests with the Ministry of Water Resources and Meteorology (MOWRAM) in Cambodia, the Water Resources and Environment Administration (WREA) in Lao PDR, the Ministries of Environment and Natural Resources (MONRE) in Thailand and in Viet Nam.

Project Innovation

The Project will apply IWRM principles and address the Mekong respective challenges by promoting the implementation of IWRM at three levels – regional, transboundary and national. At the regional level, it will bring the BDP including the SEA process, the use of tools and knowledge base, and the implementation of procedures and guidelines into a coherent framework. Developed through the coordinated actions of MRC Programmes in cooperation with the LMB Countries, this framework will provide the opportunity for the MRC to demonstrate that it can act as a facilitator of sustainable and equitable water resources development in the LMB – as envisaged in the 1995 Mekong Agreement – while assisting the LMB Countries to respond to the emerging challenges in water resources management. Emphasising the MRC’s engagement with line agencies and other relevant partners through a much closer interface between basin level, and national and sub-basin level water resources management, this regional framework will provide enabling factors for IWRM in the LMB Countries.

At the national level, IWRM will be promoted through enhanced national legislation and institutional frameworks, and capacity development for river basin planning and IWRM priority projects. This national capacity development process will be supported by the regional component capacity building activities, to be implemented by the MRC Integrated Capacity Building Programme (ICBP). While the Project focus is the use of tools, procedures and guidelines, ICBP will complement other on-going initiatives to help develop capacities for the LMB Countries for IWRM and effective operation of the MRC as an institutional river basin organisation. The Project will promote cooperation among the LMB Countries in the joint design and implementation of transboundary projects that apply IWRM principles and tools developed through the regional framework in order to promote bilateral cooperation in the LMBs’ sub-basins. In this way it shall contribute to both poverty reduction and regional cooperation.

For the first time, MRC’s technical assistance is brought together with national efforts on IWRM and with investment projects on-the-ground, thus demonstrating the MRC’s contribution to poverty reduction and sustainable use of Mekong water and related resources, together with other partners.

Project Benefits

It follows from the above that the **main benefit sought for the Mekong River Basin** is the sustainability of the Basin for long term and equitable use by all riparian states. With coherent efforts for IWRM at all levels (basin, national, sub-basin and transboundary), the basin water and related resources can be developed in an integrated manner, balancing interests between sectors, countries and stakeholder groups for “*a prosperous, environmentally sound and socially just Mekong River Basin*”.

The **main benefits sought for the LMB Countries** are related to the strengthening of their water resources management capabilities and to poverty alleviation. In all countries, the capacity of the line agencies responsible for the management of water and related resources and the newly established River Basin Organisations (RBOs) will be strengthened through training, tools, river basin planning, and the implementation of on-the-ground projects that will alleviate poverty and demonstrate practical ways for transboundary cooperation. Such activities will strengthen their coordinating and monitoring role for IWRM while the long established line and provincial agencies, which do most of the on-the-ground sector planning (and socio-economic planning), will do so in a manner that is more sensitive to the water demands of all users. In addition, the transboundary projects will demonstrate the joint planning, preparation and implementation of projects. These projects will provide incentives and institutional support to nurture transboundary collaboration with facilitation by the MRC, and to demonstrate the means of avoiding potential conflict in water use.

The Project will ensure synergies between the three project levels (regional, national and transboundary). Transparency toward full understanding of those synergies by all involved stakeholders will catalyse and support the implementation of sustainable IWRM activities in the LMB. The MRCS will follow its facilitating role between all levels and the LMB countries to ensure a transparent communication of all tasks, activities and findings throughout the project from the regional to the national/transboundary levels

and vice versa. Added values between all levels will be monitored and outlined to make obvious that constant inter-level exchange can improve the overall institutional LMB framework and ease decision making in future. The IWRM principles, the finalisation of pending procedures and the overall procedure/guideline implementation will be dealt with in such a way on the regional level that they can be easily translated and integrated into the implementing national as well as transboundary level. Activities and outcomes on the regional level will be fully transparent, complimentary and inspirational for all planning and implementation processes on all levels to bridge possible IWRM implementation gaps efficiently.

Specific benefits sought for the LMB Member Countries are as follows:

Cambodia: The Mekong River has been providing Cambodia with substantial socio-economic and cultural and aquatic biodiversity value, particularly for the poor communities situated along the mainstream and tributaries, including around the Tonle Sap Lake. Persistent rural poverty is, however, still a major issue in Cambodia and continued close cooperation with the riparian countries is critical for Cambodia to implement its own policy for the continuing use of the Mekong water and related resources to reduce poverty. At the same time, Cambodia needs to act to prevent any negative impacts resulting from water resources development by other riparian countries. The risk of these is high. The Project will help Cambodia (i) to improve the management of fisheries and their associated ecosystems and develop sustainable livelihoods in Kratie and Stung Treng in cooperation with Lao PDR; and (ii) to build capacity of local research institution to implement procedures, guidelines and tools for water quality analysis, and (iii) to prepare a multi-sectoral integrated development plan for its Mekong Delta and implement priority investments, which would benefit from the experience of Viet Nam. At the same time, given the Mekong Delta's very complex hydrology, close Cambodia-Viet Nam cooperation is essential in order to prevent any further negative impacts on both sides of the border.

Lao PDR: The Lao PDR is located in the centre of the Mekong River Basin with the majority of its territory lying within the Basin. Responding to recent economic development and opportunities in the GSM, the pressure to further use water resources has substantially increased, particularly for hydropower. In the meantime, persistent rural poverty is still a major issue for the country, and sustainable water resources development, and pro-poor water resources related investment is a key factor for the country to become more prosperous. In light of the foregoing, the Lao Government has recently established the Water Resources and Environment Administration (WREA) to address the overall water resources management in the country and promote IWRM. An enhanced legislative and policy framework to regulate development (i.e. private sector driven hydropower and mining) is critical for Lao PDR to achieve sustainable water resources development and contribute to poverty reduction. It is also important for WREA to monitor and guide this national development process while liaising with other LMB Countries. The Project will provide Lao PDR with a platform for such regional coordination. It will also join forces with other Development Partners in institutional and capacity building for the WREA i.e. the ADB/AusAID IWRM support programme for WREA and related WB initiatives, for which concrete complementary activities have been defined. The Project will also take note of other developments within WREA and activities funded by Finland, UNDP, Germany, Japan and France.

Thailand: Thailand has a strong commitment to promoting participatory river basin planning and IWRM through the sub-basin organisations, known as River Basin Committees (RBCs). In recent years much progress has been made. A participatory approach to river basin planning, involving the local people, has been initiated in almost all the LMB sub-basins in Thailand. This approach is facilitated by the TNMC with support through the BDP process. The Project will support Thailand to develop this and build the capacity of the RBCs to prepare sub-basin IWRM plans including the identification and preparation of priority investments. These sub-basin plans will be implemented under the Thai Government budget and funds mobilised from other sources, while the Project will provide capacity building for the national agencies and RBCs to apply the regional tools and enabling mechanisms in sub-basin planning and implementation. Furthermore, the Thai IWRM efforts will be implemented in the context of regional cooperation, coordination and the promotion of sharing of expertise and joint learning through the Project. As such, the Project would provide Thailand with a platform to initiate IWRM activities in a

regional harmonised approach while strengthening its RBCs, and sharing experience and expertise with other Member Countries.

Viet Nam: The Mekong Basin is of great socio-economic importance for Viet Nam. A large percentage of Viet Nam's rice and agricultural production is from the Mekong Delta and there a series of state-constructed hydropower stations in the Central Highland (3S sub-basin). While significant investments in water resources have been implemented, there is still plenty of scope for further actions. Since Viet Nam is the country furthestmost downstream in the mainstream Mekong, it is vulnerable its access to water during the low flow season, especially if development activities happen upstream without prior close and effective coordination. In the Mekong Delta, close cooperation with Cambodia is necessary to harmonise the development plans, maximise water use and prevent any negative impacts. In the Central Highlands, where Viet Nam is the upper riparian, the introduction of sub-basin IWRM is essential for the prevention of conflicts over water use and of any negative downstream impacts. Some areas in the Central Highlands suffer from persistent rural poverty, and investment to reduce flood and drought risks is also needed. The proposed Project will benefit Viet Nam through support to the implementation of the new decree on RBOs, through improved and coordinated transboundary water resources management and provide a platform to promote Viet Nam's leadership in water resources modelling and sharing its experiences.

The **main benefits sought for the MRC** are threefold. Firstly, the Project will allow the MRC to apply its integrative experience and cross-sectoral planning to the planning and management of water resources at the national and sub-basin levels. Secondly, it will strengthen implementation of the water utilisation procedures and guidelines, in particular, the Procedures on Notification, Prior Consultation and Agreement. And thirdly, the Project will establish MRC's role as a facilitator of funding, design, and implementation of projects with transboundary implications as part of its core mandate for joint water resources planning through the BDP process.

Addressing IWRM through the three levels of regional, transboundary and national initiatives in a combined Project, the Mekong IWRM Project, offers a number of advantages over separating them into stand-alone activities that – once merged – add-up to an institutionalised IWRM framework. It promotes a consistent and coordinated approach to implementing IWRM in the LMB that links policy, institutional and capacity development directly to the support of sustainable infrastructure investments; ensures coherence between national and basin level actions; and promotes concrete/active transboundary cooperation activities. It offers opportunities for institutional learning across all three levels and incorporates lessons to ensure sustainability.

2.2 Stakeholder and Target Beneficiaries

Project implementation will and has to engage a wide range of stakeholders, who have particular interests and will contribute differing skills and resources. The involvement of stakeholders is not limited to a particular component but ranges across all three in a coordinated fashion. In the case of the regional component the stakeholders are primarily the line agencies and the NMCSs. In the case of the national and transboundary components, while the line agencies will undoubtedly benefit through their on-going involvement, the Project activities are designed to deliver credible socio-economic benefits to the recipient communities. A summary of stakeholders and beneficiary roles in the Project is shown in table 2.2.1 below.

Table 2.2.1: Project stakeholders

Stakeholder	Interest	Role
Line agencies, RBOs and national research and planning institutions in the LMB Countries with mandates and/or capacity for managing Mekong water and related resources.	Implement IWRM in line with Government policies and development plans. Exercise responsibility for sector planning and project implementation, and implementing the 1995 Mekong Agreement. Exercise responsibility for development and use of tools, guidelines (at national level).	Key partners for regional component. Lead the national and transboundary component activities. Work with provincial/district entities and other LMB Countries, to coordinate transboundary components.
NMCs and NMCSs	Exchange on IWRM knowledge Fulfil their coordination functions in the context of Project implementation.	Link between national/transboundary and regional component. Coordinate the Project components.
Provincial/district and other local entities	Implement national policies and exercise their statutory responsibilities.	Consult, manage and form a bridge to the community.
Communities at Project sites	Secure socio economic benefits in a cost effective and constructive manner.	Participate in Project activity planning, implementation and O&M.
Civil society groups, NGOs, other community based organisations in LMB Countries	Bring in new perspectives to policies and development strategies to ensure equitable distribution of wealth and opportunity. Support implementation of basin-wide IWRM	Represent the interests of the disadvantaged, women and children, and the environment.
Private sector entities	Participate in national development planning and construction activities. Information and knowledge exchange	Project studies, design and implementation, financing.
MRC, MRCS and MRC Programmes	Finalise and translate MRC technical capabilities into practical application in LMB Countries. Strengthening of MRC role as basin-wide coordination and facilitation platform for IWRM. Communication of IWRM the MRC frame within and outside the MRC framework.	Implement regional component and contribute to national and transboundary components toward sustainable IWRM. Outline added-values on LMB basin-wide IWRM
Development Partners (AusAID, WB and others)	Raise living standards and secure socio-economic benefits and regional political stability.	Project funding and implementation.

Target beneficiaries of the Project will include:

Table.2.2.2: Target beneficiaries

Target beneficiaries	Justification	Potential benefits
Poor people at Project sites, especially women, children and the most vulnerable	Fulfil development partner policies to alleviate poverty, address the gender gap, improve living standards and seek political harmony.	Socio-economic uplift reflected in raised living standards, better education and improved health.
Line agencies, RBOs and national research and planning institutions	Build capacity and strengthen their ability to apply and mainstream IWRM capabilities into the planning process.	Capacity built and MRC technical capabilities used in planning and implementing national policies.
NMCS	National entity to coordinate and implement MRC developed capabilities.	Strengthened coordination and management capability.
National decision makers	Instruments on which decision are based must stand up to technical scrutiny and be fit for purpose.	Sector policies and programmes more in tune with the requirements for sustainable development.

2.3 Cross Cutting Issues

Poverty Alleviation

All the LMB Countries attach a high political commitment to achieving the MDGs, in particular to poverty alleviation. Thus, central to the current 2006 - 2010 MRC Strategic Plan (SP)¹⁷ as to the future MRC Strategic Plan 2011-2015 currently elaborated, is the achievement of “*Tangible results focused on poverty reduction through sustainable development*”. The Project objective supports this broad thrust and includes measures to address Goal 1 of the SP which is “*To promote and support coordinated, sustainable and pro-poor development*” while directly contributing to Goal 4 “*To strengthen the IWRM capacity and the knowledge base of the MRC bodies, NMCS, line agencies and other stakeholders*”. Most poverty related Project activities are centred on the national and transboundary components, although the regional component will play its part through strengthening the socio-economic tools, and the social and vulnerability monitoring framework.

Since the WB actively promotes pro-poor development, any national and transboundary sub-projects funded by them under the Project will need to meet their poverty alleviation safeguard policy. The focus during project preparation has been on interventions with a strong relationship to poverty i.e. flood risk reduction, irrigation and agricultural or fisheries projects and transboundary cooperation in the Sesan river basin to reduce the vulnerability of the poor to extensive modification of rivers.

Gender Equality

Women play a key role in agriculture and fisheries. Women-headed households are often the poorest of the poor and more vulnerable to impacts of development. Governments of the LMB Countries attach high importance to the MDG Goal 3 - “*To promote gender equality and empower women by acknowledging that men and women have different but important roles, responsibilities and decision making powers*”¹⁸. The MRC Gender Policy and Strategy aims at mainstreaming gender perspectives in all MRC development efforts, ensuring that all MRC Programmes benefit men and women equally, in accordance with their different needs, and ensuring equal participation of men and women at all levels¹⁹. Ensuring equal opportunities to women and men to be able to fully benefit from water related resources development will mainly be addressed through the national and transboundary components such as community-based fisheries management, developing alternative livelihoods and improving agriculture production. It is equally important for the regional component to ensure that the tools, and, in particular, the socio-economic assessment tools, mainstream gender equality. For all components, ensuring the equal participation of women and men in all Project activities will be an important principle.

The Gender Mainstreaming Component, under the ICBP, will play an important role in building capacity of MRC Programmes, NMCS and line agencies to mainstream gender in the Project implementation. Opportunities will also be sought from the Gender Mainstreaming Component for the design of the Project monitoring framework that includes sex disaggregated baseline data and gender sensitive outcome indicators as well as training for Project implementing partners.

A ‘Poverty Reduction and Gender Mainstreaming Strategy’ as integral part of the Project (PIP Activity 1.4/7) will be developed to address gender equality, poverty alleviation and the improvement of marginalised ethnic minorities. The Strategy will be reflected all three components of the Project.

Environmental and Climate Change Safeguards

The Project considers the need for environment protection and sensitivity to the ecosystem as the guiding principle in its design, and this is reflected in the selection of priority activities and sub-project sites. Environmental safeguards standards, in particular, the prevention of transboundary environmental impacts will be addressed through the Project appraisal process.

¹⁷ MRC Strategic Plan, 2006 – 2010, December 2006

¹⁸ MDG reports, United Nations in Viet Nam, 2002, 2005 and the Lao PDR, 2008

¹⁹ MRC Gender Policy and Strategy, 1998, 2000

Climate change has a significant resonance for natural resources management. Through the MRC Climate Change and Adaptation Initiative and other initiatives, global climate change impacts on the Mekong waters and related resources, and socio-economic impacts will be assessed. Results will be used by LMB Countries for “*climate proofing*” - decision making on the Mekong water and related resources.

2.4 Relationship to MRC Strategic Plan

The Project is founded on Goal 4 of the Strategic Plan (2006-2010) – “*to strengthen the Integrated Water Resources and Management capacity and knowledge base of the MRC bodies, NMCs and line agencies and other stakeholders*” of the current SP which provides the structural umbrella for its three components. The Project will contribute directly to Goal 1 – “*to promote and support coordinated and sustainable pro-poor development*”, and also to Goal 2 – “*to enhance effective regional cooperation*”.

The formulation of the MRC’s next five-year Strategic Plan (2011-2015) is currently underway. This will build a transition period to enable the MRC to place a stronger focus on its core functions, which, as they are currently defined, include the following four broad categories: (i) Secretariat and administrative management functions; (ii) River basin management functions, (iii) Tools development and capacity building functions, and (iv) Consulting and advisory functions.

The Mid-term Review of the MRC Strategic Plan 2006-2010 reiterates the need of sector wide-planning approach, and recommends the MRC to concentrate on its core functions. These MRC core river basin management functions are of particular relevance to the Project, they include the following seven broad categories:

- Data acquisition, exchange and monitoring;
- Analysis and modelling;
- Preparedness, forecasting and warning;
- Planning processes;
- Promoting dialogue and coordination;
- Implementing procedures; and
- Reporting and dissemination.

The Project will obviously play a critical role in putting relevant activities across the MRC Programmes into a coherent framework around these core functions and build capacity of the MRC to be able to put them fully into practice.

2.5 Regional and National Priorities

Regional priorities for the Project include:

- Strengthening of the MRC’s role as the facilitator of IWRM-based and sustainable water resources development through joint basin development planning and implementation of the procedures/guidelines, especially the PNPCA;
- Coherent IWRM approaches to develop and manage the Mekong water resources at all scales: basin-wide, national and sub-basin and project levels;
- Support and build capacity for IWRM at national and basin levels;
- Designate significant tributaries in the LMB; and
- Ensure a sufficient mechanism for information exchange between all levels toward sustainable basin wide IWRM.

The selection of national activities varies across the LMB Countries but a clear common national priority emerged, that of IWRM-based projects for poverty reduction. For this, a strong emphasis on RBC/RBO development has been prioritised by Lao PDR, Thailand and Viet Nam while in Cambodia, learning by doing through the master planning and implementation of integrated priority investments in the East Mekong Delta emerged as priorities.

3. OBJECTIVES AND PROJECT DESIGN

3.1 Project Objective and Outcomes

The **Goal** of the Project is the same as Goal 4 of the current and next MRC Strategic Plan “*To strengthen the IWRM capacity and knowledge base of the MRC bodies, NMCSs, line agencies and other stakeholders*”.

The **Project Objective** is:

To improve the enabling framework and capacity for IWRM in the LMB Countries and strengthen the role of MRC as the facilitator of significant water resources development, guided by IWRM principles.

This Objective will be achieved through the achievement of **three Outcomes** that resulted from implementation of three interlinked components: the regional, transboundary and national.

Outcome 1: A regional enabling framework with water resources planning and management tools, procedures and guidelines, process and capacity is in place to effectively implement the 1995 Mekong Agreement.

The regional enabling framework will comprise updated and improved use of basin-wide data, models and tools; finalization and implementation of water utilisation procedures and technical guidelines. The framework will also include the processes to raise awareness of benefits of MRC Toolbox, build capacity of the line agencies, NMCS and other stakeholders in implementing these tools, procedures and guidelines. The framework will be enhanced by the sharing of experience and formulation of basin-wide/regional projects among the LMB Countries as well as a stronger engagement of the Upper Riparian Countries. The regional framework includes the transboundary activities (see Outcome 2) contributing significantly to applied IWRM. The MRCS will lead the preparation and the implementation of the activities to achieve this outcome.

Outcome 2: Pro-poor transboundary initiatives jointly designed and implemented, applying IWRM principles and demonstrating mechanisms for joint planning and implementation of project identified as part of the MRC-led basin development planning process.

Achievement of this Outcome 2 will be undertaken through the joint planning, formulating and implementation of selected transboundary projects between the MRC countries, the MRCS and the MRC Programmes. Outcome 2 is closely linked to Outcome 1 and will in fact be implemented under the umbrella of the regional component. As of date a number of transboundary projects are defined roughly and further projects will be identified during the implementation of the project (see also Figure 3.2.1). The currently proposed projects focus on (i) joint fisheries management between Cambodia and Lao PDR, (ii) water resources management between Cambodia and Viet Nam in both the Se San/Srepok sub-basins as well as in the Mekong Delta. (iii) possible joint activities between Lao PDR and Thailand on wetland/flood management and transboundary fisheries management (the latter one still needs elaboration). These projects will promote multi-sectoral and integrated project design, apply the improved procedures, tools and processes (developed under the regional component) and build upon the strengthened collaboration between the resource management and sector agencies (developed under the national component). Under this outcome, pilot mechanisms will be developed for IWRM, joint funding, implementation and management of transboundary or joint projects. The PCMU in collaboration with the relevant MRC Programmes will support and facilitate the LMB countries in the formulation of projects. The PSC will review and approve respective project proposals, which will be jointly agreed between the respective countries. After approval the countries will implement the projects whereas the MRCS would remain the executing agency on fiduciary management also serving as an implementation facilitator.

Outcome 3: Strengthened policies, institutional arrangements and capacity for IWRM in LMB countries.

Achievement of this Outcome 3 will build upon and complement the regional enabling framework. The Project will support and complement the on-going national and Development Partners’ efforts in strengthening the capacity of water resources management agencies and RBCs/RBOs. The Project will support the implementation of a series of pilot projects to demonstrate the IWRM principles, putting policies into practice. The tools, technical guidelines and capacity built through Outcome 1 and improved collaboration and data information exchange between the resource agencies, sector agencies and provincial authorities will be instrumental in the implementation of the regional framework. With facilitation role of the MRCS, together with the LMB countries, the WB leads the formulation and will manage the implementation of projects under this outcome.

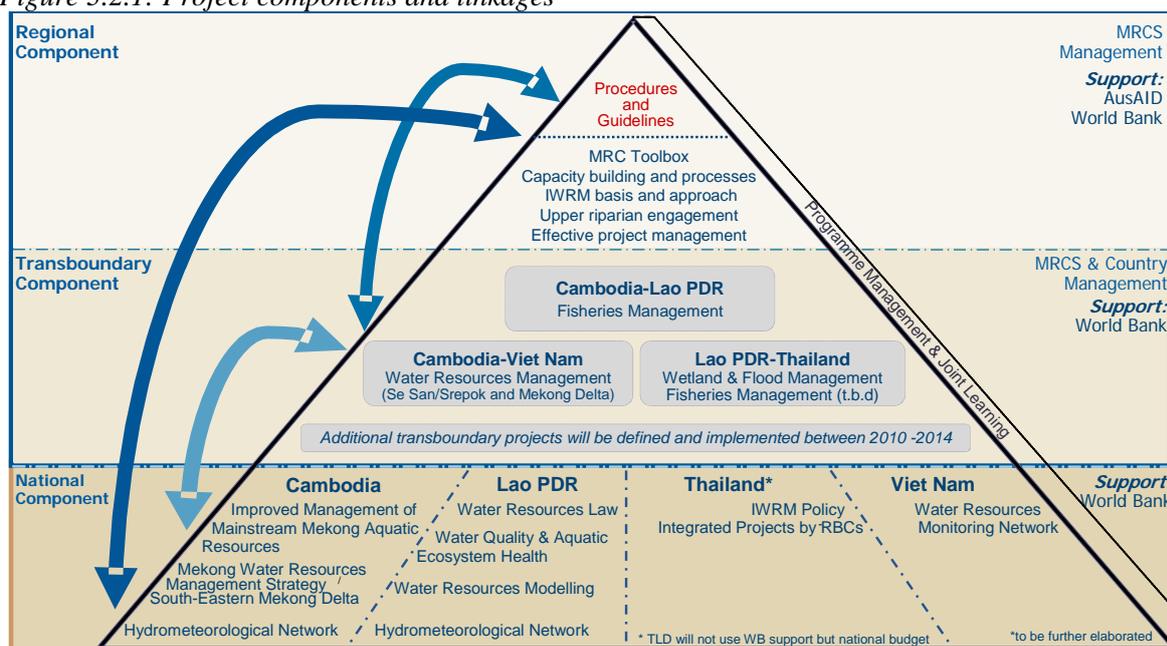
The three complementary outcomes will (i) strengthen the MRC and NMCs, and improve IWRM, (ii) improve the availability of reliable scientific knowledge on the basin and focus on improving the MRC knowledge base, and (iii) support basin development planning for sustainable and equitable IWRM. In addition, the Project components address the concerns of the WB, fully acknowledged by the MRC, that “a stronger institutional framework supported by a well developed knowledge-driven decision support system is needed with a commitment from the LMB Countries to cooperate and manage the Mekong resources for the benefit of all” (see footnote 4).

3.2 Key Features of the Project

The **regional component** of the three-tier Project is the “top” designed to extend the scope and improve the impact assessment capabilities of the MRC Toolbox, finalise the pending procedures and technical guidelines, and promote their implementation. Inter alia, it is also intended to investigate on implementation capacity gaps/needs and promote upper riparian engagement. The “second tier” is the **transboundary component** which links the regional and national component. It enables the joint planning, management and implementation of transboundary projects to be piloted through specific initiatives. The “third tier” is the **national component** and will provide a platform for the refinement, application and testing of the MRC Toolbox and systems developed by the MRC. Practical application of these instruments will demonstrate their benefit to line agencies and stakeholders.

The following figure 3.2.1 shows how the components are linked into a single initiative.

Figure 3.2.1: Project components and linkages



It is of strategic importance that the regional enabling framework be in place as the matter of urgency for the MRC to lead IWRM implementation at the regional level and, in particular, to perform its role in large scale water resource development projects. In addition, with the BDP process progressing, any delays in the implementation of procedures, guidelines and tools will undermine the comprehensive approach to IWRM in the LMB as envisaged in 1995 Mekong Agreement and the WUP.

3.3 Outputs and Activities

The three Project outcomes translate into **associated Project Outputs**. Each will have set of ascribed measurable indicators and means of verification which will form the basis of the Project M&E framework (see Section 4.6). The Project objective, outcomes, outputs and activities are described in greater detail in the Project Design and Monitoring Framework in Annex 3. This section summarises the linkage between outputs, which together, will enable the achievement of the outcomes.

The national and transboundary outputs outlined in sections 3.3.2 and 3.3.3 might be subject to further elaboration during the ongoing WB appraisal process. Any occurring changes will be taken into account by the regional component.

3.3.1 Regional Component

There are six outputs under the regional component to achieve Outcome 1:

Outcome 1: A regional enabling framework with water resources planning and management tools, procedures and guidelines, process and capacity is in place to effectively implement the 1995 Mekong Agreement.

- Output 1.1 Regional water resources planning and management tools and knowledge base are refined and developed for basin-wide IWRM.
- Output 1.2 Water utilisation procedures and technical guidelines are finalised and implemented on all LMB levels.
- Output 1.3 Capacity for IWRM implementation is in place on both the national and MRCS levels and M-IWRMP reporting/exchange.
- Output 1.4 IWRM basis and approach established at all LMB levels.
- Output 1.5 Upper riparian engagement is enhanced.
- Output 1.6 Effective Project coordination, oversight and joint learning.

These outputs bring together integrated elements of the regional framework for the implementation of IWRM in the LMB and strengthen the role of the MRC as envisaged in the 1995 Mekong Agreement.

Output 1.1 will bring the various specific tool development activities, including those currently being carried out and those already planned under different MRC Programmes, into a coherent framework. The clearly defined and engaged line agencies will both participate in the tools' improvement and apply these in national decision making. Similarly, the different MRC Programmes, working on each set of the procedures and technical guidelines will build synergies between the procedures/guidelines (Output 1.2) and link their application to more effective use of the tools, the knowledge base and the monitoring framework under Output 1.1. This process will be enhanced by the promotion of the sharing of experiences and expertise among the LMB Countries and by closer engagement with the Upper Riparian Countries in MRC activities (Output 1.5). Capacity building and introduction of IWR approaches (Outputs 1.3 and 1.4), will be cross cutting to enable all delivery of the outputs.

The activities identified under each output follow on from the above logic, and will engage more than one MRC Programme or Section. To avoid multiple "*ownership*", activities have been assigned to a principal MRC Programme or Section (Primary responsibility) which will be responsible for the work and, where necessary and beneficial, to other MRC Programmes or Sections (Secondary responsibility) that will make a significant contribution to its implementation, have been identified.

A summary of the regional component activities under each output with the planned primary and secondary responsibilities is shown below.

Table 3.3.1: Regional component activities

No	Activity	Responsibility	
		Primary	Secondary
Output 1.1	Regional water resources planning and management tools and knowledge base are refined and developed for basin-wide IWRM.		
1.1/1	Elaboration of overview on MRC tools status, respective planned activities as well as national partners	IKMP	M-IWRMP in coordination with all MRC programmes, LAs, experts
1.1/2	Expansion, update and improvement of the use of basin-wide IWRM data, basin models and tools as part of MRC	IKMP	M-IWRMP and multiple programmes
1.1/3	Establish quality assurance mechanisms as part of MRC toolbox	IKMP	M-IWRMP in coordination with all MRC programmes
1.1/4	Raise awareness of benefits of MRC Toolbox, data master catalogue and knowledge base	IKMP	M-IWRMP, ICBP, national experts.
1.1/5	Build consensus among LMB Countries on the designation of significant tributaries in the LMB	TCU, MIWRMP	BDP and relevant programmes
Output 1.2	Water utilisation procedures and technical guidelines are finalised and implemented on all LMB levels.		
1.2/1	Set-up of an operational mechanism to support the implementation of the PNPCA	ICCS, MIWRMP	ISH, BDP, FP, EP, NAP, etc.
1.2/2	Implementation of PDIES towards basin-wide IWRM	IKMP, MIWRMP	Relevant MRC programmes
1.2/3	PWUM implementation – monitoring of water resources initiatives in LMB countries	IKMP, AIP, ISH, FMMP, NAP	MIWRMP in coordination with LA, experts
1.2/4	Finalize technical guidelines to implement PMFM	BDP	MIWRMP, IKMP in coordination with LA, experts
1.2/5	Reach agreement and implement PWQ	EP and MIWRMP	
1.2/6	Prepare technical guidelines to support implementation of the PWQ	EP	IKMP, FP and BDP
1.2/7	Implementation of the PWQ technical guidelines, adaptation of related monitoring guidelines/manuals/procedures	EP	ICBP, MIWRMP in coordination with LAs/experts
Output 1.3	Capacity for IWRM implementation is in place on both the national and MRCS levels and M-IWRMP reporting/exchange		
1.3/1	Build capacity to implement the MRC procedures, technical guidelines and MRC toolbox	ICBP ²⁰ , MIWRMP	IKMP, AIP, ISH, FMMP, NAP, EP, FP
1.3/2	Prepare annual progress reporting mechanism to strengthen IWRM basis	MIWRMP	LMB countries
1.3/3	Establish mechanism to translate lessons learnt in the report on implementing procedures and technical guidelines	MIWRMP	MRC programmes, LMB countries
1.3/4	Notify JC on issues material to implementation of the procedures and technical guidelines	ICCS	MIWRMP
Output 1.4	IWRM basis and approach established at all LMB levels.		
1.4/1	Initial Support for the Developing LMB Risk Model Framework	FMMP	MIWRMP, IKMP
1.4/2	Applied IWRMP: Pressure/impact analysis, risk assessment and environment monitoring validation using baselines	EP, MIWRMP	FP, NAP and other relevant programmes
1.4/3	Ensure basin-wide implementation framework for MRC Procedures as basis for IWRM	MIWRMP	LMB countries, other programmes
1.4/4	Mainstream the Project experiences into national and transboundary planning process	MIWRMP	
1.4/5	Define, exploit and share synergies between regional, national and transboundary components and outline basin-wide IWRM added values between all components	MIWRMP	LAs, all MRC programmes

²⁰ ICBP, together with the other relevant Programs, will take the responsibility for planning, implementing and monitoring the capacity building activities.

No	Activity	Responsibility	
1.4/6	Establish and implement a communication strategy on IWRM and M-IWRMP	ICCS	M-IWRMP
1.4/7	Establish a “Poverty Reduction and Gender Mainstreaming Strategy” for the project	Gender Programme	MIWRMP
1.5	Upper riparian engagement is enhanced.		
1.5/1	Engage Upper Riparian Countries in river basin planning	ICCS, MIWRMP	Upper countries, relevant programmes
1.5/2	Expand State of Basin reporting to include Upper Riparian Countries	BDP, MIWRMP	EP, ICCS
1.6	Effective Project coordination, oversight and inter-linkage of components		
1.6/1	Establish and effective operation of PCMU (PLD) and PSC	MIWRMP	MIWRMP
1.6/2	Coordination meetings within the MRCS and between the programmes	MIWRMP	All programmes
1.6/3	Coordination and management of regional component	MIWRMP	LMB countries
1.6/4	Coordination, facilitation and exchange between regional, national and transboundary components	MIWRMP	LMB countries
1.6/5	Establish a project result-based performance M&E capacity	MIWRMP	ICBP ²¹

The finalisation and implementation of the procedures, guidelines and tools require different timeframes. Thus, the regional component activities which require prioritisation are those that will help (i) the MRC and its Member Countries to respond to the requirements of the emerging development context, (ii) provide timely inputs to the national and transboundary components and (iii) respond to the possible funding gaps.

The following **indicative prioritisation of activities** will be confirmed at the inception phase of the regional component implementation:

- Activities 1.1/1, 1.1/2, 1.1/3 and 1.1/4 to build on the current studies, carried out by IKMP on MRC modelling needs²² and information needs assessment²³ to broaden the knowledge on models/tools at the national level and to identify the relevant line agencies and other partners, and to quickly put in place the quality assurance mechanisms of the tools at MRC.
- Activity 1.1/5 to follow up on the recent draft scoping report²⁴ to define the “*significance*” of tributaries through a 2-step approach.
- Urgent actions are required for the implementation of the PNPCA (Activity 1.2/1), especially the design guidance for undertaking “prior consultation” on hydropower dams in the mainstream and a technical working group to be set up for providing overall guidance and support to the PNPCA process of individual schemes.
- Finalization of PWQ and preparation of PWQ technical guidelines including environmental emergencies and sediment transport guidelines (Activities 1.2/5, 1.2/6 and 1.2/7); the finalization of technical guidelines to implement the PMFM (Activity 1.2/4); and other regional guidelines for socio economic and environmental impact assessment are also early requirements for regular updating of the socio-economic and environment baseline of the LMB, gathered by BDP.
- Activities under Output 1.3 are to build capacity to implement IWRM at both national and MRCS levels. In addition, outputs also derived from reporting system/mechanism to the MRC Joint Committee for supervise results against indicators to monitor the implementation performance.
- Activities under Output 1.4 aim for the application of IWRM approaches on all MRC levels. Additional activities - supported by the World Bank – include initial investigations to implement a

²¹ The M-IWRMP PCMU will closely exchange with ICBP regarding the development of the Project’s M&E Scheme to ensure harmonization with the overall MRC Performance Management System (under development).

²² Halcrow, 2008: Modelling services-capacity building plan and DSF review-development plan for MRCS-IKMP: Needs assessment and strategic direction, technical review and development plans.

²³ Hatfield, 2008: data and information need assessment.

²⁴ A Multivariate Approach to Defining “Significance” in Regard to the Tributaries of the Mekong River System, Draft Scoping Report, MRCS, 4th March 2009 (work in progress)

LMB Risk Model Framework (1.4/1 - to be further supported by the WB under APL2), a pressure/impact analysis, risk assessment and environment monitoring validation using baselines (1.4/2) and the Project's communication outreach (1.4/6).

- Activities under Output 1.5 to complement the recent initiatives by the MRCS to foster the cooperation with the MRC Dialogue Partners, particularly with China.
- All activities under Output 1.6 to set up effective management and coordination of the regional component implementation while defining concrete mechanisms to facilitate the preparation of the national and transboundary components in a manner that consolidates linkages and exploits synergies; and to establish a credible base line from which the regional component activities are launched and results measured.

A number of the contributing MRC Programmes are at key stages in their implementation cycles and are programmed to end before the Project end date (June 2014). Budgeting for and integrating activities into their work plans and ensuring that they are completed will require due consideration.

3.3.2 *Transboundary Component*

The transboundary component is managed under the umbrella of the regional component also appropriately inter-linked with the national component in the M-IWRMP framework ensuring the three tiered approach towards IWRM on all MRC levels. The WB budget for this component is channelled through the MRCS and granted to the LMB countries for the formulation as well as implementation of selected transboundary projects.

Outputs of the transboundary component are:

Outcome 2: Pro-poor transboundary initiatives jointly designed and implemented, applying IWRM principles and demonstrating mechanisms for joint planning and implementation of project identified as part of the MRC-led basin development planning process
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- | | |
|------------|--|
| Output 2.1 | Transboundary IWRM dialogue is facilitated through regional support during the inception phase of the respective projects. |
| Output 2.2 | Cambodia-Lao PDR: Mekong mainstream fisheries management at Stung Treng/Kratie to Champasak is in place and sustainable livelihoods created for poor communities. |
| Output 2.3 | Cambodia-Viet Nam: Water Resources Management in the Se San and Srepok sub-basins. A joint early warning system regarding flood/drought events is developed. A management and planning tool including a knowledge base that is closely linked to the MRC Toolbox and the key management issues of the sub-basins is in place. Joint capacity on river basin management is enabled. |
| Output 2.4 | Cambodia-Viet Nam: Water Resources Management in the Mekong Delta. Dialogue and collaboration towards harmonized water resources investment in the Mekong Delta, considering possible transboundary impacts is fully established. In addition, a project proposal on a possible joint water resources development in the Delta is identified and prepared. A mechanism to share/exchange hydro-meteorological data as well as a Mekong Delta management and a planning tool including a knowledge base closely linked to the MRC Toolbox are developed. Joint capacity on river basin management is enabled. |
| Output 2.5 | Thailand-Lao PDR: Wetland and Floodplain Management. Human impacts on wetlands in the regions are identified, an inventory of mainstream disconnected wetlands is developed and mitigation measures are outlined (details on outputs and activities will be further elaborated). |
| Output 2.6 | Further transboundary projects can be formulated and submitted for funding under the WB budgets. Respective outputs are expected and will be defined. |

Additional transboundary projects will be defined and implemented between 2010 and 2014 including a project between Thailand-Lao PDR on joint fisheries management. With the facilitating support of the MRCS and MRC Programmes, the LMB countries will elaborate those projects for approval through the M-IWRMP PSC.

A summary of the transboundary component activities with the line agencies responsible for Project implementation as they currently stand is given in the Table 3.3.2. As the transboundary activities are currently still under development they might still be subject to changes and adaptations.

Table 3.3.2: Indicative transboundary component activities, responsible line agencies²⁵

Outputs	Activities	Responsibility
Transboundary component		
2.1 Transboundary IWRM dialogue is facilitated through regional support during the inception phase of the respective projects	1. The LMB countries receive support from the regional level to formulate and implement the respective transboundary projects	PCMU, relevant MRC Programmes
2.2 Cambodia-Lao PDR: Mekong mainstream fisheries management at Stung Treng/Kratie to Champasak and sustainable livelihoods for poor communities.	2. Sharing information on fisheries management 3. Identification of existing problematic fisheries management issues (including the endangered Irrawaddy Dolphin) 4. Consensus in the operating modality of a joint fisheries management body between Cambodia and Lao PDR 5. Development of an action plan on transboundary fisheries management 6. Screening regarding the conservation management and cooperation improvement regarding the Irrawaddy Dolphin for formulating a special program 7. Regional research program to explore hatching techniques for key endangered species	MAFF and Fisheries Administration (Cambodia) MOAF and Department of Livestock and Fisheries (Lao PDR)
2.3 Cambodia-Viet Nam: Water Resources Management in the Se San and Srepok sub-basins.	1. Joint development of a early warning system in relation to flood and drought events 2. Joint establishment/application of a management and planning tool including a knowledge base closely linked to the MRC Toolbox and key management issues of the sub-basins 3. Joint capacity building on river basin management. This activity would be built on the hydro-met network investment proposed for Vietnam and Cambodia under the APL 2	MOWRAM and MIME (Cambodia) MONRE (Viet Nam)
2.4 Cambodia-Viet Nam: Water Resources Management in the Mekong Delta.	1. Dialogue and collaboration towards harmonized water resources investment in the Mekong Delta, considering possible transboundary impacts 2. Identification and preparation of a project proposal on a possible joint water resources development 3. Set-up a mechanism to share and exchange hydro-meteorological data 4. Enhancement of a Mekong Delta management and planning tool including a knowledge base closely linked to the MRC Toolbox 5. Joint capacity building on river basin management in the Mekong Delta. Activity (3) would be built on the hydro-met network investment proposed for Vietnam and Cambodia under the APL 2	MOWRAM and MAFF/Department of Agriculture (Cambodia) MONRE (Viet Nam)
2.5 Thailand-Lao PDR: Wetland and Floodplain Management.	1. Identification of human impacts on wetlands in the region 2. Development of an inventory of wetlands of mainstream disconnected wetlands 3. Outline of respective mitigation measures 4. <i>This sub-component has to be further discussed and defined by Lao PDR and Thailand</i>	MONRE (Thailand) WREA, MAFF (Lao PDR)
2.6 Further project elaboration and implementation	1. Additional transboundary projects can be elaborated including a project between Thailand-Lao PDR on joint fisheries management.	

²⁵ Due to the fact that all transboundary projects are still under preparation, the activities currently outlined might still be subject to changes, additions and adaptation.

The transboundary activities have been selected jointly by the LMB Countries to specifically promote and support transboundary cooperation at the provincial and national levels. The projects are designed to highlight real issues (fisheries, sustainable livelihoods, flood mitigation, wetland management and agricultural improvement) and enable the participating countries to solve problems cooperatively. “Ownership” of different activities will rest with the appropriate line agency and, in many cases more than one line agency will be involved, requiring a high degree of cooperation and coordination. This fact will be very relevant for the transboundary projects where more than one line agency will be involved in both of the implementing countries.

3.3.3 National Component

The technical and financial feasibility of the national component activities is currently still being assessed by the WB and the LMB Countries. For some LMB countries (Cambodia, Lao PDR) the WB Project Appraisal Documents are almost finalised and approval is expected by the end of 2010. Viet Nam is still in the assessment process and appraisal will be performed during 2011. The outlines outputs might change to some degree, but those will be not dramatic as there was considerable consensus evident during the two regional workshops held during Project preparation and series of national consultation in the early stage of the Project implementation phase. The practical and constructive national and transboundary work will be very influential in achieving the regional component’s overall outcome.

Outputs of the national component are:

Outcome 3: Strengthened policies, institutional arrangements and capacity for IWRM in LMB countries.

- Output 3.1 Cambodia: Improved aquatic resources management in regionally significant areas; Mekong Water Resources Management Strategy supported and implemented through South-Eastern Mekong delta utilization; Investment on a hydro-meteorological network (APL2).
- Output 3.2 Lao PDR: Water resource management policy developed and institutions strengthened.
- Output 3.3 Thailand: IWRM policy and institutions are strengthened; priority investment implemented to meet national and local needs.
- Output 3.4 Viet Nam: River Basin Organisation for Sesan River Basin will be established and operational. Priority investment for WRM monitoring network will be strengthened and effectively implemented.

A summary of the national component activities with the line agencies responsible for Project implementation as they currently stand is given in the Table 3.3.3.

Table 3.3.3: Indicative national component activities, responsible line agencies

Outputs	Activities	Responsibility
National component		
3.1. Cambodia: Improved river basin and aquatic resources management in regionally important areas; Mekong Water Resources Management Strategy supported and implemented through South-Eastern Mekong delta utilization; Investment on a hydro-meteorological network (APL2 – to be further defined during WB appraisal 2011)	<ol style="list-style-type: none"> 1. Support for improved management of critical habitats for aquatic resources in the mainstream Mekong and Sekong 2. Strategic Master Plan for Eastern Mekong River Delta 3. Support for Water Utilisation Svay Rieng Province: Development of Rum Doul irrigation schemes in Vaikor River 4. Support for Water Utilisation Prey Veng Province: Bopear Canal System 5. Capacity Building for Agriculture Water Management 6. Project management and administration 	MOWRAM and MAFF/Department of Agriculture (Cambodia)
3.2. Lao PDR: Water resource management policy developed and institutions strengthened.	<p>Water sector legislation and capacity building</p> <ol style="list-style-type: none"> 1 Support for drafting a water resources law 2 Support for water quality and aquatic ecosystem health 3 Support for water resources modelling 4 Support for a hydro-meteorological networking 5 Project management and administration 	WREA WERI Department of Hydrometeorology

Outputs	Activities	Responsibility
3.3. Thailand: IWRM policy and institutions are strengthened; priority investment implemented to meet national and local needs.	1. Integrated Water Resources Management capacity development 2. River basin committee programme	DWR, RBC
National component		
3.4. Viet Nam: River Basin Organisation for Sesan River Basin established and operational and priority investment for IWRM implemented.	1 River basin organisations 2 Support for priority IWRM projects 3 Strengthening IWRM monitoring network 4 Project management and administration <i>These activities might still be subject to changes as WB appraisal will be ongoing during 2011.</i>	MONRE/VNMC MARD (national) and DONRE, DARD (provincial)

Activities under the national component outputs have been selected with the consensus of line agencies and NMCS in the LMB Countries, and in consultation with the WB. They result from the work undertaken by BDP, have a strong poverty alleviation focus, and will enable the IWRM principles to be actively promoted, and strengthen the basin and sub-basin planning process. As for the transboundary component, “ownership” of different activities will rest with the appropriate line agency and, in many cases more than one line agency will be involved, requiring a high degree of cooperation and coordination.

3.4 Sustainability of outputs

The project focuses on developing processes, procedures, tools and institutional capacities to enable the appropriate implementation of IWRM approaches in planning, and programme and project cycle management by the Member Countries. The sustainability of the outputs produced and therefore of the benefits or outcomes which these are intended to achieve, will depend on the factors outlined in the below table.

Table 3.4.1: Initial sustainability matrix

Sustainability factors	How sustainability will be enhanced
The extent to which the MRC Member Countries maintain the necessary level of political commitment to ensure the application of the Project’s outputs by their institutions.	MRC will regularly update relevant national political entities on the availability of outputs produced and the importance of their proper application by relevant agencies, and will regularly monitor and communicate the level of output application by these agencies. Project communication strategy with focus on policy making entities in Member Countries to sustain political commitment.
The extent to which mechanisms and outputs are considered relevant and of adequate quality by their intended users (the national agencies involved in the development and management of Mekong water resources).	Ensuring full and regular consultation with national agencies on the mechanisms and outputs developed by the Project, and by obtaining regular feedback on their relevance and quality from intended user institutions.
The extent to which the intended beneficiary institutions are aware of and understand the Project’s outputs.	All outputs will be quality controlled to ensure that they constitute “appropriate technology” for their intended user institutions (i.e. they are effective without being too complex or too expensive to use). All outputs produced will be supported by appropriate communications and capacity-building to ensure that target institutions have the capacity to use them effectively.
The level of ownership which the relevant national institutions develop of the Project’s outputs.	Appropriate institutional analysis and change management approaches will be used in order to ensure the development of target institutions’ understanding of and commitment to the use of the project outputs.
The level of capacity which the relevant national institutions develop or continue to develop the Project’s outputs based on implementation experience.	Relevant staff and units in the targeted institutions will be supported to further develop the Project’s outputs either independently or through active membership of MRCS-led teams/groups/networks.
The extent to which MRCS continues to be resourced to the level required to ensure continued development of the Project’s outputs based on implementation experience.	MRCS will regularly monitor and evaluate the target institution’s access to and use of the Project’s outputs, and the results which have been achieved by their use. MRCS will ensure that it has the appropriate funding and technical capacities to continue to effectively support project output development, dissemination and use by target beneficiary institutions.

3.5 Risks and Risk Management

Possible risks of the Project were taken up in the Project's design. The risk assessment and management matrix provided below in Table 3.5.1 identifies the remaining risks facing the successful overall implementation and the achievement of Project's intended benefits. The matrix qualifies, and to a degree quantifies, the level of risk associated with the Project outcomes so that specific context monitoring, and preventative and evasive actions can be taken to mitigate any negative consequences.

Table 3.5.1: Risk assessment and management matrix

Risks	Risk management	Risk level
<p>Political commitment, macro-economic context The 1995 Mekong Agreement, and adopted procedures and processes relating to development of the Mekong are not applied in practice due to lack of political will. The recent world economic crisis may encourage Member Countries to downscale environmental and social safeguard standards in their quest to attract investments in water related developments.</p>	<p>Recent indications from MRC Joint Committee and Council level, especially from the 1st MRC Summit held at Hua Hin indicate the will of Member Countries to accelerate the implementation of the enabling framework and support regional cooperation on water and related resources management and development. Project communication strategy with focus on policy making entities in Member Countries to sustain political commitment.</p>	M3
<p>MRC support MRC does not sustain an adequate level of credibility and capacity to effectively influence national institutions to adopt promoted approaches and tools. Approaches and tools developed by MRC are too sophisticated or inappropriately designed to be sustainably integrated into target national institutions (given their capacity constraints) and therefore fall into disuse when MRCS support ends.</p>	<p>Obtain MRC Council endorsement of Project during inception stage. Early and broad stakeholder engagement during further development of approaches and tools, appropriate quality assurance and context monitoring to be put in place. MRCS to package, disseminate and provide sufficient capacity-building support towards full understanding and adoption of promoted IWRM tools and approaches.</p>	L3
<p>National institutions Targeted national water resources management and development planning institutions do not apply promoted IWRM approaches in their normal work due to lack of political will at the sector/institutional level. Inadequate coordination at national level between water resource management institutions, and regional and national planning agencies results in limited mainstreaming of use of MRC-promoted IWRM approaches in national planning processes and projects. Inappropriate institutional structures and accompanying monitoring and oversight mechanisms relating to water resources management at national levels result in lack of application of IWRM processes and tools when conducting local development planning and project cycle management.</p>	<p>While acknowledging that implementing IWRM is a gradual process that takes time, closely monitor progress reached by each of the MRC Member Countries, including through independent reviews (e.g. GWP). MRC governance bodies engagement actively fostered, regularly briefed on progress of respective Technical Working Groups. Early engagement of local authorities and RBO in river basin plans and selection of priority projects. Conduct SWOT and ARA (authority, responsibility and accountability) analyses during selection process. Emphasise the integration of regional procedures into national, sectoral systems. Monitor progress and address identified bottlenecks. Continue to focus on awareness raising on nexus between upstream developments and downstream impacts, and on relationships with national line agencies and planning agencies to promote these considerations (beyond joint planning exercises). Exploit opportunities for synergies with relevant initiatives/projects (e.g. AusAID/ADB IWRM Support Programme for WREA and ADB RETA on 3S water resources management).</p>	M3

Risks	Risk management	Risk level
<p>Upper riparian engagement</p> <p>Upper Riparian Countries do not collaborate sufficiently with MRC and Member Countries to enable adequate development and application of basin-wide IWRM processes.</p>	<p>Increase awareness of MRC Member Countries on positive and negative impacts of upstream hydropower developments, and how this can be resolved in line with the 1995 Mekong Agreement.</p> <p>Increase dialogue with China, in particular on upstream hydropower development and foster better understanding of China's interests.</p> <p>Cooperate with China on management of water resources through concrete technical activities.</p> <p>Get more close cooperation with China and Myanmar to upgrade status of participation forward to become MRC members</p>	L2
<p>Project implementation</p> <p>The three Project components become disconnected due to delays in preparation of national and transboundary components.</p> <p>Funding shortfall does not permit comprehensive implementation of the Project across all components, resulting in the Project's momentum, integrity and synergy between components being seriously compromised.</p> <p>No agreed mechanisms reached for preparation and implementation of transboundary projects.</p> <p>Stakeholders do not commit the necessary resources to implement the sub-projects.</p>	<p>Coordinate and support the preparation of national and transboundary component, especially in getting official commitment from LMB countries.</p> <p>Joint performance reviews, covering all project components.</p> <p>Prioritisation and phasing shall allow for incremental financing of the Project.</p> <p>Build on existing MOUs. Support from NMCS, MRCS.</p> <p>Demonstrate clear and mutual benefits from transboundary cooperation.</p> <p>Staged disbursement, with disbursement of subsequent stages dependent on satisfactory performance of previous stages.</p>	M3

Likelihood: L (low), M (medium), H (high); potential impact: 1 (low), 2 (medium), and 3 (high).

Risk assessments are subjective and provide a tentative framework for risk management. Responsibilities will be clarified by PSC and then be assigned to the appropriate (and to multiple) levels in the Project's Institutional Structure.

4. IMPLEMENTATION AND MANAGEMENT

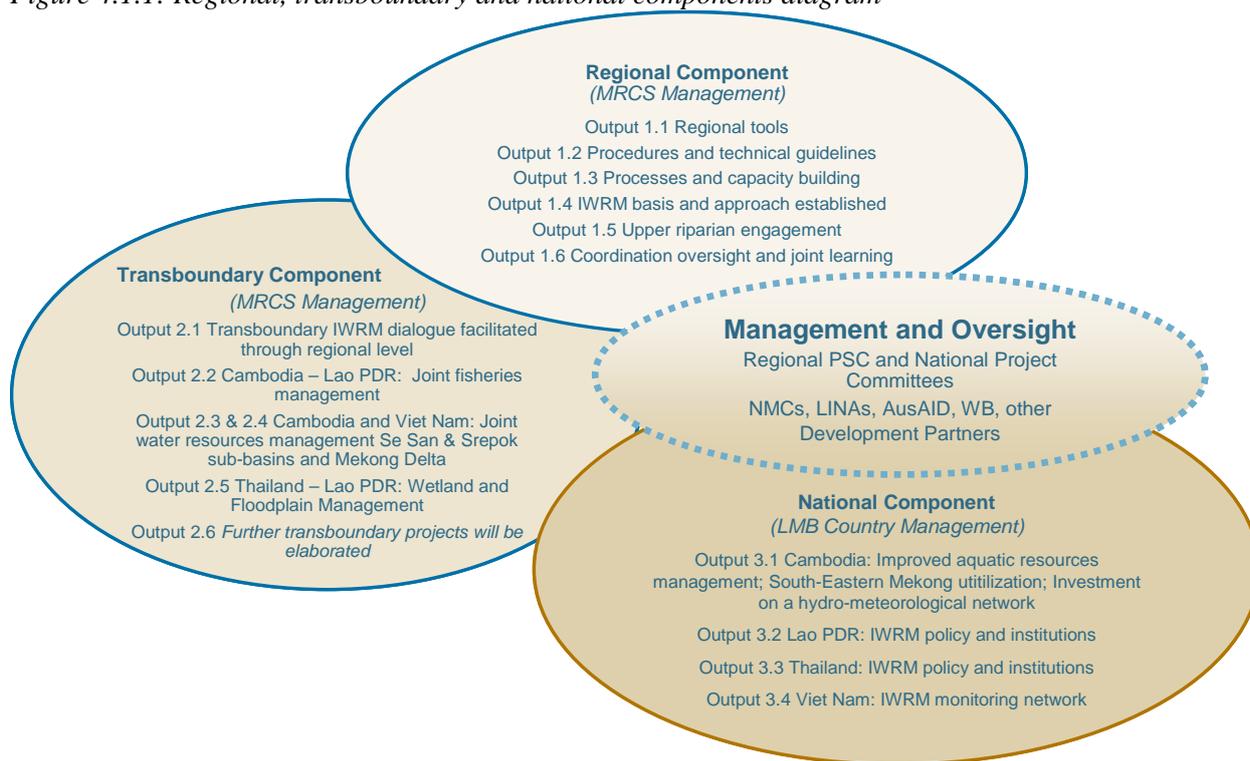
4.1 Implementation Strategy

Approach

Strong emphasis has been placed on the forging partnerships in the Project design. With multi-development partner participation and funding streams, and substantial investment in time and resources from the LMB Countries, Project implementation will see the consolidation of the work undertaken during the preparation phase into a single partnership initiative. Regional workshops held at regular intervals throughout the preparation and inception phase have engaged stakeholders and included them in the design and approval of the Project at each stage of its formulation. Field visits have been undertaken to view firsthand the potential scope of the national and transboundary components, and to ensure the maximum possible integration of the three components. Close contact has been maintained between the NMCs, the WB, AusAID and the MRC Programmes and Sections, in order to ensure that Project design is cogent and maximises the skills and expertise of all parties.

An outline of the inter-connected elements which form the Project is given in the diagram below. Outputs are shown for each component and the linkages and exploitable synergies are clearly demonstrated.

Figure 4.1.1: Regional, transboundary and national components diagram



The Project is complex with many stakeholders each with diverse interests and capacities. Strong emphasis has been placed on the establishment of different mechanisms for communications, dialogue, negotiation and consensus building in each component. For the regional component, a thorough analysis of stakeholders as the first step (Activity 1.1/1) is critical in order to engage relevant line agencies and other stakeholders with responsibilities, authorities and accountability in the development and application of procedures and tools, while capacity building will address various required knowledge and skills including those to overcome cultural limitations in open dialogue and negotiation. On the other hand, internal mechanisms emphasise incentives for, and accountability of, participating MRC Programmes.

The challenges faced in coordinating and managing the regional component activities are demanding but undoubtedly are achievable. This underlines the importance of placing primary responsibility for implementing the Project activities with a single MRC Programme (see Section 3.3.1). In fact, one of the strengths of the Project is that the regional component will see MRC Programmes collaborating and working in partnership on a single set of activities in a more effective way than has previously occurred aiming toward joint objectives. For the majority of outputs more than one MRC Programme will be involved, and the management functions exercised by the primary responsible manager will require tight control. For example, Activity 1.2/4 - Review PMFM and prepare technical guidelines, will be managed by BDP with substantive inputs from IKMP, ICCS and the M-IWRMP itself. The former will be responsible for finalising the technical guidelines. Contributions from IKMP on basin modelling and ICCS on legal and communication issues would complete the activity. M-IWRMP will ensure and facilitate coordination between the involved programmes and excerpt the lessons learnt toward IWRM implementation.

ICBP will hold the primary responsibility for the planning, implementation and monitoring of all capacity development activities conducted under the Project, and will ensure the integration of these activities with contextual activities conducted by other MRC Programmes.

The transboundary level is managed under the umbrella of the regional component. The budget and project implementation will be channelled through the MRCS (PCMU). The LMB countries will elaborate project details during an inception phase with facilitating support from the MRCS and relevant MRC Programmes. The transboundary projects - that have to be agreed between the involved countries -

will be submitted for approval to the M-IWRMP PSC before implementation. Due to the fact that the transboundary projects are supported by the WB, the project implementation in principle will follow the WB procurement, and fiduciary rules and procedures.

At national level, Project implementation will follow the WB procurement, and fiduciary rules and procedures. With support from the NMCS, the national implementation line agencies shall be responsible for planning, managing and supervising the projects which will be designed and implemented by private sector consultants and contractors.

With different preparation modalities and timeframes, it is important to ensure flexibility in Project implementation arrangements to respond to emerging needs.

Communication Strategy and Plan

The IWRM approach moves away from single sector water planning to multi-objective planning and integrated planning of land and water resources, recognising the wider social economic and development goals and entailing cross-sectoral coordination. The process of policy making for IWRM requires extensive consultation as well as raising the awareness of the importance of integration among policy makers, stakeholders, and broader stakeholder groups. The project specific Communication Strategy follows the MRC Stakeholder Engagement Policy, and the Communications Strategy and Disclosure Policy. The Strategy's objective is, that the Project's approaches and results are understandable, well targeted and disseminated to all concerned levels, especially to senior decision makers but also to local communities to raise awareness more generally. The Strategy faces several challenges:

- Examination of the currently available analysis of needs, resources and priorities by stakeholder, within the regional component, identify target audiences, communication needs and objectives that arise.
- Liaison with the design teams of the national component of the Project and identification where communication activities can be utilised to assist in this Project.
- When the design of national and transboundary components is completed, to examine the available analysis of needs, resources and priorities by stakeholder, for these components, identify target audiences, communication needs and objectives that arise.

The activities related to the communication (see PIP 1.4/6) will be supported by WB and aim to demonstrate a range of targets why IWRM is important on the basin-wide scale taking into account all stakeholders. The activities as part of the Project aim to:

- raise awareness
 - of the usefulness of MRC Procedures and the importance of IWRM;
 - of the issues related to the environmentally sustainable use of water resources;
 - of the transboundary issues and impacts of human activities on a range of areas (fisheries, erosion, water quality, hydropower, flood control etc.);
 - on extreme events like flood and drought to concerned governments, local governments and stakeholders;
 - about the proposed upstream developments and their potential impacts on the environment and riparian people; and
 - among higher level stakeholders as to the concerns and issues of local community members.
- raise skill level of National Mekong Committee Secretariats in media, public relations, communication.

4.2 **Implementation Mechanisms**

The Project brings together a combination of grant and investment funding with a common objective that cuts across geographical and sectoral boundaries. It will rely on funding from multiple development partners, and involves a number of on-going and planned MRC Programmes and line agencies in LMB Countries. Therefore, different institutional arrangements are required for each component while management and coordination will be needed to ensure harmonisation and coherence.

Regional and Transboundary Components

Located at the apex of the Project, the regional component will engage and work closely with stakeholders (line agencies and NMCs, civil society groups, NGOs, the private sector, etc), in each of the four LMB Countries. The transboundary component and its respective projects are directly managed under the umbrella of the regional component.

A compact **Project Coordination and Management Unit (PCMU)** reporting to the Director of the MRCS Planning Division (PLD) has been established. The PCMU will manage the implementation of the regional and transboundary components as well as provide technical assistance to the national component. It consists of a Riparian Project Coordinator (for five years), a Riparian Project Secretary (for five years) and an International Chief Technical Advisor (for two and a half years) who will be on a full-time basis for the first year and then gradually phasing out as required.

The main tasks of the PCMU will include but not necessarily be limited to the following:

- Lead and coordinate the implementation of the regional component being undertaken by the MRC Programmes and Sections;
- Lead and coordinate the implementation of the transboundary component and its respective projects that are managed under the umbrella of the regional component in close cooperation with the LMB countries and the MRC Programmes;
- Provide overall management and coordination services, link and exploit available synergies between the regional, transboundary and national components;
- Excerpt key issues out of all activities toward basin-wide IWRM;
- Highlight important outcomes that contribute to IWRM obvious and outline added values;
- Provide guidance and support when needed to both the MRC countries and programmes;
- Quality assurance and results-based monitoring of implementation performance;
- Manage budgets, maintain and update the overall Project work plan, reports and ad hoc briefings;
- Monitor the Project's context, manage risks, and focus on sustainability;
- Commission evaluations and peer reviews;
- Represent the Project at meetings, and in negotiations with stakeholders; and
- Assist the LMB Countries in the sharing of expertise and joint learning experiences.

The PCMU will manage the transboundary projects, which are financed by the WB under the umbrella of the regional components. The following management mechanism will be applied:

- *Inception Stage:* In close collaboration with the respective countries, the PCMU will support and facilitate the formulation of transboundary project proposals. The PCMU will play a leading formulation role in coordination with respective MRC Programme(s).
- *Approval:* The transboundary project proposals jointly agreed by/between the respective countries, will be sent to the PSC for review and approval. The engagement of the PSC is considered to be appropriate, given the potential regional benefits and impacts on the joint actions at the transboundary area.
- *Implementation:* Upon PSC approval of the transboundary project proposals, the implementation of the project would start. The overall fiduciary management responsibilities remain in the MRCS as an executing agency while technical responsibilities and some procurement responsibilities (e.g. recruitment of the national consultants) will be carried out by the countries as implementing agency. However, as of date of this Inception report this issue will be further discussed and agreed during WB appraisal.

As of date, selected transboundary projects are proposed, are part of the PIP and will be elaborated in more detail for submission to the PSC. Additional transboundary project proposal can be elaborated after the inception phase of the M-IWRMP for implementation.

National Implementation Line Agencies to be responsible for the implementation of outputs will be involved in the transboundary component. However, the communication will be channeled through the respective NMCSs. Stakeholder involvement has to be ensured and will integrate other participating line agencies and national, provincial and district level RBOs or RBCs, as well as other stakeholders.

The tasks of the PCMU are used to define and guide the operations. They expand on the tasks outlined above bringing them into line with MRCS standard management procedures.

Responsibilities of the MRC Programmes are defined within the PIP and work plan. This includes inputs, timeframe for delivery of outputs and mutual accountability mechanisms between the PCMU and participating MRC Programmes. As necessary, agreement between PCMU and respective programmes/sections at the MRCS may be arranged and entered that will serve as commitment to coordinate for successful implementation of the Project.

In addition, technical group or task groups to fulfil specific tasks similar to the form of Technical Review Group will be set up. Subject to the task required, participation of member countries will be arranged.

National Component

The institutional arrangements for the national component in each LMB Country will follow the national policy and organisation of that country and the WB, as well as other Development Partners who may join the Project.

The following institutional arrangements have emerged and will be finalised in consultation and agreement between the LMB Countries and the WB.

National Implementation Line Agency. One National Implementation Line Agency (NILA, preferably at national, department level) will be appointed to be responsible for the implementation of each individual output (sub-project) under the national components.

A **Stakeholder Engagement Plan**, established for each output (sub-project) will integrate other participating line agencies and national, provincial and district level RBOs or RBCs, as well as other stakeholders.

4.3 Coordination Mechanisms

All three components and their respective activities need to be closely coordinated to ensure they proceed in harmony and that implementation proves effective. The achievement of this goal will be overseen by a multi-tiered layer of management entities comprised of the following:

- Project Steering Committee (PSC) at the Project level;
- National Project Committees (NPCs) in each of the four LMB Countries for national and transboundary components; and
- Coordination Management Meetings.

Project Steering Committee. A Project Steering Committee (PSC) reporting to the MRC Joint Committee will be established to monitor Project implementation, facilitate Project coordination and supervision, and provide guidance to involved entities. The scope of the PSC will cover all three components of the Project. For the regional component, the PSC will focus on steering the directions and supervising the implementation. For both the national and transboundary components it will focus on

aspects related to coherence and linkage between the three components, joint learning, integrating procedures, dissemination to line agencies, context monitoring and risk management, and sustainability. The PSC will comprise four representatives of from each member country (one member should be a representative of the national project committee) and two MRCS representatives (the CEO or his designated representative and the Director of the MRCS PLD). In addition, representatives from the development partners will be observers at the PSC meetings. The involvement of relevant selected stakeholders and the civil society might be taken into account at a later stage of the project. The PCMU will provide secretariat and facilitating services to the PSC.

The PSC will guide and support the PCMU in the periodical aggregation and integration of the results and experiences of all Project activities, and interactions among the many agencies involved in the Project, with the view of producing recommendations for the improvement of the performance of water and related resources management at the basin, national and sub-basin levels. A ToR for the PSC has been elaborated and agreed by the countries (see Annex 4).

National Project Committees (NPC). Due to the multi-sectoral nature of the Project, the establishment of a National Project Committee (NPC) in each of the LMB Countries will be essential. The membership could be drawn from relevant line agencies, provinces, RBCs and others as appropriate to the national context. Also a representative of the MRCS will participate in the NPCs. The Project's country focal point, which has national coordinators in place, will provide the necessary administrative support to the NPC. The main tasks of the NPC are: to monitor progress in output (sub-project) preparation and implementation, to approve output (sub-project) preparation for WB appraisal, and to provide guidance to the NILA, if necessary.

In addition to the assemblages of the PSC, **Coordination Management Meetings** between the national coordinators/focal points (Coordination Meetings) will be organised every three months in order to ensure an efficient information exchange on the national as well as transboundary activities and their statuses. The meetings also serve the integration of all components in the overall Project framework. Those meeting will be facilitated by the PCMU in close coordination with the national coordinators/focal points.

Coordination and integration requirements arising from the implementation of related outputs (sub-projects) under the transboundary component will be taken up in regular joint meetings of the respective NPCs, NILAs and Stakeholder Forums. The PCMU will participate in these joint coordination meetings as observer and will also facilitate them.

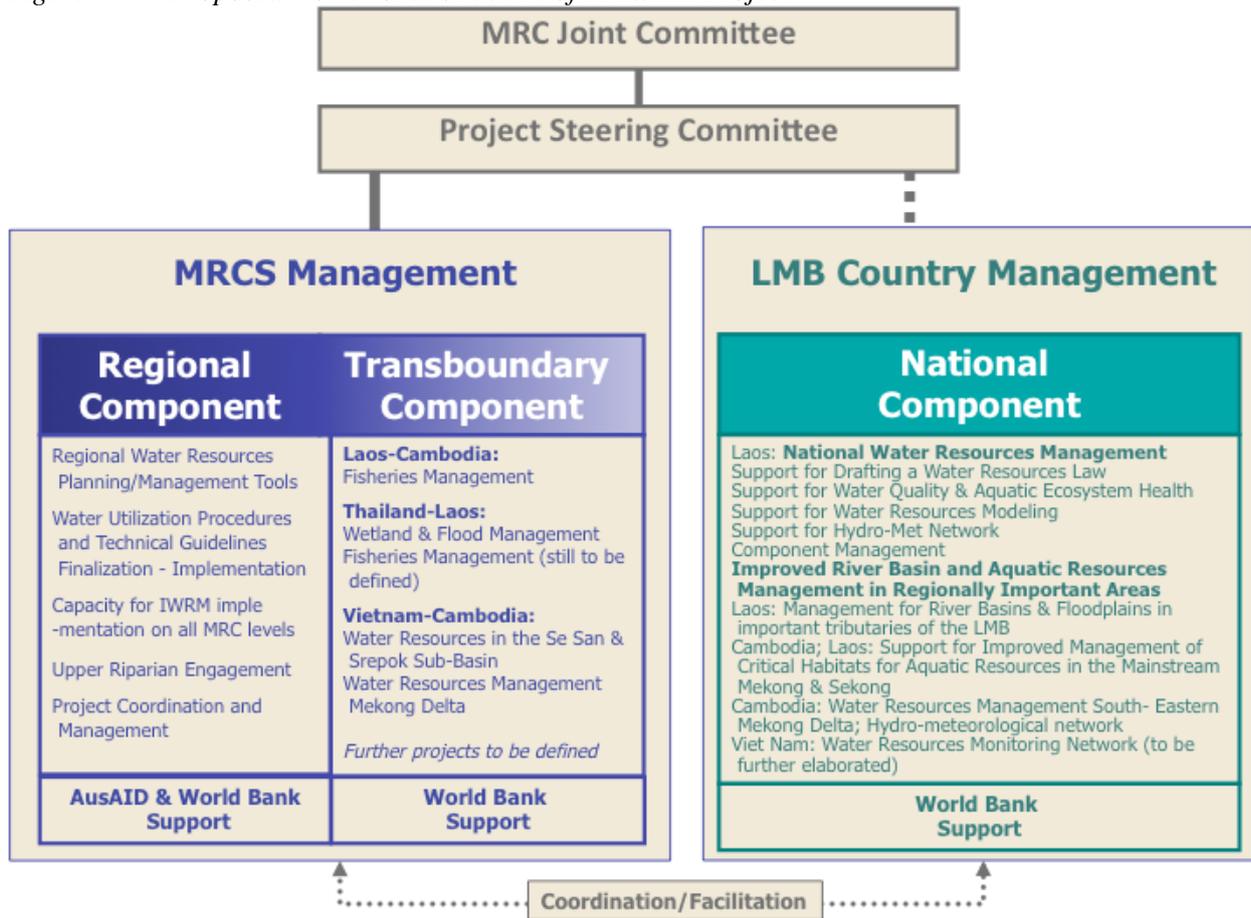
Not as same as WUP's structure, a national coordinator or national M-IWRMP Unit may be established and attached to NMCS in each NMCs. The PCMU will operate via daily relation with this national unit if it is so established.

The synchronisation of the three components is not overly complicated but will require effective management by the PCMU and diligent oversight by the PSC. Arguably a challenging task will be to ensure that the MRC Programmes have the time and resources to mainstream the Project regional outcome into the national and transboundary components.

Besides the coordination mechanisms outlined above, the **MRCS internal coordination** between the MRC Programmes, units and sections will take an important role ensure the achievement of the Project's aim.

The basis of the Project management and relation between the components are described in Figure 4.3.1 below.

Figure 4.3.1: Proposed institutional structure of M-IWRM Project



4.4 Budget

Regional and Transboundary Components

A summary of the estimated budget for the six outputs of the regional component (1.1 – 1.6) as well as the 4 outputs of the transboundary component (2.1 – 2.6) is provided in Table 4.4.1. The overall Project budget is US\$ 12,9 out of which US\$ 5,8 million has been secured by AusAID and US\$ 7,1 million to be funded by WB. Due to the fact that the activities supported by the World Bank (1.4/1, 1.4/2, 1.4/6, parts of 1.6 and the 2.1-2.6 – transboundary projects) are still within the WB appraisal period, the respective budget figures indicated in this IR as well as PIP have to be considered as preliminary. They might still be subject to changes. However, it is expected the overall budget range will not change significantly anymore. As soon as the activities will be approved by the World Bank Board (expected end of 2010) the PIP will be revised accordingly if necessary. The MRC countries as well as the PSC will be informed and consulted appropriately. In addition to Table 4.4.1, more detailed budget breakdown by activities is provided in Annex 2.

Table 4.4.1: Summary budget for regional and transboundary components.

Output	Description	AusAID (US\$)	World Bank (US\$)	Amount (US\$)
1.1	Regional water resources planning, management tools, and knowledge base are refined and developed for basin wide IWRM	805,000	--	805,000
1.2	Water utilisation procedures and technical guidelines are finalised and implemented on all LMB levels.	2,051,000	--	2,051,000
1.3	Capacity for IWRM implementation is in place on both the national and MRCS level and MIWRMP reporting/exchange .	563,000	--	563,000
1.4	IWRM basis and approach established on all LMB levels	225,000	2,101,300	2,326,300
1.5	Upper riparian engagement is enhanced.	375,000		375,000
1.6	Effective Project coordination, oversight and interlinkage of components	1,026,000	1,720,000	2,746,000
	Sub-total (1.1-1.6)	5,045,000	3,821,300	8,866,300
2.1	Regional support for facilitating transboundary IWRM dialogue – inception support	--	520,000	520,000
2.2	Cambodia-Lao PDR: Mekong mainstream fisheries management at Stung Treng/Kratie to Champasak and sustainable livelihoods for poor communities	--	534,000	534,000
2.3	Cambodia-Viet Nam: Water Resources Management in the Se San and Srepok sub-basins.	--	354,000	354,000
2.4	Cambodia-Viet Nam: Water Resources Management in the Mekong Delta	--	354,000	354,000
2.5	Thailand-Lao PDR: Wetland and Floodplain Management	--	354,000	354,000
2.6	Further project elaboration/implementation	--	480,000	480,000
	Sub-total (2.1-2.6)	--	2,596,000	2,596,000
	<i>Contingency</i>	100,900	76,426**	177,326
	<i>MRC Management and Administration Fee (11%)</i>	554,950	705,903	1,260,853
	Total	5,700,850	7,199,629	12,900,479

* Additional transboundary projects will be defined and implemented between 2010 and 2014 including a project between Thailand-Lao PDR on joint fisheries management.

** This contingency exclusively refers to output 1.4 and 1.6.

National Component

The budget for the national component is currently revised and under preparation. While this is still clearly at an early stage and subject to finalisation between the WB and the LMB Countries, it does nevertheless give an indication of how resources would be allocated.

Disbursement Procedures

The disbursement of the budget for the regional component will follow established MRC procedures for its technical cooperation funds. The PCMU during the Project inception stage worked out with the participating MRC Programmes, the modality for the Programmes to receive the funds in the most appropriate manner. This is especially important for activities that are the responsibility of more than one MRC Programme.

Regarding the transboundary component and its respective projects the overall fiduciary management responsibilities remain in the MRCS as an executing agency while technical responsibilities and some

procurement responsibilities (e.g. recruitment of the national consultants) will be carried out by the countries as implementing agency²⁶.

In principle, the implementation of all activities under the regional component including the transboundary projects that are supported by the World Bank have to follow the WB procurement, fiduciary rules and procedures. Respective reporting will be part of the bi-annual Project Reporting (see Chapter 2.6).

Auditing of the fund contributions will be done according to regulations of the MRC and Development Partners. If possible, it will be joint Development Partner audits. However, this will be decided during the implementation of the Project and approved by the MRC JC and the contributing Development Partners.

The disbursement of budget under the national and transboundary components will follow agreed procedures between the WB, other potential Development Partners and recipient LMB Countries.

4.5 Project Implementation Plan (PIP)

A detailed Project Implementation Plan and Work Plan has been prepared for the regional and transboundary components (Outputs 1.1-1.6 and 2.1-2.6) showing activities for the five-year implementation period (see Annex 1 a & b). For each transboundary project individual documents and workplans will be developed and provided to both the PCMU as well as the PSC for final project approval.

The concepts and work plans of the national component are separate documents and currently still under preparation within the WB appraisal period. The PCMU will ensure - as a key task - that respective activities, outputs and outcomes of the national and transboundary components will be coordinated and respectively interlinked with the regional component in order to achieve the holistic aim of this integrated Project: institutionalized IWRM within the MRC framework on the regional, transboundary and national levels.

As soon as the details on the transboundary and national components are finalised, projects will be sequenced and implemented in line and harmony with the regional component. While the programming of individual projects implemented under national and transboundary components will fall to the line agencies and their advisors, the PCMU and the PSC will monitor progress throughout all components.

The PIP for the regional and transboundary components (see Annex 1 a & b) involve all necessary stakeholders including the relevant MRC Programmes and outline activities around six outputs, responsibilities, deadlines, activity durations as well as budget for the entire Project duration.

The PIP clearly follows the general Project's rationale to link the three components (regional, transboundary, national). Both applied implementation activities (project/case study level) and the establishment of institutional mechanisms contribute to the achievement of the Project's aim. The Project does not create a big range of new activities but builds upon valuable information that is already available within the MRC countries and the MRCS. The extraction and integration of this information and available products into an overall IWRM framework is reflected by the PIP. Therefore, the Project is very synergetic aiming to integrate the work of the MRC Programmes and countries to an IWRM apex based on functioning cooperation mechanisms.

With respect to the regional work plan including the transboundary projects a few points should be highlighted:

- Most of the regional component activity tasks have been programmed to commence in the early stages of the Project period to enable the impetus to build up gradually, this is particularly so for the WUP follow-up related activities;
- Activities have been agreed with MRC Programmes and discussed with the MRC countries in the frame of national consultations;
- The transboundary projects are managed under the umbrella of the regional component;

²⁶ However, as of date of this Inception report this issue will be further discussed and agreed during WB appraisal.

- Although some MRC Programme funding will end before the Project, there are several commitments from MRC and Development Partners that the core Programmes will continue;
- Whether or not the PCMU should remain fully operational for the total five-year Project period, and what skills base it should retain, given that the Project will move away from specific regional component activities towards support for national and transboundary component activities, will need consideration during the Project's Mid-term Review;
- Activities that will receive WB support (1.4/1, 1.4/2., 1.4/6, 1.6, 2.1-2.6) might still be subject to changes as the project is still in the appraisal period; and
- The projects of the transboundary component (2.1-2.6 – WB support) managed under the umbrella of the regional component are still indicative and have to be further defined by the respective countries before submission for funding to the MRCS.

The Project's structure requires implementation flexibility and the PIP shows the nature of a living document. The PIP will be updated, supplemented and revised when needed. A revised version of the Plan will be presented once a year for discussion and agreement to the PSC.

Implementation priorities are identified for the first implementation phase. Besides the overall project coordination the following priorities can be listed:

- Preparation of a mechanism for prior consultation according to the MRC's PNPCA with special attention regarding hydropower generation development;
- Finalisation of pending Procedures and Guidelines toward implementation of the full set of procedures and technical guidelines;
- Rapid assessment of capacity gaps and needs regarding the MRC Toolbox, procedures and guidelines implementation at country level and within the MRCS;
- Designation of significant tributaries in the LMB for basin-wide planning;
- Elaboration of the transboundary projects;
- Develop a monitoring and evaluation scheme to assess the Project's implementation success.
- Establish a coordination framework for efficient information flow between all involved;

During the Project implementation, specific activities will be outlined in more detail and further priorities identified on as a regular management basis.

The implementation success of the Project will be assessed using tailor-made monitoring and evaluation indicators (see also Section 4.6). Those will be developed in the first Project year and will also address sufficient links between all project components regarding sustainable IWRM outcomes.

4.6 Quality Assurance, Monitoring and Evaluation

Quality Assurance

The MRC currently has no formal Quality Assurance (QA) procedures, although there are internal peer review procedures whereby management functions and outputs are supervised, vetted and "*signed-off*". Activity 1.1/3, Establish quality assurance mechanisms, is intended to "*prepare and integrate quality assurance mechanisms into the tools and basin model development process*", as recommended by the WUP Evaluation. For the WB, the QA procedures developed by their QA will be applied to national and transboundary component delivery.

Monitoring and Evaluation

An initial performance management framework has been developed for the Project objective and the intermediate outcomes (see table 4.6.1 below). A full performance management framework will be developed as part of the activities in the first Project implementation year (Activity 1.6/5) and will be fully aligned with the new MRC-wide Results-based Monitoring System which is currently still under development in the frame of the elaboration of the MRC Strategic Plan (2011-2015). This will explicitly document the management information needed to enhance the understanding of Project, subsequently improve performance and monitor the implementation success. It will consist of a list of indicators for Project objectives, intermediate outcomes and outputs, together with sources of data, baseline values and performance targets through the life of the Project. The performance management framework will also

address M&E capacity of the national agencies participating in the Project and include respective capacity building activities. The final M&E scheme will be presented for discussion and consideration at the 2nd PSC meeting.

Table 4.6.1: Initial performance management framework

Project Objective	Indicators	Data sources
Improve the enabling framework and capacity for IWRM in the LMB Countries and strengthen the MRC's role as the facilitator of significant water resources development, guided by IWRM principles.	<p>Level of use by countries of procedures, guidelines and processes at basin-national interfaces.</p> <p>Level of use of IWRM at sub-basin level in Member Countries.</p> <p>Number and scale of development projects implemented by Member Countries which comply with IWRM principles.</p>	<p>Official agreements signed by Member Countries.</p> <p>Annual reports on implementation of procedures to MRC Joint Committee.</p> <p>Reviews of quality of sub-basin development plans and projects.</p> <p>Periodic independent assessments of IWRM application in selected national institutions.</p>
Outcomes	Indicators	Data sources
1. A regional enabling framework with water resources planning tools, procedures and guidelines, process and capacity is in place to implement the 1995 Mekong Agreement effectively.	<p>Enabling framework (procedures and technical guidelines, processes) for the implementation of IWRM strengthened and adopted by Member Countries.</p> <p>Extent to which NMCs effectively support national agencies to use IWRM procedures and tools, and to monitor this.</p> <p>Level of collaboration of Upper Riparian Countries with LMB Countries in the planning and implementation of Mekong Basin development initiatives.</p>	<p>MRC JC/Council meeting records.</p> <p>MRC Dialogue Partner meeting records.</p> <p>National policies, plans and legal framework.</p> <p>Reviews of quality of sub-basin development plans and projects.</p> <p>Periodic independent assessments of IWRM application in selected key national institutions.</p> <p>Institutional performance assessments and reports.</p>
2. Strengthened policies, institutional arrangements and capacity for IWRM in LMB countries.	<p>Degree to which IWRM approaches and tools are integrated into normal working procedures of line agencies (especially water resources line agencies and RBOs) involved in Mekong-related water resources development in Member Countries.</p> <p>Extent to which enhanced national policies and institutional arrangements for IWRM are adopted and applied.</p> <p>Extent to which improved regional procedures, guidelines and tools are being used for development and project planning and implementation at the national level.</p> <p>Impacts of Project's supported national initiatives with respect to poverty alleviation, gender mainstreaming and improving the situation of marginalised ethnic groups.</p>	<p>Reviews of quality of sub-basin development plans and projects.</p> <p>Periodic independent assessments of IWRM application in selected key national institutions.</p> <p>Institutional performance assessments and reports.</p> <p>Media reviews.</p> <p>Evaluation reports of national development plans and projects.</p>

Outcomes	Indicators	Data sources
3. Pro-poor transboundary initiatives jointly designed and implemented, applying IWRM principles and demonstrating mechanisms for joint planning and implementation of project identified as part of the MRC-led basin development planning process	Level of use by neighbouring countries of joint planning processes. Degree to which significant transboundary projects adequately incorporate IWRM approaches. Number of transboundary sub-projects successfully implemented. Impacts of Project's supported transboundary initiatives with respect to poverty alleviation, gender mainstreaming and improving the situation of marginalised ethnic groups.	Signed cooperation agreements between national and provincial authorities. Review of quality-at-entry of development plans and transboundary sub-projects. Evaluation reports of transboundary development plans and projects.

Project Performance Reviews

The Project management will assess the level of progress made in achieving the Project objective and intermediate outcomes on an annual basis (part of the annual reporting) using the latest information coming from the regular collection of monitoring data. Overall Project performance will thus be assessed using this data. Project performance reviews will be held at both national and MRC levels. Their focus will be on output achievement and emerging evidence of this. Activity implementation and disbursement will be monitored on a regular basis through the use of a standardised mechanism that will be defined in the frame of the M&E scheme.

The degree of coherence of the Project with the other areas of support provided by the MRCS to relevant national agencies will be assessed as part of MRC's results monitoring at the MRC SP level.

Self-evaluation within Targeted Institutions

It is important that the bulk of the performance monitoring is self-monitoring by the key institutions involved in Project implementation and that the process is managed in such a way as to encourage the identification of drivers and constraints to performance, which than can be pro-actively taken up to manage for results. These issues and the respective mechanism will be defined in the frame of the M&E scheme (Activity 1.6/5).

The Project could support the targeted agencies to be able to regularly and effectively review their progress in using new approaches and tools, to assess the results of these, to explore opportunities for benchmarking between agencies, and to share findings and ideas for improvement with other agencies both within the country and within the wider MRC-supported networks.

It is clear that some of the data collection activities relating to the use of IWRM approaches and tools by targeted institutions, and the extent to which MRC has effectively built their capacities will be shared among MRC Programmes. This will be clarified once the design of the MRC Results-based Monitoring System (Performance Management System) is finalised end 2010.

Development Partner Reviews

Development Partners participating in the Project shall jointly conduct their periodic reviews, following a commonly agreed approach. The format of these reviews may follow the format of the periodic supervision missions of the WB conducted under WUP.

Project Progress Monitoring

Regular Project progress review will be presented by the PCMU for the regional component as part of the regional meetings (Activities 1.6/4, 1.6/5) and by respective NMCSs for the national and transboundary components. The reviews will cover progress in the implementation of the Project's annual work plan and budget, as well as progress made towards achievement of the Project's (strategic) intermediate outcomes based on the M&E scheme (Activity 1.6/5). The objective of these reviews and resulting reports will be to communicate progress to MRC, the NMCs, and development partners to identify operational strategies for ensuring that implementation slippages and other problems are addressed in a robust and timely manner. The review will cover context monitoring and risk management, as well as sustainability issues. These reviews will be part of the bi-annual progress reports (see below).

Reporting

The following Project management reports will be produced:

Inception Report	To be prepared by end of July 2010, outlining the confirmed framework, detailed work plan, implementation mechanisms and procedures and preliminary M&E of the regional component as well as updated overall Project design.
Bi-annual Progress Reports	Bi-annual progress reports, consolidating monthly and/or quarterly progress notes of Project components or outputs, and updating the rolling PIP and work plan, for submission to development partners and other stakeholders. Those reports include issues required by the WB procurement.
Annual Project Performance Reports	These will focus on the achievement of the Project's intermediate outcomes and outputs, will diagnose the reasons for the identified performance issues, and will recommend strategic responses to these. They will also monitor changes in the Project's context and to its risk analysis.
Independent Project Performance Review as part of the midterm and completion report	Conducted by independent reviewers at critical stages in the Project's implementation. Formative approach used to support capacity-development in performance assessment within relevant national agencies, NMCSs and MRCS.

Reviews of Project M&E System

Following the development and establishment of the MRC results-based Monitoring System, MRCS will conduct two reviews of the functioning of this system in order to ensure that it remains relevant, effective and efficient as part of the midterm as well as completion report. Such reviews will check that data collection and management processes are of good quality and that M&E results are effectively used in MRC planning and decision-making processes to improve Project and overall MRC performance.

Responsibilities for Implementation of M&E

The PCMU will be responsible for ensuring the overall implementation of the monitoring and evaluation of the Project and, in particular, for establishing a comprehensive baseline for the Project. It will also take direct responsibility for the monitoring and evaluation of the regional component.

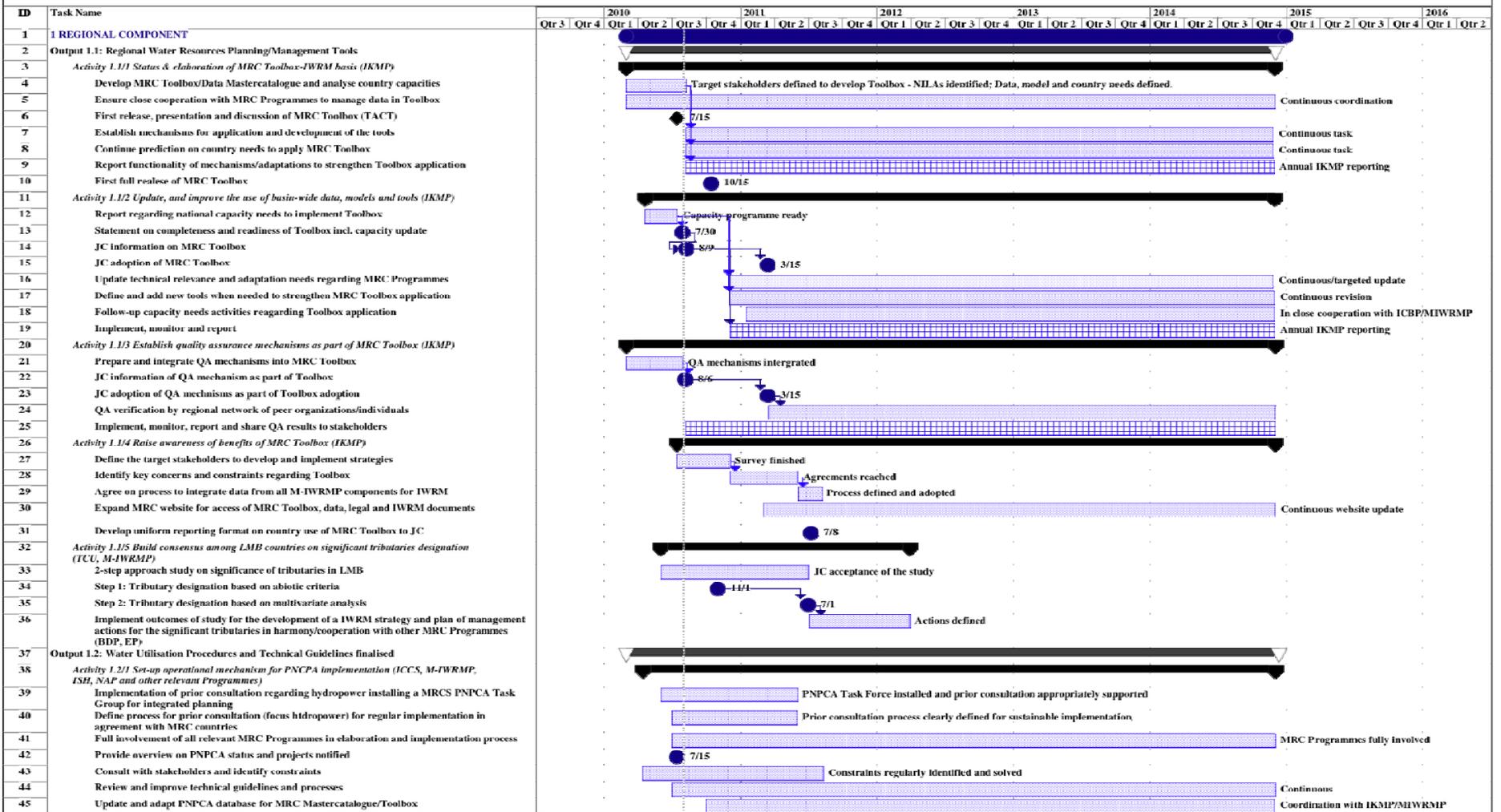
For the national and transboundary components, progress monitoring (covering delivery of activities, progress against outputs, disbursements) will lie with the NMCs and the participating NILAs, whereas the NOC will focus on results monitoring (achievement of outputs, progress in achieving outcomes, synchronisation and integration issues, synergies with other national and transboundary initiatives, contributions to national objective settings). The NOC will also develop mechanisms for the regular sharing of information, dialogue and joint monitoring of the progress between implementing agencies and participating LMB Countries.

ANNEXES

Annex 1 a – Please see attached electronic excel file.

Annex 1b – M-IWRMP Work Plan (Gantt Chart)

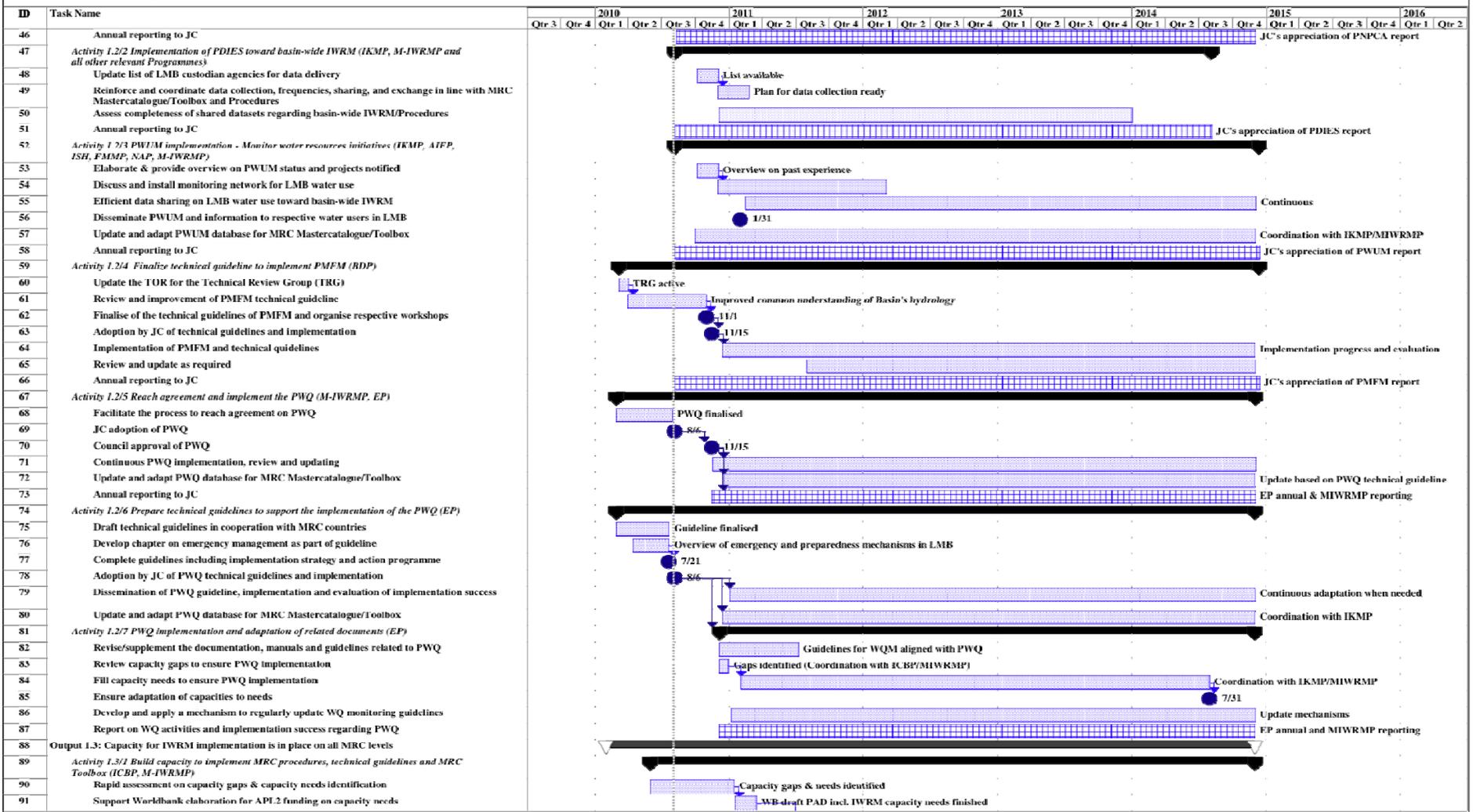
MEKONG INTEGRATED WATER RESOURCES PROJECT



Regional component work plan
Date: Mon 8/2/10



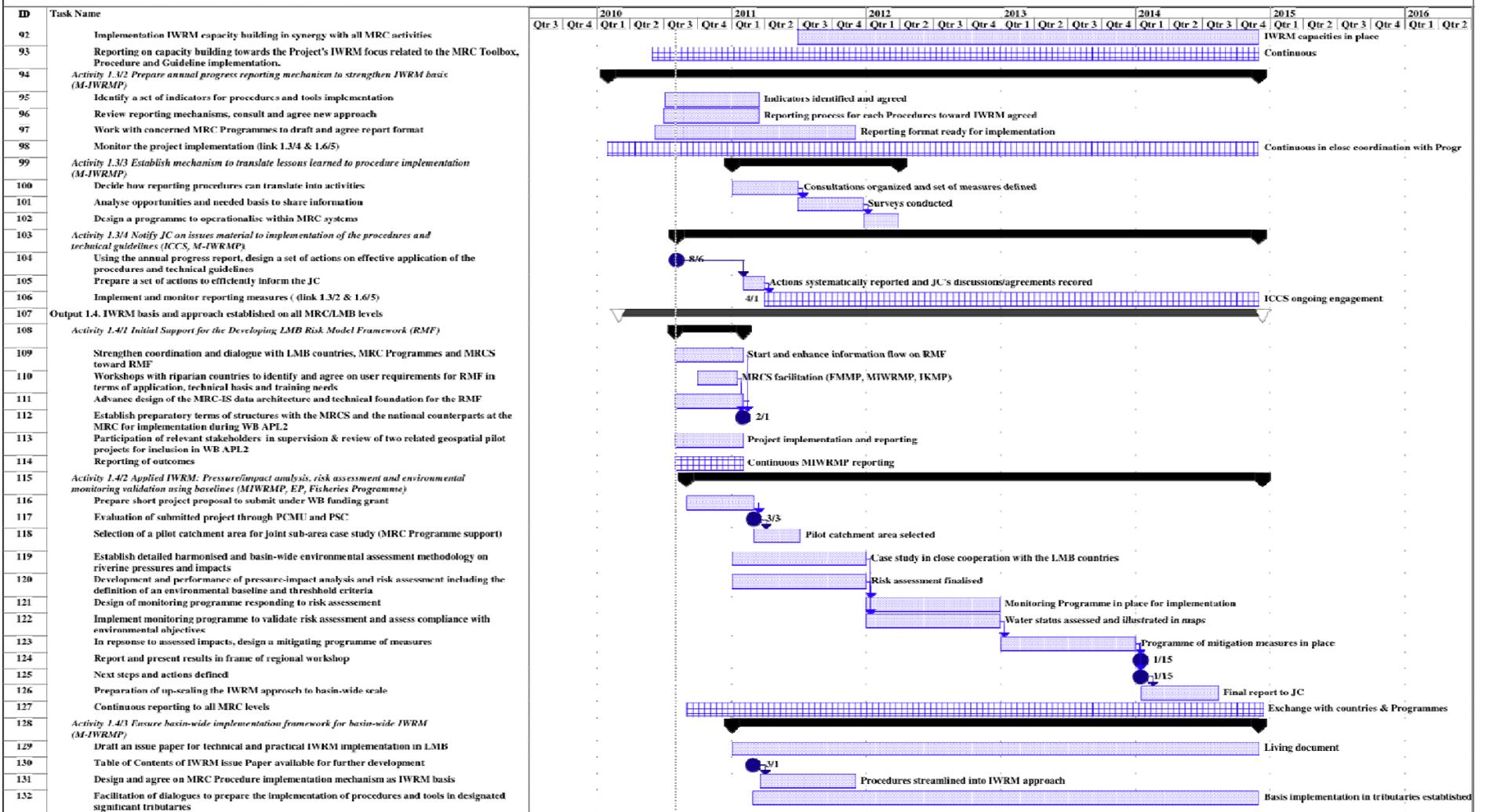
MEKONG INTEGRATED WATER RESOURCES PROJECT



Regional component work plan
Date: Mon 8/2/10



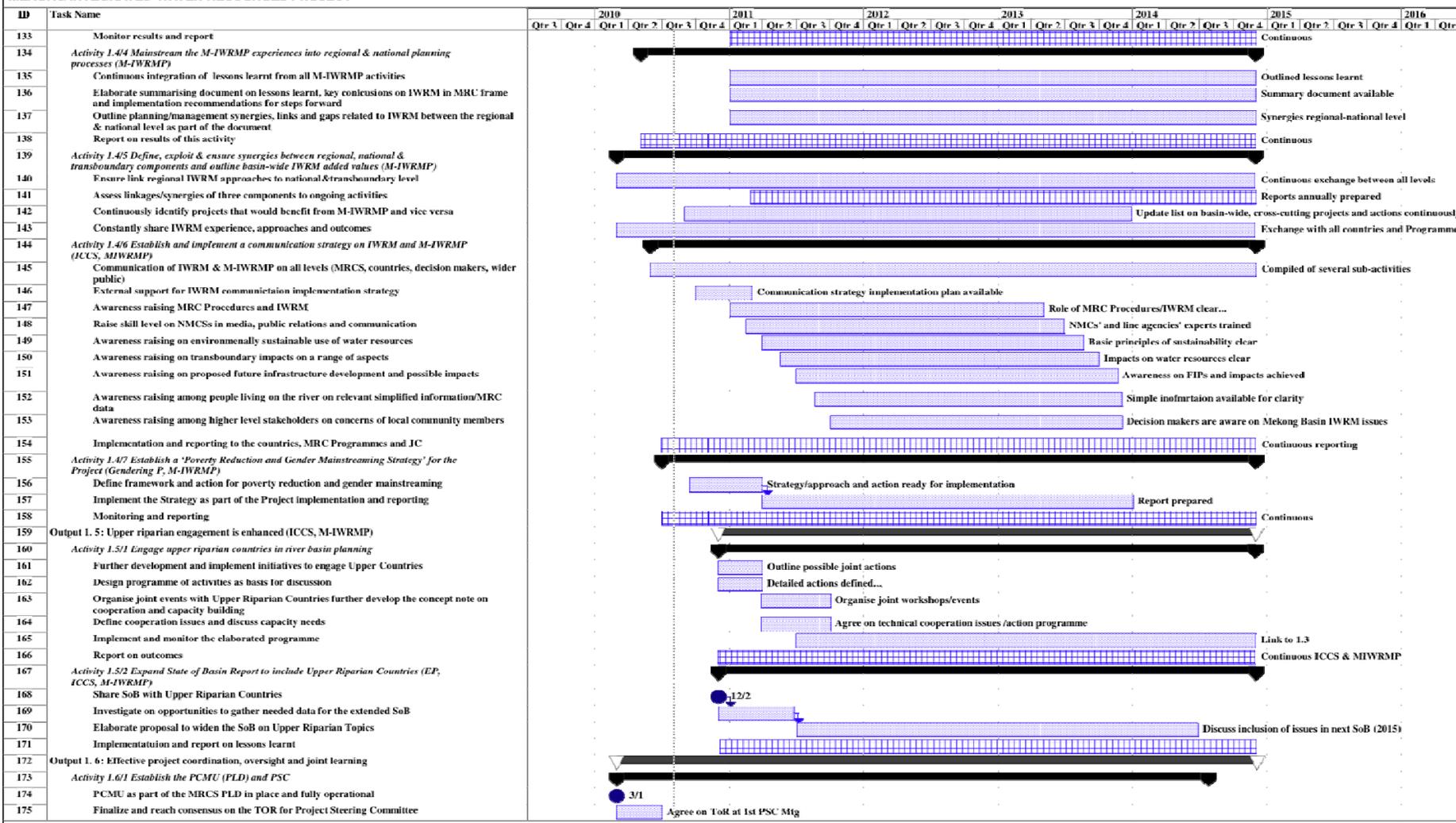
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Date: Mon 8/2/10



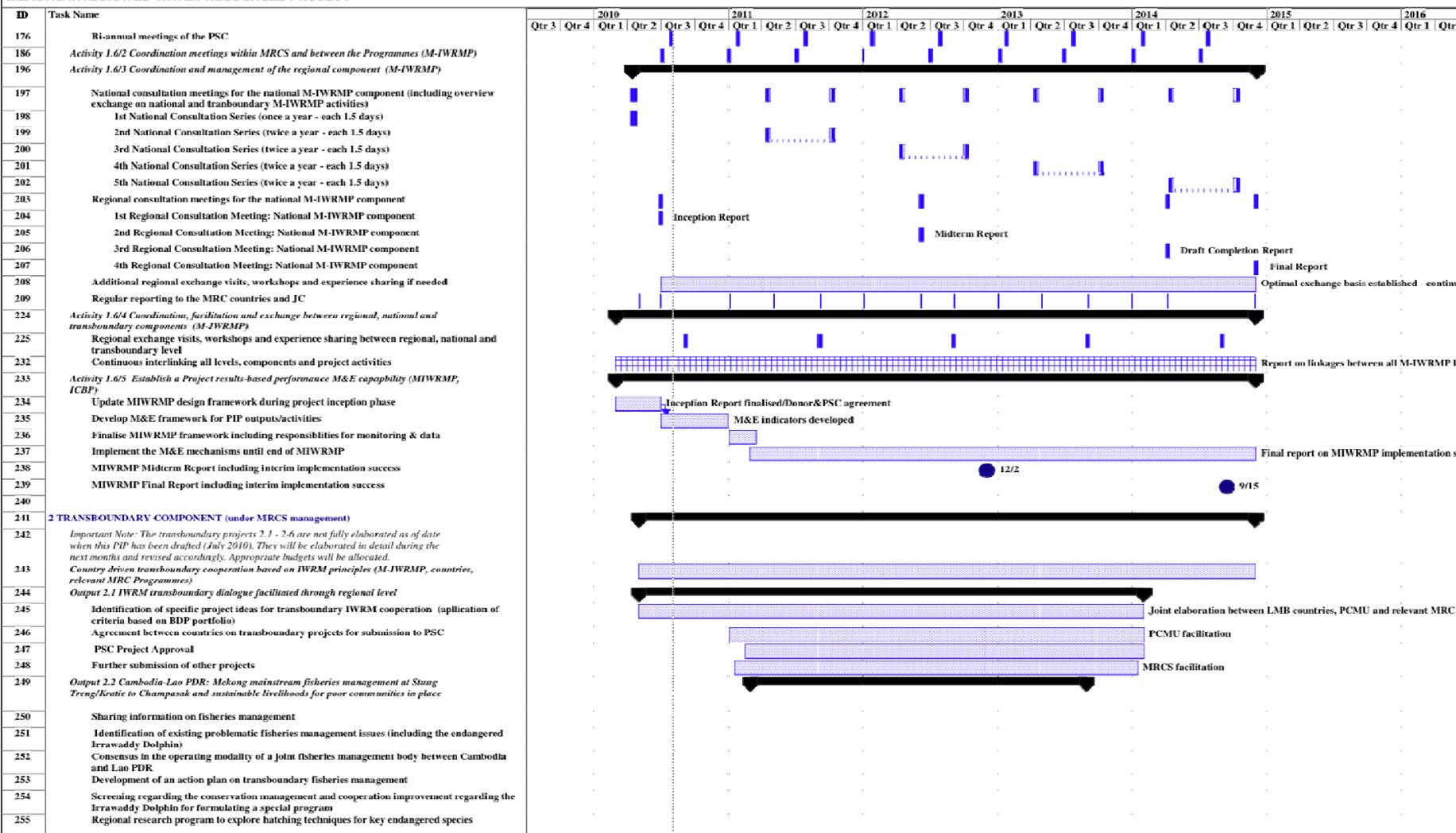
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MEKONG INTEGRATED WATER RESOURCES PROJECT



Regional component work plan
Date: Mon 8/2/10



MEKONG INTEGRATED WATER RESOURCES PROJECT

ID	Task Name	2010				2011				2012				2013				2014				2015				2016	
		Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2		
256	Reporting																										
257	<i>Output 2.3 Cambodia-Viet Nam: Water Resources Management in the Se San and Srepok sub-basins in place and implemented</i>																										
258	Joint development of a early warning system in relation to flood and drought events																										
259	Joint establishment/application of a management and planning tool including a knowledge base closely linked to the MRC Toolbox and key management issues of the sub-basins																										
260	Joint capacity building on river basin management.																										
261	Reporting																										
262	<i>Output 2.4 Cambodia-Viet Nam: Water Resources Management in the Mekong Delta in place and implemented</i>																										
263	Dialogue and collaboration towards harmonized water resources investment in the Mekong Delta, considering possible transboundary impacts																										
264	Identification and preparation of a project proposal on a possible joint water resources development																										
265	Set-up a mechanism to share and exchange hydro-meteorological data																										
266	Enhancement of a Mekong Delta management and planning tool including a knowledge base closely linked to the MRC Toolbox																										
267	Joint capacity building on river basin management in the Mekong Delta																										
268	Reporting																										
269	<i>Output 2.5 Thailand-Lao PDR: Wetland and Floodplain Management operational</i>																										
270	Identification of human impacts on wetlands in the region																										
271	Development of an inventory of wetlands of mainstream disconnected wetlands																										
272	Outline of respective mitigation measures																										
273	This sub-component is to be further discussed and defined by Lao PDR and Thailand																										
274	Reporting																										
275	<i>Output 2.6 Further transboundary projects will be formulated and submitted for funding during Project implementation (2010-2014)</i>																										

Regional component work plan
Date: Mon 8/2/10

Task		Summary		Rolled Up Progress		Project Summary	
Progress		Rolled Up Task		Split		Group By Summary	
Milestone		Rolled Up Milestone		External Tasks			

Annex 2: M-IWRMP Budget

Breakdown of budget to activity level - Regional Component (Activities 1.1 – 1.6) and Transboundary Component including its respective projects (Activities 2.1 – 2.6)

Activity	Description	Responsibility	Amount (US\$)
1.	Regional Component		
1.1	Regional water resources planning/management tools, and knowledge base are refined and developed for basin-wide IWRM. (AUS AID support)		
1.1/1	Elaboration of overview on MRC tools status, respective planned activities as well as national partners	IKMP	65,000
1.1/2	Expansion, update and improvement of the use of basin-wide IWRM data, basin models & tools as part of the MRC Toolbox	IKMP	260,000
1.1/3	Establish quality assurance mechanisms as part of the MRC Toolbox	IKMP	145,000
1.1/4	Raise awareness of benefits of MRC Toolbox, data mastercatalogue and knowledge base	IKMP	95,000
1.1/5	Build consensus among LMB Countries on the designation of significant tributaries in the LMB	TCU,MIWRMP	240,000
		Subtotal 1.1:	805,000
1.2	Water utilisation procedures and technical guidelines are finalised and implemented on all LMB levels. (AUS AID support)		
1.2/1	Set-up of an operational mechanism to support the implementation of the PNPCA	ICCS, MIRMP	500,000
1.2/2	Implementation of PDIES toward basin-wide IWRM	IKMP, MIWRMP	120,000
1.2/3	PWUM implementation - monitoring of water resources initiatives in LMB countries	IKMP, AIFP, ISH, FMMP, NAP	320,000
1.2/4	Finalize technical guidelines to implement PMFM	BDP	366,000
1.2/5	Reach agreement and implement the PWQ	MIWRMP with EP support	70,000
1.2/6	Prepare technical guidelines to support implementation of the PWQ	EP	220,000
1.2/7	Implementation of the PWQ technical guideline, adaptation of related monitoring guidelines/manuals/procedures and establishment of an appropriate revision framework responding to basin-wide water management developments/needs	EP	455,000
		Subtotal 1.2:	2,051,000
1.3	Capacity for IWRM implementation is in place on both the national and MRCS level and MIWRMP reporting/exchange (AUS AID support)		
1.3/1	Build capacity to implement the MRC procedures, technical guidelines and MRC Toolbox	ICBP, MIWRMP	413,000
1.3/2	Prepare annual progress reporting mechanism to strengthen IWRM basis	MIWRMP	100,000
1.3/3	Establish mechanism to translate lessons learned in the reports on implementing the procedures and technical guidelines for their improvement	MIWRMP	50,000
1.3/4	JC on issues material to implementation of the procedures and technical guidelines	ICCS	--
		Subtotal 1.3:	563,000
1.4	IWRM basis and approach established on all LMB levels (AUS AID & WB support)		
1.4/1	Preparation for Developing the LMB Risk Modeling	FMMP, MIWRMP, IKMP	449,800
1.4/2*	Applied IWRM: Pressure/impact analysis, risk assessment and environmental monitoring validation using baselines	EP, MIWRMP	560,000
1.4/3	Ensure basin-wide implementation framework for MRC Procedures as basis for IWRM	BDP	70,000

Activity	Description	Responsibility	Amount (US\$)
1.4/4	Mainstream the Project experience into national & transboundary planning processes	MIWRMP	50,000
1.4/5	Define, exploit & share synergies between regional, national and trans-boundary components and outline basin-wide IWRM added values between all components	MIWRMP	75,000
1.4/6	Establish and implement a communication strategy on IWRM and M-IWRMP	MIWRMP	1,091,500
1.4/7	Establish a 'Poverty Reduction and Gender Mainstreaming Strategy' for the Project	MIWRMP	30,000
		Subtotal 1.4:	2,326,000
1.5	Upper riparian engagement is enhanced (AUS AID support)		
1.5/1	Engage Upper Riparian Countries in river basin planning	ICCS, MIWRMP	275,000
1.5/2	Expand state of basin reporting to include Upper Riparian Countries	BDP, MIWRMP	100,000
		Subtotal 1.5:	375,000
1.6	Effective Project coordination, oversight and interlinkage of components (AUS AID & WB support)		
1.6/1	Establish the PCMU (PLD) and PSC	MIWRMP	1,440,000
1.6/2	Coordination meetings within MRCS and between the Programmes	MIWRMP	101,000
1.6/3	Coordination and management of the regional component	MIWRMP	620,000
1.6/4	Coordination, facilitation and exchange between regional, national and transboundary components	MIWRMP	340,000
1.6/5	Establish a Project results-based performance M&E capability ²⁷	MIWRMP	245,000
		Subtotal 1.6:	2,746,000
	Sub-total (1.1-1.6)		8,866,300
2.	Tranboundary Component (managed under the regional component) (WB support)		
2.1	Regional support for facilitating transboundary IWRM dialogue – inception support	MIWRMP, MRC Programmes	520,000
2.2	Cambodia-Lao PDR: Mekong mainstream fisheries management at Stung Treng/Kratie to Champasak and sustainable livelihoods for poor communities	Countries with MIWRMP & MRC FP	534,000
2.3	Cambodia-Viet Nam: Water Resources Management in the Se San and Srepok sub-basins	Countries with MIWRMP & relevant MRC Programme	354,000
2.4	Cambodia-Viet Nam: Water Resources Management in the Mekong Delta	Countries with MIWRMP & relevant MRC Programme	354,000
2.5	Thailand-Lao PDR: Wetland and Floodplain Management	Countries with MIWRMP & relevant MRC Programme	354,000
2.6	Further transboundary projects can be formulated and submitted for funding during Project implementation (2010-2014)	Countries with MIWRMP & relevant MRC Programme	480,000
	Sub-total (2.1-2.6)		2,596,000
	Contingency		177,326
	MRC Management and administration fee (11%)		1,260,853
		Total (1.1-1.6 & 2.1-2.6)	12,900,479

The Project is financially supported by AusAID (US\$ 5,700,850) and the WB (US\$ 7,123,203). The World Bank is planning to further support the M-IWRMP within APL2.

²⁷ Activity budget 1.6/5 covers the set-up of a Project specific M&E system in the first year of the Project, the actual monitoring is included in the respective activity budgets. Reporting costs are covered under 1.6/1.

Annex 3: Design and Monitoring Framework

(Note: This framework is preliminary and gives an indication on the M&E scheme. The framework will be revised/adapted within Activity 1.6/5 by the end of 2010)

	Indicators	Data sources / reporting	Risks
Goal²⁸: To strengthen the Integrated Water Resources Management capacity and knowledge base of the MRC bodies, NMCs, line agencies and other stakeholders			
Project Objective: To improve the enabling framework and capacity for IWRM in the LMB Countries and strengthen the MRC's role as a facilitator of significant water resources development, guided by the IWRM principles.			
Outcomes:			
1. A regional enabling framework with water resources planning tools, procedures and guidelines, process and capacity is in place to implement the 1995 Mekong Agreement effectively	<ul style="list-style-type: none"> ○ Enabling framework for the implementation of IWRM at the interface between the basin and national levels improved and implemented by all LMB Countries ○ Regional Toolbox and monitoring systems refined, improved and used for national planning and decision making ○ Pending procedures and technical guidelines finalised and implemented ○ Capacity of line agencies, NMCs and all MRC levels to implement and report regularly on procedures, guidelines and tools strengthened ○ Long-term cooperation programme with Upper Riparian Countries in place ○ Regional exchange of experiences and joint learning, on IWRM established and fully operated 	<ul style="list-style-type: none"> ○ MRC Council and JC meeting records and resolutions ○ National policies, plans and legal framework ○ Pending Procedures signed and all procedures implemented, technical guidelines are applied ○ MRC strategic plan evaluation and performance assessments ○ Progress reports ○ Reports on M&E baselines and appropriate action/solutions ○ Performance and evaluation reports 	<ul style="list-style-type: none"> ○ LMB Countries are not fully committed to the 1995 Mekong Agreement and its implementation. ○ MRCS is not empowered to finalise the pending procedures and technical guidelines. ○ The three Project components become disconnected due to delays in preparation of national and trans-boundary components.
2. Pro-poor trans-boundary initiatives jointly designed and implemented, applying IWRM principles and demonstrating mechanisms for joint planning and implementation of project identified as part of the MRC-led basin development planning process	<ul style="list-style-type: none"> ○ Joint planning process and cooperation mechanism are in place. ○ Trans-boundary cooperation between participating LMB Countries to their mutual advantage achieved ○ Management of the natural resources of the Mekong Basin optimised for the mutual benefit of participating LMB Countries ○ Impacts of project's supported trans-boundary initiatives on the communities and the poor 	<ul style="list-style-type: none"> ○ Signed cooperation agreements between Member Countries, and national and provincial authorities ○ Records of discussions between stakeholders ○ Joint design, implementation and management of trans-boundary projects ○ National policies, planning modalities and legal framework ○ Reports on M&E baselines and appropriate actions/decisions ○ Performance and evaluation reports 	<ul style="list-style-type: none"> ○ Lack of commitment by LMB Countries, provinces and communities to trans-boundary cooperation. ○ Insufficient resources to implement national and trans-boundary projects. ○ No agreed mechanisms reached for preparation and implementation of trans-boundary projects.
3. Strengthened policies, institutional arrangements and capacity for IWRM in LMB countries.	<ul style="list-style-type: none"> ○ National IWRM being demonstrated. ○ Improved national policies for water resources management ○ Capacity of water resources line agencies and RBOs built ○ River basin plans grounded on IWRM principles ○ Line agencies, NMCs and RBOs of the LMB countries participate and apply the procedures, technical guidelines and tools 	<ul style="list-style-type: none"> ○ National policy documents, plans and other materials ○ Reports on M&E baselines and implementation performance ○ MRC projects and programmes successfully implemented ○ MRC Council, JC records of meetings and decisions ○ MRC reports, websites and publications 	<ul style="list-style-type: none"> ○ Different levels of application by LMB Countries to the IWRM principles and the sustainable management of the Mekong Basin's natural resources. ○ Inappropriate identification of NILA, leading to lack of integration of Project outputs into national policies.

²⁸ Goal 4, Strategic Plan, MRC, 2006 – 2010, December 2006

	Indicators	Data sources / reporting	Risks
	<ul style="list-style-type: none"> ○ Equal opportunities among female and male members ensured and reflected in institutional practices and development choices 	<ul style="list-style-type: none"> ○ Stakeholders feedbacks through mass media and other channels 	
Outputs			
1.1. Regional water resources planning, management tools and knowledge base are refined and developed for basin-wide IWRM	<ul style="list-style-type: none"> ○ Other tools initiatives in LMB Countries and relevant line agencies identified ○ MRC toolbox further developed, enlarged and pending issues addressed ○ Quality assurance procedures designed and implemented to support the application of the modelling tools and knowledge base ○ Consensus built among LMB Countries on tributaries of significance and programme of actions in these tributaries undertaken ○ MRC Communication Strategy raises awareness of benefits of modelling tools and knowledge base 	<ul style="list-style-type: none"> ○ MOUs (or other arrangements) with line agencies and partners for long-term engagement on application of the models, tools and knowledge base ○ MRC JC/Council meeting records and decisions ○ Reports on the application of modelling, tools and knowledge base ○ Reports and web based information “hits” ○ Reports on M&E baselines, and factors inhibit and enable the implementation of tools and knowledge base ○ Progress, performance and evaluation reports 	<ul style="list-style-type: none"> ○ No constructive dialogue and commitment of LMB Countries on the need, importance and usefulness of the regional tools and knowledge base.
Activities			
1.1/1 Elaboration of overview on MRC tool status, respective planned activities as well as national partners			
1.1/2 Expansion, update, and improvement of the use of basin-wide IWRM data, basin models and tools as part of the MRC			
1.1/3 Establish quality assurance mechanisms as part of the MRC toolbox			
1.1/4 Raise awareness of benefits of MRC Toolbox, data master catalogue and knowledge base			
1.1/5 Build consensus among LMB Countries on significance of tributaries in LMB			
1.2. Water utilization procedures and technical guidelines are finalized and implemented on all LMB levels	<ul style="list-style-type: none"> ○ Pending procedures and technical guidelines finalised and applied regularly ○ Proposed water resource initiatives in LMB counties updated and are made available ○ Technical guidelines to address environmental and water quality emergency events prepared, adopted and implemented by line agencies and NMCs ○ New possible technical guidelines to bring water quality management into line with the PWQ prepared, adopted and implemented by line agencies and NMCs ○ A set of sediment transport guidelines developed, trailed, modified and implemented ○ Effective socio economic and environmental monitoring and assessment of water resources development applied in MRC and LMB Countries 	<ul style="list-style-type: none"> ○ JC and Council decisions, records of meetings ○ Reports on M&E baselines, and factors inhibit and enable the implementation of the procedures and guidelines ○ MRC information website “hits” ○ MRC Programme reports and publications ○ National policies, plans and reports reflecting the application of procedures and guidelines in IWRM related planning process ○ Performance and evaluation reports 	<ul style="list-style-type: none"> ○ Lack of constructive dialogue and commitment of LMB Countries on the need, importance and usefulness of the procedures and technical guidelines.

	Indicators	Data sources / reporting	Risks
Activities: 1.2/1 Set-up of an operational mechanism to support the implementation of the PNPCA 1.2/2 Implementation of PDIES toward basin-wide IWRM.2/3 PWUM implementation – monitoring of water resources initiatives in LMB countries 1.2/4 Finalize technical guidelines to implement PMFM 1.2/5 Reach agreement and implement PWQ 1.2/6 Prepare technical guidelines to support implementation of the PWQ 1.2/7 Implementation of the PWQ technical guidelines, adaptation of related monitoring guidelines/manuals/procedures and technical guideline			
1.3. Capacity for IWRM implementation in place on both the national and MRC level and MIWRMP reporting/exchange	<ul style="list-style-type: none"> o Capacity of line agencies, NMCSs and MRCS in place to implement and report regularly on procedures, guidelines and tools o Training material developed and trainings conducted successfully for line agencies and NMCs o A uniform reporting format and process designed which enables the MRC to give an annual account of progress on the adoption and application of the IWRM 	<ul style="list-style-type: none"> o MRC reports, Council and JC meeting records and decisions o Training and capacity building assessment reports, and factors that inhibit or enable capacity of line agencies and NMCs to implement the procedures and technical guidelines o Training material availability o Feedback from end users (line agencies and NMCs) and stakeholders o Reports on M&E baselines and appropriate actions o Performance and evaluation reports 	<ul style="list-style-type: none"> o Lack of constructive dialogue and commitment of LMB Countries on the need, importance and usefulness of the tools, procedures and technical guidelines. o ICBP not approved or funded, seriously delayed or downsized.
Activities 1.3/1 Build capacity to implement the MRC procedures, technical guidelines and MRC Toolbox 1.3/2 Prepare annual progress reporting mechanism to strengthen IWRM basis 1.3/3 Establish mechanism to translate lessons learnt in the reports on implementing the procedures and technical guidelines 1.3/4 Notify JC of issues material to implementation of the procedures and technical guidelines			
1.4 IWRM basis and approach established on all MRC levels	<ul style="list-style-type: none"> o MRC Procedures are implemented at the regional level o MRC Procedures are implemented on the national level o IWRM mechanisms and approaches are fully understood and integral part of the MRCS and country water management approaches o IWRM is better understood on relevant decision making as well as community level o Transboundary activities are successfully implemented o The risk assessment approach and environmental baselines are agreed and can be up-scaled to the basin-wide scale o The role of gendering within the MRC IWRM is clear 	<ul style="list-style-type: none"> o MRC reports, Council and JC meeting records and decisions o Monitoring data o Training material availability o Assessments, technical inventories and minutes of meetings o Feedback from end users (line agencies and NMCs) and stakeholders o Film and radio taping as part of the communication tools o Reports on M&E baselines and appropriate actions 	<ul style="list-style-type: none"> o No effective dialogue and commitment of LMB Countries on the need, importance and usefulness of the regional tools and knowledge base summing up to IWRM o Lack of cooperation between the MRC Programmes o Lack of transboundary cooperation between the LMB countries o Lack of data for transboundary risk assessment and establishment of environmental baselines

	Indicators	Data sources / reporting	Risks
Activities			
1.4/1. Initial Support for the Developing LMB Risk Model Framework			
1.4/2 Applied IWRM: Pressure/impact analysis, risk assessment and environmental monitoring validation using baselines			
1.4/3 Ensure basin-wide implementation framework for MRC Procedures as basis for IWRM			
1.4/4 Mainstream the Project experience into national and transboundary planning process			
1.4/5 Define, exploit and share synergies between regional, national and transboundary components and outline basin-wide IWRM added values between all components			
1.4/6 Establish and implement a communication strategy on IWRM and MIWRMP			
1.4/7 Establish a “Poverty Reduction and Gender Mainstreaming Strategy” for the Project			
1.5 Upper riparian engagement	<ul style="list-style-type: none"> ○ Long-term cooperation programme with Upper Riparian Countries in place ○ Programme of technical exchanges with China designed and implemented ○ Upper riparian countries participate in technical activities with LMB Countries and MRCS such as joint improvement and development of the existing basin models and assessment tools ○ The State of the Basin Report includes upper Mekong riparian country information ○ A staged series of actions and IWRM planning procedures designed and presented 	<ul style="list-style-type: none"> ○ MRC JC, Council meetings and Dialogue meeting reports ○ Assessments, assets database, technical inventories and minutes of stakeholder meeting ○ Back to office reports of MRC, NMC, line agencies staffs ○ Reports on M&E baselines and appropriate actions ○ Performance and evaluation reports 	Established dialogue between MRC and Upper Mekong countries is discontinued.
Activities			
1.5/1 Engage Upper Riparian Countries in river basin planning			
1.5/2 Expand state of basin reporting to include Upper Riparian Countries			
1.6. Effective Project coordination, oversight and interlinkage of components	<ul style="list-style-type: none"> ○ Exchange of expertise and experiences among LMB Countries established and committed by Member Countries. ○ Project coordination and management unit at PLD established and Project management procedures prepared in line with MRC guidelines ○ Oversight committees set up and operational ○ Regional component outputs and activities linked to strengthen the national and trans-boundary components ○ Project M&E framework designed and updated ○ Project reports and performance evaluation procedures effectively operated 	<ul style="list-style-type: none"> ○ Project reports and minutes of oversight committee meetings ○ Reports and feed back from meetings on the national and trans-boundary components with LMB Country line agencies, NMCs, stakeholders and partners ○ Project publications and materials ○ Records of LMB Countries applying the toolbox and DSF in an effective manner ○ Records of development partner feed back, peer reviews and evaluations ○ Regular reports on M&E baselines and appropriate actions ○ Performance and evaluation reports and reports and performance evaluation procedures effectively operated 	<ul style="list-style-type: none"> ○ No consensus of LMB Countries to the Project design and implementation arrangements, and mechanisms for sharing of experiences. ○ Relevant stakeholders are not represented on Stakeholder Forums and do not participate in implementation. ○ Insufficient interest and no commitment of LMB Countries to implement trans-boundary projects. ○ M&E procedures overly complicated, not meaningful, M&E operation not sustained.

	Indicators	Data sources / reporting	Risks
Activities			
1.6/1 Establish Project Coordination and Management Unit (PCMU) and Project Steering Committee (PSC)			
1.6/2 Coordination meetings within MRCS and between the Programmes			
1.6/3 Coordination and management of the regional component			
1.6/4 Coordination, facilitation and exchange between regional, national and transboundary components			
1.6/5 Establish a Project results-based performance M&E capability			
2.1 Regional support transboundary IWRM dialogue facilitated during inception phase	<i>Note: Due to the fact that the transboundary projects are not fully elaborated yet, the indicators below are very general. They will be further defined as soon as the project documents are ready and within the development of the Project's M&E scheme.</i>	<i>Note: Due to the fact that the transboundary projects are not fully elaborated yet, the data sources below are very general but will be further defined as soon as the project documents are ready.</i>	<i>Note: Due to the fact that the transboundary projects are not fully elaborated yet, the indicators below are very general. They will be further defined as soon as the project documents are ready and within the development of the Project's M&E scheme.</i>
2.2 Cambodia-Lao PDR: Mekong mainstream fisheries management at Stung Treng/Kratie to Champasak and sustainable livelihoods for poor communities in place	<ul style="list-style-type: none"> Joint and transboundary planning process developed, cooperation mechanisms activated and maintained and expertise/lessons learned exchanged 	<ul style="list-style-type: none"> Signed cooperation agreement between cooperating countries Respective statistics 	<ul style="list-style-type: none"> No regional support on the transboundary dialogue has been provided
2.3 Cambodia-Viet Nam: Water Resources Management in the Se San and Srepok sub-basins in place and implemented	<ul style="list-style-type: none"> Data collected, awareness raising conducted, and challenges and opportunities identified Surveys and studies undertaken and priority interventions identified 	<ul style="list-style-type: none"> Capacity building follow up reports and assessments Input and management data, progress and M&E reports and performance evaluations 	<ul style="list-style-type: none"> Insufficient public (Respective Ministries, Administration, etc.) and private sector technical resources to implement work.
2.4 Cambodia-Viet Nam: Water Resources Management in the Mekong Delta in place and implemented	<ul style="list-style-type: none"> Long term needs assessed and activities identified and implemented Joint project management capability established and coordination procedures activated 	<ul style="list-style-type: none"> Signed cooperation agreements between national and provincial authorities Respective study reports 	<ul style="list-style-type: none"> Lack of cooperation between provinces.
2.5 Thailand-Lao PDR: Wetland and Floodplain Management operational	<ul style="list-style-type: none"> Capacity built and stakeholders trained toward sustainability, IWRM, and water resources management Management capability and structure to implement the projects set in place 	<ul style="list-style-type: none"> Maps, survey and computer designs and drawings, contract documents, costs estimates, financial and economic analysis Capacity building follow up reports and assessments 	<ul style="list-style-type: none"> External developments compromise Project (i.e. unsustainable tourism or hydropower developments, etc).
2.6 Further transboundary projects can be formulated, submitted and implemented during project implementation based on the WB budget. This may include a project on fisheries management between Lao PDR and Thailand.	<ul style="list-style-type: none"> Respective consultation undertaken Final reports drafted describing lessons learnt and how trans-boundary IWRM can build cooperation 	<ul style="list-style-type: none"> Training materials Input and management data availability Performance and evaluation reports Performance and evaluation reports 	<ul style="list-style-type: none"> No agreement on implementation arrangements can be reached. No further projects are formulated and submitted
Specific activities are still under elaboration within the WB appraisal period. The MRC countries and PSC will be updated and appropriately informed on the development and final activities on a regular basis.			
3.1 Cambodia: Support The implementation of the Mekong Water Resources Management Strategy through South-Eastern Mekong	<ul style="list-style-type: none"> Joint planning process developed and cooperation mechanisms activated and maintained. Surveys and studies undertaken, irrigation and flood protection development potential in delta area 	<ul style="list-style-type: none"> Signed cooperation agreements between national and provincial authorities Delta master plan study report Maps, survey and computer Outcomes, 	<ul style="list-style-type: none"> No agreement on implementation arrangements can be reached between MARD and the provincial authorities in Viet

	Indicators	Data sources / reporting	Risks
<p>utilization; Improved river basin and aquatic resources management in regionally important areas; Mekong Water Resources Investment on a hydro-meteorological network (APL2 – to be further defined during WB appraisal 2011)</p>	<p>assessed, and priority interventions identified</p> <ul style="list-style-type: none"> ○ Consultation undertaken with stakeholders, data collected, communities mobilised, and long term irrigation, drainage and agricultural needs of the target area agreed ○ Design and rehabilitation of canal and ancillary works (roads and embankments) undertaken to enable water to be conveyed, distributed, and used efficiently ○ O&M needs assessed and agreement reached with community and provincial authorities on how rehabilitated assets can be managed and water shared equitable ○ Capacity built and stakeholders trained in sustainable agriculture, IWRM, and water resources management ○ Management capability and structure to implement the project set in place ○ Final report drafted describing lessons learnt and how trans-boundary IWRM can build cooperation 	<p>designs and drawings, contract documents, costs estimates, financial and economic analysis</p> <ul style="list-style-type: none"> ○ Rehabilitated assets, agricultural yield statistics, flood protected areas and access links ○ Capacity building follow up reports and assessments ○ Training materials ○ Input and management data availability ○ Reports on M&E baselines and appropriate actions, especially poor community participation, poverty alleviation, gender equality ○ Performance and evaluation reports ○ Final report, O&M, and water management manuals 	<p>Nam.</p> <ul style="list-style-type: none"> ○ Sufficient public (MOWRAM) and private sector technical resources exist to implement the works. ○
<p>Activities: 3.1/1 Strategic Master Plan Study for Eastern Mekong River Delta 3.1/2 Support for Water Utilisation Svay Rieng Province 3.1/3 Support for Water Utilisation in Pray Vieng Province 3.1/4 Capacity Building for Agriculture and Water Management 3.1/5 Project management and administration 3.1/6 Support for improved management of critical habitats for aquatic resources in the mainstream Mekong and Sekong Further activities to be defined during WB APL2</p>			
<p>3.2. Lao PDR, Policy development and institutional strengthening</p>	<ul style="list-style-type: none"> ○ Enhanced national policies and institutional arrangements for IWRM adopted in the Country ○ Updated water law and legal statutes prepared in line with IWRM principles and adopted by the Government ○ Improved flood warning systems and disaster preparedness strategy in place ○ Hydrology and modelling capability improved and water quality modelling enhanced, apply regional guidelines ○ Pilot catchments selected to apply the IWRM principles, RBM plans prepared and RBOs set up ○ Stakeholders trained in IWRM and sustainable water resources management 	<ul style="list-style-type: none"> ○ National Assembly and Government's decisions ○ Capacity building follow up reports and assessments ○ RBM plans, statutes and minutes of RBO meetings, operational guidelines and procedures ○ Input and management data availability ○ Reports on M&E baselines and appropriate actions ○ Performance and evaluation reports 	<ul style="list-style-type: none"> ○ Insufficient public (WREA) and private sector technical resources to implement work. ○ Results of complementary technical assistance in IWRM (ADB/AusAID) not mainstreamed into Project.

	Indicators	Data sources / reporting	Risks
Activities			
Water sector legislation and capacity building			
3.2/1 Support for drafting a water resources law			
3.2/2 Support for water quality and aquatic ecosystem health			
3.2/3 Support for water resources modelling			
3.2/4 Support for a hydro-meteorological networking			
3.2/5 Project management and administration			
3.3. Thailand IWRM policy and institutions	<ul style="list-style-type: none"> ○ Enhanced national policies and institutional arrangements for IWRM adopted in the Country ○ DWR and stakeholder capability assessed and a capacity building programme implemented to strengthen the application of the IWRM principles ○ Embryonic RBCs established in 4 target sub catchments and river basin management plans prepared ○ Priority investment projects funded and implemented with Government budget and from other sources ○ Participatory planning process institutionalised in the selected catchments, stakeholder capacity built and gender equality promoted 	<ul style="list-style-type: none"> ○ National policies ○ Capacity building follow up reports and assessments ○ RBM plans, RBCs operating rules and minutes of meetings ○ Input and management data availability ○ Reports on M&E baselines and appropriate actions with special attention on local community participation, environment and gender equality ○ Performance and evaluation reports 	<ul style="list-style-type: none"> ○ Insufficient public (DWR) and private sector technical resources to implement work ○ Lack of political will and/or stability to maximise the benefits of the Project. ○ Lack of commitment of Government/DWR to RBC development and their meaningful participation in natural resources management.
Activities			
3.3/1 Integrated Water Resources management capacity development			
3.3/2 RBC programme			
3.4. Viet Nam River Basin Organisation for Sesan River Basin and priority investment for IWRM implementation	<ul style="list-style-type: none"> ○ River basin plans grounded on IWRM principles and priority projects implemented ○ Basin profile and RBM plan prepared in line with international best practice, national policies and meeting the needs of stakeholders ○ Embryonic RBO set up to implement and manage the RBM plan, draft constitution and prepare operating rules ○ Stakeholders (including minority groups, civil society, women) trained in RBO management, preparation of RBM plans, and IWRM principles ○ Water resources monitoring and hydro-meteorological stations constructed/upgraded 	<ul style="list-style-type: none"> ○ Basin profile, RBM plan and RBO draft constitution and operating rules ○ Capacity building follow up reports and assessments ○ Input and management data availability ○ Reports on M&E baselines and appropriate actions, especially gender equality, the poor and ethnic groups ○ Performance and evaluation reports 	<ul style="list-style-type: none"> ○ Insufficient public (MARD/MONRE) and private sector technical resources to implement work. ○ Provinces and statutory entities (MARD/MONRE) do not agree on implementation arrangements of the Project.
Activities			
3.4/1 River basin organisations			
3.4/2 Support water resources monitoring and hydro-meteorological systems to serve water resources management and reduction of flood damages			
3.4/3 Strengthening IWRM monitoring network			
3.4/4 Project management and administration			
<i>These activities might still be subject to changes as WB appraisal will be ongoing during 2011.</i>			



Draft
1/July/2010

**Terms of Reference of the
Project Steering Committee (PSC)
for the Mekong Integrated Water Resource
Management Project (MIWRMP)**

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1. Introduction

As indicated in the M-IWRMP document, a Project Steering Committee (PSC) will be set up to facilitate the Joint Committee in ensuring the Project' s implementation in line with agreed objectives. This TOR provides in detail the objectives, responsibilities and functions of PSC, its composition, procedures to convene and undertaking meetings as well as other operational matters.

2. Scope of work:

The scope of the Project Steering Committee' s work (PSC) is to oversee the regional component of the Project. In addition, the PSC will also facilitate and monitor the progress of and interlinkage between the regional, trans-boundary/[bilateral] and national components. The PSC will be operational for the entire Project duration (2010– 2014);

3. Objectives of the Project Steering Committee (PSC)

- to oversee the Regional component of the MIWRM Project, monitor its implementation and to facilitate the coherent coordination between the three components.
- to address and resolve the issues arising, and if required submit for JC consideration.
- to review progress of the national and transboundary components and make recommendations to achieve the objectives of the overall Project. .

4. Functions and tasks of PSC

4.1 Function

The function of the PSC is to oversee the M-IWRM Project and to report on its outcomes and implementation to the MRC Joint Committee as required.

4.2 Tasks of the PSC:

In relation to the three project components and their interrelation, the PSC will:

- provide strategic guidance on implementation of the regional component, which is managed and coordinated by the MRCS;
- guide the Project to assure its tasks are consistent and linked between the regional, trans-boundary and national components with the full involvement of all LMB countries, their implementing agencies as well as relevant MRC Programmes;
- provide guidance to ensure the Project' s quality and the management of risks for the achievement of the Project' s objectives;
- promote harmonised as well as transparent communication of relevant tasks, activities and findings throughout the entire Project between the regional level and the national/trans-boundary levels and to promote the added values of an IWRM approach and joint learning;
- monitor the regional component and the progress of and linkage with the two other components as outlined in the Project Document and Inception Report,;
- endorse the annual workplan and approve any revisions of the PIP.

5 Composition and chairperson of the PSC:

- The PSC will consist of respective representatives of the four MRC member countries including NMCSs, national implementing agencies, and the MRCS. The involvement of relevant selected stakeholders and the civil society might be taken into account at a later stage of the project.

- The PSC consists of four members from each member country (one member should be a representative of the national project committee) and two MRCS representatives (the CEO or his designated representative and the Director of the MRCS PLD). The head of country delegation will be at least at the Deputy Director General level. In addition, representatives from development partners will be observers at the PSC meetings;

6. Meetings of the PSC:

- The PSC will meet on a regular basis, generally twice a year. In the beginning of project implementation when management and coordination steering will be essential for project success, PSC may meet at higher frequency.
- The PSC meeting will be chaired by a representative of the respective host country.
- A country chairing the PSC meeting may nominate one more participant to attend a PSC meeting.
- The PSC meetings will be convened by the MRCS in consultation with the member countries.
- Decisions of the PSC will be made based on the consensus principle.
- Costs for organization and participation of the PSC members in the PSC meeting will be covered by the project budget.
- Minutes of the meeting will be prepared by the MRCS. In the minutes, date and venue of the next PSC meeting will be indicated.

7. Review, revision and amendment of the ToR

The TOR may be reviewed, revised or amended as necessary by the PSC.
