

**SUMMARY OF
MINUTES OF THE TWENTY-THIRD MEETING OF
THE MRC COUNCIL
(SESSION 1)**

**MEKONG RIVER COMMISSION
23 November 2016 in Pakse, Lao PDR**

GENERAL

1. The MRC Council held its Twenty-third Meeting (hereinafter referred to as “The Meeting”) on 23 November 2016 in Pakse, Lao PDR. The proposed agendas covered the following items:

- Progress on the strengthening of cooperation between MRC and Dialogue Partners, Development Partners and regional initiatives
- Progress on the implementation of the updated Basin Development Strategy for 2016-2020, including the finalisation and promotion of the National Indicative Plans 2016-2020
- Progress on the implementation of AWP 2016 and consideration for approval of AWP 2017
- Progress on preparations for one office location of the MRCS and for operations of the MRC Regional Flood Management and Mitigation Centre

2. Session 1 of the Meeting was followed by a Session of the MRC Council with the Development Partners Consultative Group on the same date, 23 November 2016, at which other strategic matters were discussed. A separate Draft Minutes will be prepared for Session 2, the Joint Meeting with the MRC Development Partners Consultative Group. On 22 November 2016, Members of the MRC JC held a Preparatory Meeting to review the draft agenda and discuss issues of mutual concern prior to the Twenty-third Meeting of the MRC Council on 23 November 2016. On the morning of 23 November 2016, the Council held a Private Session to discuss matters of mutual interest prior to the plenary session.

A. STATEMENT OF THE CHAIRPERSON OF THE MRC COUNCIL FOR 2015

3. **H.E. Mr. Bun Hean**, Secretary of State of the Ministry of Water Resources and Meteorology, Permanent Vice-Chairperson of Cambodia National Mekong Committee, Alternate Member of the MRC Council for Cambodia, on behalf of **H.E. Mr. Lim Kean Hor**, Chairperson of the MRC Council for 2015, welcome all the distinguished Delegates from the Member Countries, to the Twenty-third Council Meeting. On behalf of the outgoing Chairperson, H.E. Mr. Bun Hean expressed sincere thanks to all the MRC Council Members for their full support and cooperation extended to Cambodia, leading to the successful completion of his tenure of the Chairperson of the MRC Council for 2015. He recalled the recent watershed events of the two MRC Summits and the historic achievements of the MRC, recent 20th Anniversary of the MRC as well as the strong bond of cooperation amongst all concerned stakeholders. The outgoing Chairperson then moved to brief the Meeting on some remarkable achievements during his tenure and reminded the Meeting of some challenges lying ahead that need the Council’s joint attention and dedication. Before closing, the Minister expressed his thanks and gratitude to the kind support from our Member Countries, Dialogue Partners and Development Partners, and expressed his high hope for equitable outcomes based on the sustained spirit of cooperation.

B. WELCOME ADDRESS BY THE CHAIRPERSON OF THE MRC COUNCIL FOR 2016

4. Addressing the presence of the distinguished delegates from all the Member Countries, **H.E. Mr. Sommad Pholsena**, the incoming Chairperson of the MRC Council for 2016 (The Chairperson) delivered his welcome address, expressing his profound thanks and deep appreciation to H.E. Mr. Lim Kean Hor, the outgoing Chairperson of the MRC Council for 2015, for the paramount achievements he has made over the past year, and resolved to increase the momentum of both past and current commitment in his capacity to achieve the common goal as stated in the Hua Hin Declaration and reaffirmed by the Ho Chi Minh City Declaration. The Chairperson then moved to provide a snapshot of all the important agenda items put forward for the Meeting in both Session 1 for the MRC Delegation and Session 2 for the Joint Meeting with the 21st DCG, requiring the Council's careful deliberation and guidance to bring a number of pending issues to their finalisation, implementation and approval. As a conclusion, the Chairperson invited all the participants for their active discussions and meaningful engagement and thanked the Secretariat for their efforts in organising the Meeting and declared the Meeting open.

C. ADOPTION OF THE AGENDA

5. The Chairperson sought comments and suggestions from the floor on the agenda for today's Meeting. The Agenda was adopted as proposed (Appendix No.1.1: Agenda).

D. MATTERS FOR INFORMATION

D.1 Progress on the strengthening of cooperation between MRC and Dialogue Partners, Development Partners and regional initiatives

6. The Secretariat presented progress on the cooperation with China and Myanmar. For China, there is ongoing cooperation on information sharing from China during the flood season; and a Joint Research on Hydrological Impacts of the Lancang Hydropower Cascade on Downstream Floods and Droughts, a Joint Assessment on Selected Events, proposed to be conducted among three parties with shared costs: The MRC Secretariat, International Water Management Institute (IWMI) and Institute of Water Resources and Hydropower Research of China (IWHR). The draft proposal of the Joint Research will be jointly finalised and circulated to the Member Countries for comments. Second, China decided to implement the emergency water supplement to Mekong River on 15 March 2016 in face of the severe droughts in the Mekong Basin. To jointly learn and evaluate the effects of this water supplement, China and MRC conducted the joint observation and evaluation of the emergency water supplement and produced a detailed technical report which was released to the public. In early July 2016, the MRCS CEO conducted a visit to Beijing to meet with Chinese counterparts, including MWR and MOFA, to discuss a number of issues on the cooperation with China and to prepare for the deliberation of issues for the 20th Dialogue Meeting on 29 July 2016. For Myanmar, dialogue and exchange of views had been maintained. A strategic paper on engagement with Myanmar will be prepared.

7. On Cooperation with DPs and Regional Initiatives, MRC Development Partners have maintained their continued support and commitments in supporting MRC's work during 2016-2020. These include Australia, Belgium, EU, France, Germany, Japan, Luxembourg, Sweden, Switzerland and World Bank. Netherlands expressed its intention to support and come back as active DP to MRC for the period of 2016-2020. Since the 22nd Meeting of the MRC Council in January 2016, five new funding agreements have been concluded with the Governments of Germany, Belgium, Luxembourg and Switzerland which amounts to USD 13.2 million. The latest funding is from Sweden which is worth of 5.3 million dollars, and will be signed today. The MRC Secretariat has continued to maintain and improve partnerships with other international River Basin Organizations through various mechanisms including the organization of and participation in workshops, seminars, technical forums, secondment of experts and exchange of staff, technical and reciprocal visits. The Secretariat has re-

activated its dialogue with ASEAN to renew the cooperation with this regional framework. According to ASEAN ROP, MRC (through JC Chair) will officially write to chair of ASEAN sectoral body (ASEAN Senior Officials on Environment (ASOEN), copying chair of ASEAN Working Group on Water Resource Management (AWGWRM) about the need for a new MRC-ASEAN MOU. The Secretariat has also maintained its relationship with the Mississippi River Commission (MiRC) through dialogue and meetings with high-level representatives from both sides. With regard to the Mekong-Lancang Cooperation mechanism, the Secretariat sought guidance on potential cooperation between MRC and Mekong-Lancang Cooperation, noting that the NMCs (through Chair of JC) can brief JC plenary meetings on Mekong-Lancang Cooperation Mechanism engagement relating to water resources, MRCS to technically support NMCs in their participation in WG on water resources (e.g. with preparation, presentation, etc), MRCS to review projects related to water resources in the Mekong (incl. early harvest projects) to ensure their “alignment” with MRC strategies, guidelines, etc and provide technical support, and work further on future collaboration between future Water Resources Cooperation Center and MRCS.

8. The Meeting took note of the progress report by the Secretariat.

D.2 Progress on the implementation of the updated Basin Development Strategy for 2016-2020, including the finalisation and promotion of the National Indicative Plans 2016-2020

9. The Secretariat reported to the Meeting on the 2016-2020 IWRM-based Basin Development Strategy (BDS) the MRC Council approved at its 22nd Meeting in January 2016 and the MRC Strategic Plan (SP) 2016-2020, through which the MRC implements its BDS. The MRC SP is being implemented annually through the MRC Annual Work Plan. The NIPs implement the BDS at the national levels and contribute to the MRC SP outcomes. As of now, all four NIPs have been finalised and distributed. A Regional Meeting on the dissemination of the NIPs was conducted on 1 September 2016, where each country had a chance to present their plan to the Development Partners (DPs). The meeting suggested some national activities be reconsidered or combined and that decentralized activities need to have firm funding commitments and allocations by each country. Some DPs bilaterally are interested in supporting the funding gaps in implementing decentralized activities of Cambodia and Lao PDR. Further development of the joint projects and how they are linked to existing and new projects supported by other partners have received the most attention. The NIPs for 2016-2020 have collectively identified 5 joint projects, on which the MCs agreed to work together. A regional meeting on the NIP joint projects was conducted on 10-11 October 2016 to discuss issues each project will address, project components (including activities), implementation arrangements, work plan, budget, and M&E framework. Next steps will also be laid out including working with partners and fund raising. The Secretariat will further support the MCs in fund mobilization as well as integrating the NIP M&E into the common MRC SP & NIP M&E framework.

10. The Meeting took note with appreciation of the progress on the Basin Development Strategy made by the Secretariat.

D.3 Progress on the implementation of AWP 2016 and consideration for approval of AWP 2017

11. In presenting this agenda, the Secretariat briefed the Meeting on background since 22nd Council Meeting in January 2016 where the AWP 2016 was approved and other subsequent funding situation. Due to challenges of a transition year (2016), as well as financial and some technical constraints, the progress on the AWP 2016 was slower than expected, with only 28% of outputs on track (based on planned milestones deadline). For the AWP 2017, the Secretariat provided the detailed participatory process to prepare the Annual Work Plan 2017 as well as how the comments from the latest round of consultation at the Budget Committee on 18th November 2016 and preparatory meeting of the JC for the Council were addressed. The Secretariat also presented a summary of the seven outcomes,

outputs and activities to be conducted in 2017 with corresponding Basket Fund and Earmarked Fund. The Basket Fund availability for 2017 is \$10,712,463, consisting of \$2,115,875 (expected cash balance by end of 2016), \$7,346,588 (committed fund transfer), and \$1,250,000 (ARF borrowing). Costs for operations are about \$5,061,184, while activities are about \$3,569,566, for a total of \$8,630,750. Overall EMF availability for 2017: \$7.7 million and the total EMF planned budget for activities: \$6.5 Million.

12. Three countries approved the AWP 2017, while Thailand approved it ad-referendum.

E. Matter for Consideration

E.1 Progress on preparations for one office location of the MRCS and for operations of the MRC Regional Flood Management and Mitigation Centre

13. The Secretariat briefed the Meeting on the background of the agreement reached by the Prime Ministers of Cambodia and Lao PDR resulting in a decision to relocate the Office of the MRC Secretariat in Phnom Penh to Vientiane and for the MRC's Regional Flood Management and Mitigation Centre (RFMMC) to remain in Phnom Penh, Cambodia. This agreement has also received full support from Thailand and Viet Nam. Instructed by the MRC Joint Committee at its special session on 4 October 2016, the Secretariat has prepared a revised structure of the MRCS and RFMMC and a detailed relocation roadmap. Based on the MRCS new structure, there are 32 fixed-term staff under OCEO and three divisions (AD, ED and TD), including 2 regional consultants currently working in OSP. In total, 16 professional staff and 2 consultants under OCEO, AD, ED and TD need to move from OSP to OSV. With the current unavailable funding allocation for the RFMMC, the Secretariat proposed a two-step approach: 1) Consolidated MRCS with current RFMMC and 2) Expansion of RFMMC in Future. For the step 1, the consolidated MRCS will have 63 full-time fixed-term staff (3 less than the previous 66 with two Secretariat Offices), 55 in Vientiane and 8 in the MRCS RFMMC in Phnom Penh. Operating under TD, the RFMMC will be led temporarily by the river flood forecasting specialist as OIC of the Centre, to report to TD Director. For the step 2, the expansion of the centre in the future is possible and planned where routine forecasting and warning – the CRBMF of the MRCS, will be sustained through basket funding. While separated from TD and led by a head who will report directly to the CEO, the center is still part of the MRCS. With regards to the detailed roadmap of relocation, for the sake of cost saving and minimizing the impacts on the MRC activities, the Secretariat proposed the relocation process proceed immediately after the 23rd MRC Council Meeting. The Secretariat sought approval of the revised structure of the MRCS including RFMMC, the step-wise approach on RFMMC structure, and the relocation roadmap.

14. The Meeting approved the revised structure of the MRCS including the RFMMC, the step-wise approach on RFMMC structure as well as the relocation roadmap.