

**SUMMARY
OF**

**MINUTES OF THE FORTY-FIFTH MEETING
OF THE MRC JOINT COMMITTEE
MEKONG RIVER COMMISSION
22-23 AUGUST 2017, VIENTIANE, LAO PDR**

GENERAL

1. The Joint Committee of the MRC (the Joint Committee/JC) held its Forty-Sixth Meeting, Plenary Session (hereinafter referred to as "The Meeting"), on 22-23 August 2017 in Vientiane, Lao PDR. The proposed Agenda includes the following items (Appendix No.1: Provisional Agenda):

- Implementation of the MRC Ho Chi Minh City Declaration and progress since the 44th Meeting of the MRC Joint Committee by the Chief Executive Officer of the MRC Secretariat
- Cooperation with Dialogue Partners, Development Partners and other partners
- Implementation of the IWARM-based Basin Development Strategy 2016-2020
- Phase II implementation of the Study on Sustainable Management and Development of the Mekong River including Impacts by Mainstream Hydropower Projects
- Implementation of MRC Procedures and the Joint Platform's work including the update on Development of Joint Action Plan (JAP) for implementation of the Joint Statement on the Prior Consultation Process for the Pak Beng Hydropower Project
- Mid-Year Report on AWP 2017
- Activity's implementation under the Office of CEO
- Activity's implementation under the Administration Division
- Activity's implementation under the Planning Division
- Activity's implementation under the Environmental Management Division
- Activity's implementation under the Technical Support Division
- Hydrological Conditions of Lower Mekong Basin
- Information on the Date and Venue of the Twenty-Fourth Meeting of the MRC Council

2. On 21 August 2017, the JC held a Private Meeting and a Preparatory Meeting to discuss issues of mutual concern and benefits prior to the Meeting.

B. Opening Address by the Chairperson of the Joint Committee for 2017

3. The Chairperson of the MRC Joint Committee (JC) for 2017 warmly welcome all the Delegates to the 46th Meeting of the MRC Joint Committee in Vientiane. Alerting the Meeting of the updates on both the implementation of the MRC Ho Chi Minh City Declaration and the progress made since the 44th Meeting of the MRC Joint Committee (JC), the Chairperson briefed the Meeting on each of the agenda items tabled for the discussions for today. The Chairperson also reminded the Meeting of the review and adoption of the Minutes of the Meeting as well as the annual Dialogue Meeting with the MRC's Dialogue Partners - China and Myanmar. The Chairperson declared the Meeting open, hoping deliberations of the important matters tabled for this gathering would bring about more sustainable outcomes.

C. Matters for Information

C.1 Implementation of the MRC Ho Chi Minh City Declaration and progress since the 44th Meeting of the MRC Joint Committee by the Chief Executive Officer of the MRC Secretariat

4. Seeking the JC's permission to report on both the progress on the Ho Chi Minh City Declaration and CEO's Progress Report together, the CEO started with the progress on each of the six areas of work of the MRC as decided by the Second MRC Summit held in Ho Chi Minch City , Viet Nam, followed by a number of key development and progresses made by the Secretariat including 1) decentralisation Roadmap implementation and reform; 2) financial reform including new Financial Management Information System with new accounting software and its revision of financial manuals ; 3) HR and staffing reform including the revision of Human Resource Management manual, staff recruitment and development of performance evaluation with the support of new hardware and software and its retreat; and 4) cooperation and partnership with a number of partners including its traditional Dialogue Partners – China & Myanmar – as well as ASEAN and the Mississippi River Commission. Some new MOUs with new partners have also been reported such as Morocco, SEAFDEC and Korea Development Institute.

5. The Meeting took note with appreciation of the progress on both the Implementation of the Ho Chi Minh City Declaration and progress since the 44th JC Meeting as reported by the Secretariat.

C.3 Implementation of the IWRM-based Basin Development Strategy 2016-2020

6. Providing some background on the BDS and National Indicative Plans and its five Joint Projects, the Secretariat stressed that the projects will involve strategic assessment and then cooperation in laying out a strategy and plan for investment in the sustainable development and management of those areas of the basin. A Promotional Report of the Identified Joint Projects was also prepared to describe the five joint projects to which Project Information Note (PINs) have been annexed. The promotional report will be used to promote the joint projects for funding and implementation support among Development Partners. At the 45th MRC Joint Committee (JC) meeting on 26-27 April 2017 in Luang Prabang, the MRC JC members recommended the MRC Secretariat to submit the Promotional Report to be approved by the MRC JC rather than by the MRC Council. And now approval has been obtained from all the MCs. The MRCS will support the MCs to establish a national working group in each country to support the coordination and negotiation between the countries sharing the joint projects. The MRCS has prepared and circulated the draft Terms of Reference (TOR) of the National Working Group to the MCs for comments, and will support the MCs in fund mobilization as well as integrating the NIP M&E into the common MRC SP & NIP M&E framework.

7. The Meeting took note of the progress reported by the Secretariat and requested the Secretariat to start their fund raising with the Development Partners for the joint projects.

C.2 Cooperation with Dialogue Partners, Development Partners and other partners

8. For this agenda item, the Secretariat reported on funding status with MRC Development Partners (DPs) for 2016-2020. Out of USD 65 million needed for implementation of the Strategic Plan 2016-2020, MRC has managed to secure 92% (~60 million) with 19% (USD 12.5 million) as contribution from the MCs, 20% (USD 12.9 million) as earmarked fund, and 51% (USD 33 million) as commitment from MRC DPs. With EU's pledge signed, the funding gap for MRC Strategic Plan 2016-2020 will be around USD 5 million. For the partnership with the Dialogue Partners, a white paper for the cooperation with Myanmar is being revised and will be submitted for consideration by the Joint Committee for the 24th Council Meeting. MRCS has also participated in the Inception Workshop of the Myanmar Ayeyarwady State of Basin Assessment in June 2017 to share MRC's state of basin monitoring and reporting experiences. Some technical activities with China have been conducted including 1) technical visit to Cambodia and Thailand by the Ministry of Water Resources, Nanjing Hydraulic Research Institute and the Bureau of Hydrology for Yunnan Province, 2) A concept note on Third Joint Symposium with China planned to be held in October in China has been prepared and is under consultation with China, and 3) Joint Research on Hydrological impacts of the Lancang hydropower cascade on downstream floods and droughts. Partnership and cooperation have also been strengthened with ASEAN, Lancang-Mekong Cooperation (LMC) mechanism, Mississippi River Commission (MiRC), Murray-Darling Basin Authority (MDBA) and Korean Development Institute (KDI). A number

of new MOUs have also been signed with Morocco and Southeast Asia Fisheries Development Centre (SEAFDEC). The Secretariat proposed for to prepare MOU with LMC and for MRCS to be an observer of the LMC Joint Working Group on water resources.

9. The Meeting took note of the cooperation progress with various partners. The JC Members also took note of the proposal for MRC to have MOU with Lancang Mekong Water Resources Cooperation Center, with Cambodia and Viet Nam expressing support and others to do further consultation internally. The JC members would consult further with relevant national agencies especially foreign affairs regarding the proposal for MRCS to be the observer of the LMC Joint Working Group on water resources.

D. Matters for Consideration

D.1 Phase II implementation of the Study on Sustainable Management and Development of the Mekong River including Impacts by Mainstream Hydropower Projects

10. Providing the Meeting with some background information, overall and specific progress as well as challenges of the Council Study (CS), the Secretariat emphasized a few main challenges including insufficiency of available data and information to support the impact assessment of different thematic and discipline teams in the face of time constraints and insufficient resources and time to provide intensive capacity building and knowledge transfer for the MCs as stated in the implementation plan. While the data issue could be overcome, the capacity building and knowledge transfer are critical for the post-CS for the MRC. Thus, a proposal for the CS's Capacity Building and Follow Up Plan has been made for the consideration of the Joint Committee. The proposal includes 1) synergy and improvement of the uncertainties under current CS implementation, 2) specific objectives for both the CS report and benefits for the Member Countries, 3) a number of key tasks to implement this follow up plan, and 4) Proposed Implementation and Budget plan.

11. The Meeting took note of the progress on the implementation of the Phase 2 CS and suggested the Secretariat to expedite the submission of the draft of the final reports and produce a clear, and detailed capacity building and knowledge transfer plan for the Member Countries consideration.

D.2 Implementation of MRC Procedures and the Joint Platform's work including the update on Development of Joint Action Plan (JAP) for the implementation of the Joint Statement on the Prior Consultation Process for the Pak Beng Hydropower Project

12. Providing update on each of the MRC Procedures, the Secretariat noted following the guidance provided by the 3rd MRC Joint Platform meeting, it has shared a revised PNPCA Commentary concept note including approach, timeline, roadmap, and resources needed with the MCs. A draft PNPCA Commentary was developed to supplement the current Guidelines on the Implementation of the PNPCA by clarifying key provisions and procedural aspects of the PNPCA in the context of the 1995 Mekong Agreement, other MRC procedures and guidelines as well as the PNPCA process itself. The Secretariat emphasized since the Planning Division had to face many urgent commitments such as the PNPCA Prior Consultation process for the Pak Beng hydropower project, the bi-annual meeting of the Joint Platform scheduled in May 2017 could not be organized. However, the MRCS is committed to holding the annual Joint Platform Meeting on 4th October 2017 for the members of the Joint Platform to review its revised TOR, listen to the annual progress of the Procedures implementation, especially the lessons learnt from the PNPCA PC implementation for the Pak Beng hydropower project, discuss and provide guidance on the draft final JAP before its submission to JC for approval, deliberate and comment on the 2nd draft of Commentary Note on PNPCA if it is ready for discussion.

13. The Meeting took note of the progress made on the implementation of the Procedures, and the process for the finalisation of the Joint Action Plan before its submission to the JC for endorsement in its preparatory meeting prior to 24th Council Meeting.

D.3 Mid-Year Report on AWP 2017

14. For this agenda item, the Secretariat reported on the progress of key activities implementation of the Annual Work Plan (AWP) 2017 and its financial status of the Basket Fund (BF) and Earmarked Fund (EF) under each output of the MRC Strategic Plan for the period of Jan-June 2017. The AWP 2017 plans to implement 94 activities and associated 324 tasks under 35 outputs, along with its associated budgets of approximately 17.6 million (BF: 10 million and EF: 7.1). There is a need to disburse 82% (\$14 million) of the total budget from June to December 2017. Activities and outputs under the five outcomes have been reported. As for the financial status, original Annual Work Plan 2017 budget, including carried over from 2016, is US\$ 20,836,921 (US\$ 10,511,588 for Basket Fund, US\$9,910,634 for Earmarked Fund and \$414,699 of ARF for one office consolidation). The revised budget for the Annual Work Plan 2017 recently agreed by the Budget Committee is US\$17,605,015. From Jan-July 2017, total income was US\$ 7,239,157 (US\$ 5,868,240 for the BF and US\$ 1,370,917 for the EF). And total expenditure of the same period is US\$ 5,990,392 (BF: US\$ 3,225,055 and EF: US\$ 2,562,269, and ARF: US\$ 203,067). Overall key challenges and necessary actions were also reported.

15. The Meeting took note of the progress on the activities implementation of the AWP 2017 and urged the Secretariat to expedite the implementation of the remaining activities.

D.4 Activity's implementation under the Office of CEO

16. The Secretariat reported on the functions of the OCEO including cross-cutting guidance and support to the four divisions of the MRCS in implementing the MRC Strategic Plan and lead in a number of activities including 1) Strategic planning (MRC SP) and annual work planning (AWP), 2) Monitoring and Evaluation (M&E), 3) Organizational initiatives and reforms, including decentralization, 4) Stakeholder engagement, communication and outreach, 5) Stakeholder engagement, communication and outreach, 6) Partnership Development Partners, Dialogue Partners, others, and 6) Gender mainstreaming.

17. The Meeting took note of the progress on the implementation of the activities under OCEO and asked the Secretariat to address requests by the Member Countries.

D.5 Activity's implementation under the Administration Division

18. For this agenda item, the Secretariat reported on Administration Division main functions including the oversight of MRCS offices management, organization of all governance meetings (Council, JC, BC, TF...,etc), revision and provision of Rules of Procedures (ROPs) support, maintenance and development of Information Technology, financial management, Procurement bidding & contracts, Human Resources management (Recruitment, payroll, conflict resolution, performance) and Human resources development (MRCS & NMCS staff capacity building & professional development).

19. The Meeting took note of the progress on the activities implementation under the AD. The Meeting also endorsed the CoC and FPAC and agreed that only one TOR of the working group for revision of the MRC Manuals should be prepared by the Secretariat and that the number of members of the working group should be flexible given the different topics to be discussed with the Secretariat.

D.6 Activity's implementation under the Planning Division

20. The Secretariat provided update progress and achievements on the implementation of all sectors and activities under of the Planning Division (PD) under four functions. They are (1) CRBMF 2: Basin-wide Assessment; (2) CRBMF 3: Basin and Sector Planning; (3) CRBMF 5: MRC Procedure Implementation Coordination; and (4) Stakeholder Engagement in Basin Planning Process. Furthermore, there are 5 sectors/areas that PD must cover including Agriculture and Irrigation, Basin Development Plan (BDP), Climate Change and Adaptation Initiative (CCAI), Initiative on Sustainable Hydropower (ISH), Mekong Integrated Water Resource Management Project (M-IWRMP), Socio-economics and Stakeholder Engagement. To undertake the said functions and responsibility the PD has 9 fixed-term staff and 5 service contract staff.

21. The Meeting took note of the progress on the activities implementation under the PD and suggested the Secretariat address comments and suggestions by the Member Countries accordingly.

D.7 Activity's implementation under the Environmental Management Division

22. For this agenda, the Secretariat reported a number of activities under the responsibility of the Division including the following: 1) Development of the Technical Guidelines for Transboundary Environment Assessment (TbEIA TGs); 2) Preparation of the 2018 State of Basin Report (SOBR 2018); 3) Update of the MRC Indicator Framework (MRC-IF); 4) Facilitation of the process of endorsement and approval of the Basin-wide Fisheries Management and Development Strategy (BFMS) and preparation of the project-based action plan for implementation of the Strategy; 5) Development of the Strategy for Basin-wide Environmental Management for Prioritized Environment Assets (BEMS); 6) Implementation of the Wetland Management and Conservation Project for the Lower Mekong Basin (Wetland project); 7) Conducting the environmental monitoring activities; and 8) Development of the joint monitoring programme for the mainstream hydropower projects.

23. The Meeting took note of the progress on the activities implementation under the ED and requested the Secretariat to address the above concerns and requests by the Member Countries.

D.8 Activity's implementation under the Technical Support Division

24. The Secretariat reported on the 3 functions under the Division's responsibility: (1) CRBMF 1: Data acquisition, exchange and monitoring; (2) CRBMF 2: Analysis, modelling and assessment; (3) CRBMF 4: Forecasting, warning and emergency response. In addition to these 3 functions, the TD has been implementing the following areas of works including Water Monitoring, Regional Database, Modelling & Tools, Forecasting & Early Warning for Flood and Drought and Navigation Operation. The TD also handles the Initial Studies Project, and has provided support for other divisions such as the MRC Council Study, the MRC Procedures implementation including the PNPCA for Pak Beng, PMFM and others.

25. The Meeting took note of the progress on the activities implementation under the TD and requested the TD to expedite its activities implementation including its HYCOS expansion and installation of the Hydromet stations.

D.9 Hydrological Conditions of Lower Mekong Basin

26. As part of the Hydrological Conditions of the LMB, the Secretariat reported that rain started as early as April-May with its rainfall amount twice the average of 2008-2014. Rainfall in July was about 60% higher than the average. Tropical Storm of Sonca hit the Mekong Region on 25-26 July 2017, causing a major flood in affected areas. Additionally, flows upstream of Vientiane were higher than the average for April-May 2017 and plunged below average for June-July 2017. Flows downstream of Vientiane were mostly above the average. Reversed flows to the Tonle Sap Lake of 2017 started earlier on 9 May 2017 and broke the historical records of 1997-2014 (15 May 1999). A total accumulated volume of 21.91 billion m³ was estimated with the reversed flow period of 84 days. The Secretariat also presented for the Meeting's consideration and discussions a synergy between the Hydrological Condition Report, Annual PMFM and Flood/Drought Reports.

27. The Meeting took note of the information on the Hydrological Conditions reported by the Secretariat and requested the Secretariat to improve the reliability and accuracy of the flash flood guidance information and the report on the Hydrological Conditions of the Lower Mekong Basin.

E. Other business

E.1 Information on the Date and Venue of the Twenty-Fourth Meeting of the MRC Council

28. The Secretariat reported to the Meeting on its consultations with the Member Countries and the agreement obtained thereby regarding the date and venue of the 24th Meeting of the MRC Council. The 24th MRC Council will be held from 29 to 30 November 2017 (28 is for the JC Preparatory Meeting) in Thailand.