

**Constitutive Meeting
of the Network of Transboundary Basin Organizations
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**Paper submitted by
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Ladies and Gentlemen,
Distinguished Delegates;

I am grateful for the invitation from the Permanent Technical Secretary, International Network of Basin Organizations for allowing me to present an overview of Mekong River Commission (MRC).

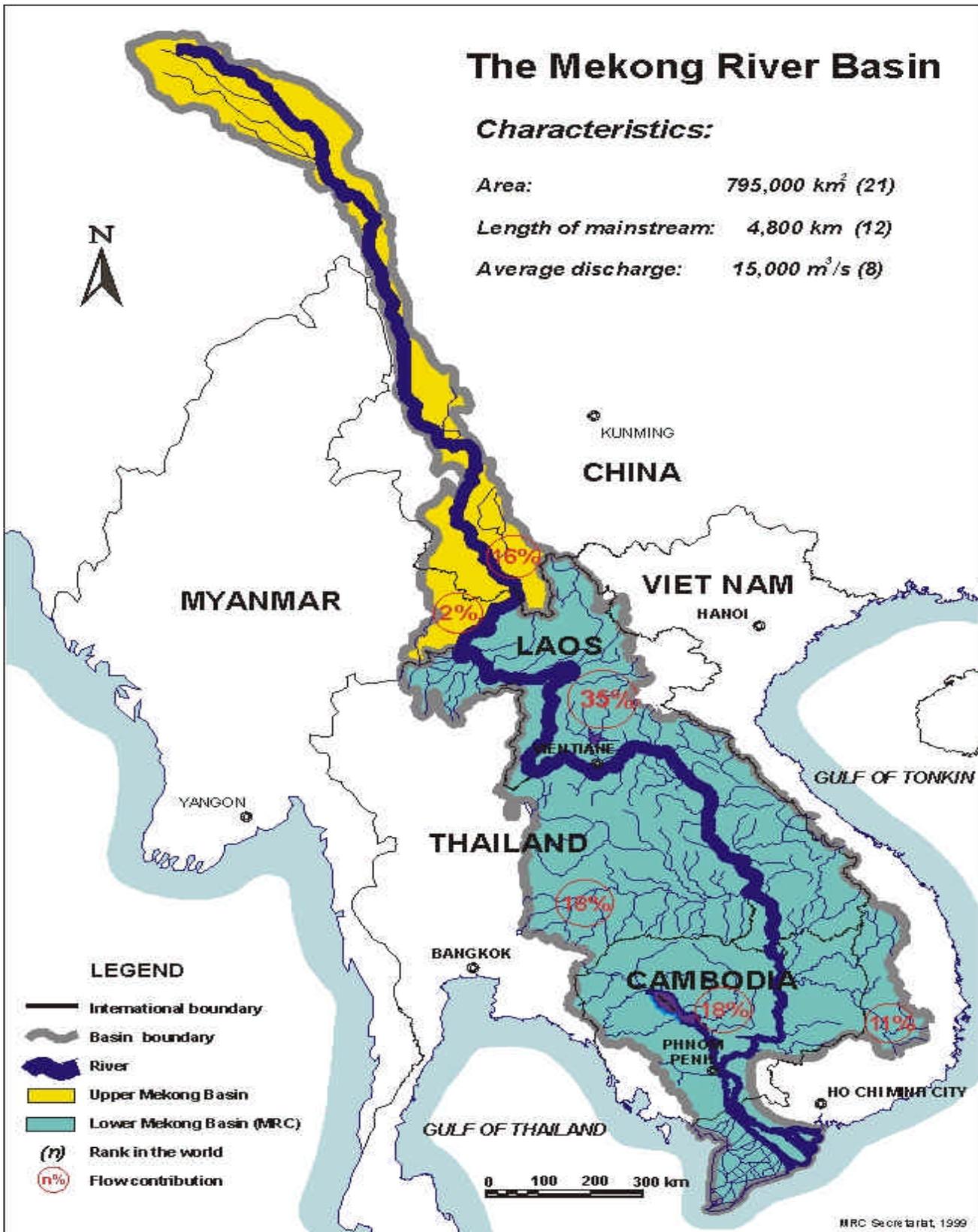
The Mekong River Commission (MRC) is an inter-governmental organization whose charter is based on a pledge to ensure the sustainable development of the Mekong River Basin. It is driven by knowledge of the abundant resources within the Basin, the expectation of its people for improved livelihoods, and the need for access to natural resources so that they can feed their families and provide livelihoods for themselves. At a national level, there is a strong demand for improved infrastructure and for socio-economic growth that will bring prosperity to a developing region. These are indeed the imperatives behind the mandate of the MRC, and they require a strategic, long term and sustainable approach to development.

As the longest river in Southeast Asia, the Mekong flows for approximately 4,800 km from its source on the Northeast rim of the Tibetan Plateau, in China, along and the borders of or through Myanmar and Lao PDR, Thailand, Cambodia, and into Viet Nam's delta, where it empties into the South China Sea. The Mekong River Basin's catchment area is approximately 795,000 km² (which makes it the 21st largest river basin in the world). Total runoff annually is 475,000 million cubic meters (which makes it the world's 8th largest river).

The Mekong Basin supports one of the most productive and diverse freshwater eco-systems in the world. For centuries, the river has played an important role in the economic and cultural life of the people living in and depending on the rich natural assets of the Mekong Basin.

The Lower Basin, encompassing Cambodia, Lao PDR, Thailand and Viet Nam, is home to almost **55 million people**. Over the past 30 years, the population of the Lower Mekong Basin has doubled. By 2025, the population is expected to reach more than 100 million. Three quarters of the Basin's people earn their living from agriculture and fishing – occupations that account for 50 percent of the Lower Basin's Gross Domestic Product. Population pressure is worsening already-low living standards, threatening food security and exacerbating poverty. There is a great need for significant investments in agriculture, rural development, education, energy, transport and basic health to increase employment, reduce poverty and improve people's well-being.

Map of Mekong River Basin:



The history of Mekong river cooperation goes all the way back to 1957, with the establishment of the Committee for the Coordination of Investigations of the Lower Mekong Basin, or the Mekong Committee as it was called.

On the 5th of April 1995, Cambodia, the Lao PDR, Thailand and Viet Nam, signed the “Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin”. This agreement formed the Mekong River Commission (MRC) which replaced the Committee for Coordination of Investigation of the Lower Mekong Basin (the Mekong Committee) and the Interim Mekong Committee, which were established in 1957 and 1978; respectively. Although China and Myanmar are not members of MRC, they are dialogue partners and invited to attend sessions of MRC's Council and Joint Committee.

Development Opportunities and Challenges

The purpose of the 1995 Agreement is to develop the Mekong's waters in ways that are equitable and sustainable. Only through sound management will it be possible to ensure **long-term sustainability of the Mekong's resources and to improve the living standards** of the Basin's people. Key challenges facing the MRC include:

- **Poverty:** around 40% of the population in Cambodia, Lao PDR and Viet Nam have incomes which are below the **poverty** line, and the Thai population living within the Basin also lags far behind the rest of the country.
- **A rapidly growing population:** the population in the Lower Mekong Basin is growing rapidly, leading to ever-increasing demands for food and for livelihoods.
- **Development pressure:** With peace having finally come to the region after decades war and civil unrest, there is growing pressure to develop the Mekong's water and related resources. However developments that change the volume and timing of the river's flow, could destroy the Basin's fragile eco-system and threaten the livelihoods and food security of millions of people. Improper exploitation of forest resources and intensification of agriculture could also have adverse affects on the environment and people's livelihoods and their well-being. Protection of the environment may be hampered by a lack of institutional capacity to deal with environmental problems.
- **Agriculture** is the predominant economic sector in the Basin. In order to be able to feed the rapidly growing population, all four MRC countries have made agriculture a key element their development strategies. Because of the long dry season, expansion of irrigation is essential for long-term growth in the agriculture sector.
- **Inland fisheries** is vital for food security. The MRC estimates that the market value of the lower Mekong fisheries is US\$ 1.4-1.7 billion. Fish is the single most important source of animal protein for the people in the region. Together with rice, it forms the basis of food security.
- **River transport**, in many areas of the Basin, constitutes the only means of travel for many communities living along the banks of the Mekong River and its tributaries. In the Mekong Delta (Cambodia and Vietnam), maritime and in-land navigation provides significant revenues from international trade. Changes in the Mekong's flow and reduction of water levels through increasing sedimentation and construction of other permanent structures could adversely affect river transport. Co-operation and proper agreements between riparian countries are required to ensure that river traffic passing from one country to another can do so safely.
- The Basin has considerable potential for **hydropower** to meet the growing demand for electric power of industry as well as the millions of individuals who lack electricity.

However, the construction of large dams must be undertaken with care to ensure that other resources, such as fish stocks are not adversely affected nor are the communities living upstream or downstream of dams.

- Although **water quality** in the Mekong River is considered good, this could decline significantly with increasing industrialization, use of fertilizers and pesticides, urban waste disposal and sewage, intensified withdrawal of water for irrigation, soil erosion, and sea-water intrusion in the Mekong Delta. Maintaining good water quality is critical for agriculture and fisheries as well as for domestic and commercial use.
- **Flooding is another major concern in the Lower Mekong Basin.** Excessive flooding during the wet season can cause great economic and human loss in the Basin, as was witnessed during the disastrous floods in 2000 and 2001. However, floods are also important to replenish the wealth of the aquatic ecosystems. In years of extensive flooding, fish catches increase significantly.
- **Trans-boundary Issues:** Because the use of water and related resources in one country can have negative effects in other countries, **prevention and resolution of conflicts** arising from the development water and related resources is a key task of the MRC.

The Mekong River is one of the least spoiled and least developed of the world's great rivers and the potential for development is far from utilised. However, considerable challenge lies ahead if sustainable social and economic development is to be realised. These challenges, which are addressed by the MRC Work Programme, include:

- To manage greater pressure on water resources from a growing population's needs for clean and adequate water, food and energy supplies to support economic development, without causing serious damage to the environment and ecological system.
- To achieve reasonable sharing of available resources to satisfy the requirements of the riparian countries and its people.
- To ensure that funds are used effectively and that programmes are being implemented in co-ordination with other national, bilateral and international development efforts in the basin.

MRC Programmes:

MRC launched its programme approach in 2001 in order to direct all the Commission's energies towards achieving sustainable development. All activities became part of comprehensive programmes supporting basin-wide strategies. To support the programme approach, the structure of the MRC Secretariat was changed in June 2000. Instead of a sectoral focus, MRC Secretariat now has a structure based on cross-cutting functions required to plan and implement programmes and to carry out the core activities of the organisation. While sectoral programmes remain important in the short and medium term, in the longer term, however, the focus of the MRC will shift from project execution to basin-wide planning, monitoring and management of the Mekong River Basin. To achieve this the MRC is developing better capacity to cope with political, economic and social changes in the basin. It also establishes and maintains essential databases and information, and develops planning tools for to use in achieving the Mekong River Basin's Vision: "An economically prosperous, socially just and environmentally sound Mekong River Basin".

This vision exemplifies MRC's commitment to promoting, supporting and coordinating the development of the full potential of sustainable benefits to all riparian countries. A vision that builds around prevention of wasteful use of the basin's waters, consistent with the need to protect, prevent and enhance the environmental and aquatic conditions and maintenance of the ecological balance of the Mekong River Basin. We do this through a spirit of co-operation "The Mekong Spirit", through

a commitment to a transboundary approach to development, and through a commitment to information exchange, open dialogue and the neutral facilitation of complex issues, and potential areas of differences.

Criteria for Prioritising MRC Activities

All MRC Programme activities and components contribute toward the achievement of the MRC Strategic Plan. They should also, as far as possible, incorporate cross-cutting themes of environment, gender, poverty, employment and people-centred development generally.

In order to remain quite distinct from country-based programmes or projects, while being complementary to them, MRC initiatives should conform to the following criteria:

- promote the sharing and/or joint management of resources;
- be trans-boundary in nature;
- contribute to or promote regional institutions, norms and policies;
- foster research that cannot be adequately or effectively undertaken nationally;
- create or sustain networks or contacts among governmental or civil society organizations in MRC's member countries.

MRC actively seeks linkages to global and inter-regional initiatives as well as build on national programmes which reinforce the strategic direction of the MRC.

MRC's programmes and activities should help to develop capacity of line agencies, National Mekong Committees and MRC, and should draw, whenever possible, on region-based expertise. Programmes should help riparian countries to respond to the challenges generated by rapidly evolving development needs.

Brief Description of the Core, Sector and Support Programmes of MRC

1. Core Programme

Water Utilization Programme (WUP):

WUP commenced in early 2000 and is planned to run for 6 years. It will help establish permanent and functional mechanisms to support Mekong Basin water resources management consistent with the 1995 Agreement. Its aim is to achieve "reasonable and equitable" water use among member countries while maintaining the Basin's ecological integrity.

WUP, and its resultant water sharing arrangements, are specifically designed to facilitate agreed-upon means of conflict prevention and resolution among member countries. WUP covers planning, data collection, development of a decision-support framework and knowledge base, establishment of mechanism for water use monitoring, and maintenance of river flows and water quality.

Basin Development Plan (BDP):

Formulation of the Basin Development Plan (BDP) commenced in October 2001 and will run until late 2004. The output will be both a general planning tool, and an enduring, dynamic process, for use by MRC's Joint Committee to help identify and prioritise development programmes and

projects. These are to meet not only the sustainability and equitability requirements of the 1995 Agreement, but donor and lending institution's criteria for grants supports and investment.

BDP relies substantially on inputs from WUP, the Environment Programme and Sector Programmes, with regard to information and assessment tools concerning such issues as water quantity, water quality, and environment and socio-economic impacts. BDP aims to identify trans-boundary economic development activities that balance the peoples' development needs with the need for maintaining the long-term environmental integrity and ecological balance.

Environment Programme (EP):

The MRC Environment Programme aims to fulfil the provisions in the 1995 Mekong Agreement related to the protection of the environment and maintenance of the ecological balance of the basin. It also supports the other Core Programmes through provision of environmental data and development of tools for environmental planning and management. Assessment and monitoring of water quality and ecosystem health form an important basis for data provision. The Programme also aims to improve environmental policy and management by providing advice to and promoting cooperation among environmental agencies. Through compilation of existing knowledge and facilitation of research activities it also promotes a better understanding of the environmental and ecological aspects of the Basin

2. Support Programme:

Capacity Building Programme (CBP):

The MRC has tackled the capacity issue by development of a comprehensive capacity building programme which aims to build capacity at all levels, increase involvement in consultative and decision making processes of development, and build capacity within National Mekong Committees, the national line agencies and the MRC Secretariat, so that they can effectively plan, coordinate and implement the programmes of MRC.

This Integrated Programme is to ensure availability of sufficient expertise in river basin management and the required level of communication and stakeholder participation in MRC activities. The level of competence in river basin management among MRC staff and staff in the riparian governments is to be raised through systematic, modular training programmes. The future pool of expertise in the region is to be expanded through on-the-job training of young professionals at the MRC Secretariat.

Through a twinning arrangement between MRC and the Murray-Darling Basin Commission in Australia, it is intended to enhance MRC's capacity to undertake integrated water resources management, through data gathering and management, water resources modelling, basin planning, development of water sharing guidelines, and building community awareness and strengthening at a strategic level.

A commitment to training and developing the young professionals within the region in specific areas of technical expertise as well as management and negotiation is an important aspect of a long term and sustainable development. The Junior Riparian Professional (JRP) Programme similar to the UN based Junior Professional Officer Programme (JPO), was established to provide opportunities for young professionals of the Mekong riparian countries to acquire hands-on experience in international

river basin management. The programme is designed to promote the development and replication of core basin management abilities and to strengthen regional networking for the effective cooperation of the Mekong Basin Region.

Sector Programme:

Fisheries Programme – The programme development objective is *"Coordinated and sustainable management, use and development of the economic and nutritional potential of the inland living aquatic resources in the Mekong River Basin, in order to enhance the livelihoods of primarily the low income resource users in a manner that also promotes gender equity"*. Information produced within the Programme is incorporated into national and regional management and development plans, with a view to increasing fisheries productivity and maintaining a healthy ecosystem.

Agriculture, Irrigation and Forestry Programme - Based on a catchment approach, the MRC Agriculture, Irrigation and Forestry Programme (2001 – 2005) focuses on activities to promote the sustainability and further development of food production from the land and water resources of the Basin where cooperation between member countries is required for success. The overall programme development objective is to achieve “sustainable development and utilisation of land and water resources to the benefit of the basin community, and to contribute to poverty alleviation and food security”. The programme will be undertaken using a collaborative learning approach to effect change in resource use.

Water Resources Management Programme – This Programme aims to *“promote sustainable development of the Mekong River Basin's water resources for social and economic development for the benefit of the basin's inhabitants”*. This is to be achieved through hydropower development, flood management and mitigation, and a hydro-meteorological network for the collection and analysis of information. A basinwide-approach through regional management of the Mekong floods will be primordial for the benefit of the people in the flood-prone areas. Preparing the people for coming floods and issuing warnings for alarming water levels will be part of the operational services of the MRC. An integrated information system providing information on water resources and hydrological status will also support the WUP. Best options in the Lower Mekong Basin for sustainable development in the hydropower sector will be identified, based on the MRC Hydropower Development Strategy.

Navigation Programme – This Programme aims to *“promote freedom of navigation on the Mekong River system”*. At a national level, the programme aims at improving the access facilities to the remote communities along the Mekong River and tributaries to enable the integration of the rural and local communities to be part of the national economic market and provide mobility to reach essential services such as schools and hospitals. This will contribute to poverty reduction by reducing vulnerability, opening new economic opportunities, creating new employment, enhancing democratic process, developing skills, and facilitating and improving the delivery of rural services. Simultaneously, changes in river morphology and study of its impacts will be dealt with under this Programme. It will promote the natural navigation potential whilst preserving the ecological balance.

MRC and other Players: Participation and Accountability

The MRC has always accorded high importance to international cooperation. Traditionally, resources from international donors have constituted the largest part of the operational and

programme budget. It is expected to remain so in the short and medium term, but in the longer term the MRC administrative costs is to be funded mainly through contributions from the member countries. The regular formal and informal donor consultative group meetings make the MRC's coordination in the all programme circle with the donors effective and useful.

One important pillar of the "new MRC" has been to open up and embrace public participation. MRC carries out all its planning exercises through broad, participatory processes. The MRC Strategic Plan as well as each of the core and sector programmes have all been developed through extensive consultations with the National Mekong Committees, concerned national agencies, as well as external partners and organizations representing the basin community. While costly and time-consuming, this process has proved invaluable in creating the necessary agreement on priorities and ownership of the programmes at all levels of national governments.

As the delivery of new programmes accelerates and the next generation of plans are developed, public participation is becoming an integrated part of the MRC planning and implementation process. Important preliminary steps have been taken, including the development of a set of principles for public participation in MRC programmes in 1999.

A first-ever MRC-NGO conference was held in 2002, followed by an invitation to NGOs to suggest a suitable role for them in an MRC-NGO partnership. In the future, the organizations, which have established partnership agreements with the MRC, would be also invited to observe the MRC Joint Committee and the Council meetings. A detailed assessment has been carried out as a first step in developing a comprehensive MRC public participation strategy. A good example of MRC's approach to public participation can be found in the MRC's Flood Management and Mitigation (FMM) Strategy and the formulation of its implementation plan, that are formulated through extensive consultation with all concerned stakeholders. MRC also identifies the need for long-term partnership with international, regional, national and civil society organizations, if FMM is to be sustainable and effective activities.

MRC has become much more open and willing to share information about its plans, activities, and its relevant river basin data and knowledge base, taking the basic stance that openness is to everyone's advantage. MRC is in this way contributing to a marked change in attitude to information sharing among the basin countries and other stakeholders.

MRC has established Agreements with a number of international partners, including the Murray-Darling Basin Commission (1997), Asian Institute of Technology, and ADB (2000), World Meteorological Organization (2001), UNEP / International Environmental Technology Center (2001), UNESCO / Institute for Water Education (2001), International Union for Conservation of Nature (IUCN, 2001), World Wide Fund for Nature (WWF, 2002), and the Asian Disaster Preparedness Center (ADPC, 2002). We expect this list of MRC partners will keep on growing steadfastly.

Collaboration with Upper-stream Countries:

The People's Republic of China, and the Union of Myanmar – the two upper-stream countries – are not the MRC members yet, but are major dialogue partners of the MRC. During the 1992 – 1995 negotiations which led to the signing of the 1995 Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin, the four countries of the Lower Mekong River sincerely expressed their genuine aspiration to improve their relationship and develop closer cooperation with

the two upper-stream countries. It is well understood that with more active participation and involvement from the two upper-stream countries, the objective for a sustainable development and comprehensive management of the Mekong River Basin can be better achieved. Immediately after the establishment of the MRC in 1995, the decision of the MRC's governing bodies was to do everything possible to strengthen cooperation with the two upper-stream countries, and inviting them to be parts of the MRC, well aware that only through the cooperation of all riparian countries could the Mekong River develop to its full sustainable potential. Activity that is planned and carried out in any part of the basin might have positive and negative impact on other parts, and all six countries share the common resources of this mighty Mekong River

Since 1996, the MRC meets regularly in the dialogue meetings with the People's Republic of China and Union of Myanmar to seek ways and means of informing each other of the use of Mekong river waters and related resources, and to search for a practical framework of cooperation for all six Mekong riparian countries.

This year, the technical collaboration between MRC and its dialogue partners is gaining greater momentum. There are now more frequent exchange visits, and information, and more participation in the MRC meetings and workshops by officials and experts from the People's Republic of China and the Union of Myanmar.

On 01 April 2002, an Agreement was signed with the Ministry of Water Resources of the People's Republic of China on the Provision of Hydrological Information of Lancang/Mekong River. The MRC and China are now actively implementing this Agreement, and working towards a more practical framework for mutually beneficial cooperation and sustainable development of the full potential of the Mighty Mekong water and related resources.

Through dialogue, it is hoped that broader scope for cooperation will be identified and agreed upon, in line with the principles of mutual benefit, common prosperity, and regional cooperation and peace.

Conclusion

The challenge, of course for MRC and all of us, is to find that elusive balance between social and economic development and the sustainability of environment and of people's welfare and livelihood. We cannot forget that the population of the basin has doubled over the past 30 years and is estimated to grow another 30 to 50 percent in just another 25 years. This growing population will dramatically increase pressure to develop the basin's resources in order to meet demands for food, water and energy. The solutions to the issues of sustainable development are complex and multifaceted. But the solutions can be found.

At MRC, we are pursuing these by addressing many issues in parallel. These include taking a basin wide and transboundary approach, providing forum forums where transparent and cooperative dialogue can take place, bringing together and facilitating dialogue among wide range of stakeholders, and by constantly improving the policies and agreements, which guide learnt decision making in the Basin.

Finally, I believe we do it by looking at the custodians of the future of the region. The young and aspiring professionals who will be the technical experts, decision makers and sector leaders of tomorrow.

The values of the Mekong River Commission mirror the intent and values of this forum and the work of the International Network of Basin Organizations.