

THE FIRST MEKONG RIVER COMMISSION SUMMIT

Hua Hin, Thailand

Development Partners Group Statement 5 April 2010

Excellencies, Ladies and Gentlemen,

The Development Partners congratulate the Heads of the Governments of the Kingdom of Cambodia, the Lao People's Democratic Republic, the Kingdom of Thailand, and the Socialist Republic of Viet Nam for your leadership.

We applaud you coming together on the occasion of the 15th anniversary of the 1995 Mekong Agreement at this 1st Heads of State Summit to focus on the future of the water and water-related resources of the Mekong Basin.

The Development Partners welcome the participation of the governments of the People's Republic of China and the Union of Myanmar.

We welcome the strong commitment to continued cooperation among the riparian countries of the Mekong that China and Myanmar have demonstrated by attending these discussions.

The Development Partners value all efforts to ensure that the diverse impacts and interests within and between all Mekong countries are taken into full account in decisions about development and management of the river and its associated resources.

We believe your continued and increasing investment in the MRC is testimony to the important place of the Mekong Basin in the culture, economy and environment of the region.

The opportunities and risks associated with Mekong water management and development are great. These need to be handled with great responsibility and on the basis of reliable and comprehensive information. The Development Partners believe this is the best way to ensure the sustainable development and management of water resources for the benefit of all Mekong peoples.

Opportunities

The ecosystems and natural resources of the Mekong Basin are of national, regional and global significance.

The Mekong River, its tributaries, its great lake - the Tonle Sap - and its delta provide potable water, food, energy, transport and spiritual nourishment to over 70 million people in six countries: Cambodia, China, Lao PDR, Myanmar, Thailand and Viet Nam.

The Mekong waters from the mainstream and tributaries are an irreplaceable input to regional

food security.

The Mekong Basin is probably the most productive inland fishery on Earth: it provides about 2 per cent of the world's entire annual fish catch. Fish represent the bulk of protein consumed by people in the basin. Fish and other aquatic creatures are therefore critical to the food and nutrition security of people in all Mekong Basin countries.

Given their importance, consideration of potential impacts on fisheries must be fully integrated into decisions about the construction and operation of infrastructure, and particularly hydropower, in the basin.

Millions of fishers and farmers in the Mekong Basin - and especially those in the floodplains and delta areas - depend on the annual flood, sediments and river-borne nutrients to sustain wild fisheries and agricultural productivity.

Mekong waters irrigate agriculture throughout the Mekong Basin for rice and other crops. Water diversion for irrigation can make land within the Mekong Basin more productive – providing food, jobs and export income. We note there is already substantial irrigation development in the Basin but much of this is not fully utilised. Therefore major new irrigation investments need to learn lessons from past projects. A comprehensive long-term strategy for agriculture and irrigation for the entire basin is required to guide investments in agricultural water use.

And beyond food security, careful use of the Basin's water resources and management of its watersheds are vital for pro-poor development and to alleviate poverty.

The waters of the Mekong Basin are home to astounding and unique biodiversity. A wide range of plants and animals - from river algae to the critically endangered Mekong giant catfish and Mekong Irrawaddy dolphin - depend on sufficient water quality and quantity, and the annual flood pulse, for survival. This rich biodiversity of the Mekong Basin underpins regional food security.

These existing qualities and values provide real economic, social and environmental benefits to millions of people. The Development Partners believe efforts to enhance and protect these qualities and values should be pursued by all stakeholders, and especially the six governments of the Mekong Region, and at the highest levels.

Hydropower development also brings substantial benefits: national income from electricity exports; more affordable, reliable energy for all; further economic development of the region and the countries including jobs during construction and operation.

However, the Development Partners believe hydropower development should be concentrated in carefully selected parts of the Basin and designed and managed to ensure that the existing values and qualities are not compromised.

Risks

The pursuit of new opportunities for Mekong Basin water resource development comes with real

risks.

Avoiding or mitigating negative impacts of large scale water resources development, including hydropower and irrigation, while optimising and sharing benefits, is a demanding but critical challenge for Mekong Basin countries.

Deciding where and how such infrastructure is to be constructed and how it will be operated involves difficult choices with far-reaching consequences.

Deciding where not to build is equally important.

Taking whole-of-basin approaches to hydropower operation is essential for integrated river basin management for multiple purposes. However, in the Mekong Region whole-of-basin approaches are not yet evident.

Some potential impacts remain unclear. For example: What might the impact of extensive hydropower and associated sediment trapping be on the floodplains and ocean fishery fed by Mekong nutrients? To what extent would this negatively impact on fisheries and agricultural productivity?

At the downstream end of the basin system, the Mekong Delta is particularly vulnerable to the cumulative impacts of large-scale water projects. The US\$1 billion per year aquaculture and agriculture – the rice-bowl of Vietnam – are potentially threatened. In large areas of the delta the land is subject to regular flooding; but it is the annual inflow of sediment from the Mekong Basin floods that keeps this area above current sea levels. If sediment supply is reduced by upstream dams, then a more rapidly sinking delta could impact local people long before the rising seas of climate change do.

In the longer term, the impacts of climate change may change the economic viability of present-day development options. Again, the Mekong Delta is particularly vulnerable and could be hard-hit by a combination of rising sea levels and more severe and frequent storms. Elsewhere in the Basin less severe but still worrying impacts are likely: some recent climate change modelling suggests a shorter, more intense wet season. This could lead to more extreme flood events and longer and more frequent droughts.

Many of the potential negative impacts – in the shorter-term from proposed Mekong water projects, and in the longer term from climate change – could be across national boundaries. This underscores the critical need for cooperation between countries.

The MRC Technical Conference that preceded this Summit presented positive experiences of cooperation. This included: management of hydropower schemes to optimise energy generation and mitigate negative impacts; transboundary management of flooding and flow patterns; and, examples of how nations can work together to address impacts of climate change. These are all relevant to the Mekong Region and would provide great benefits if adapted and applied by your governments and the MRC.

Responsibilities

Management of the opportunities and risks in the basin by MRC members – at the sub-national, national and regional scales – requires well-informed and effective institutions. The Development Partners remain committed to assisting by providing wide ranging support to MRC programs and other assistance to individual member countries.

To meet the current and future challenges, long-sighted political will at the highest levels of Government across the Mekong countries is needed – including, of course, from the MRC dialogue partners: the People's Republic of China and the Union of Myanmar.

In this regard, the Development Partners with one voice call on the Prime Ministers of the four member countries of the MRC, and your dialogue partners, to:

- Increase your engagement on issues related to the further development and use of Mekong River Basin water and water-related resources
- Work collaboratively to ensure the natural resources of the Mekong are utilised in a sustainable and equitable manner, and
- Strengthen the hydro-meteorological monitoring network and enhance the transparent exchange of data on precipitation and river flows throughout the basin.

The stakes are high and urgently require your wise and inspiring leadership.

MRC's role and development partners' continued support

Your MRC is both a knowledge centre and an inter-government organisation. It was established to contribute to stewardship of the Mekong River Basin and decision making about further development.

As a knowledge centre in the fields of hydropower, fisheries, irrigation, navigation, flood management, watershed management and environment the MRC is uniquely placed to work with national line agencies and others to assemble knowledge and perspectives necessary to inform wise decision making.

As an inter-government organisation, the MRC is charged with planning, enhancing regional cooperation and coordination, and facilitating negotiations between MRC member states about water and water-related resource developments that may have transboundary impacts.

The Development Partners therefore urge the leaders of the MRC member states to fully use the knowledge and inter-government functions of your Commission to deal with the opportunities, risk and responsibilities ahead.

In line with the Paris Declaration on Aid Effectiveness, development partners continue their commitment to harmonise and coordinate their support to the MRC. We note that most Development Partner support to the MRC is now provided as programmatic funding. Increasingly, pooled-financing and other joint approaches are the dominant modality of support to the MRC.

This reflects confidence by Development Partners in MRC's ability to plan, implement, manage and monitor its programs.

The Development Partners stress the importance of a clear commitment by MRC member countries to prepare and implement a focused Strategic Plan for 2011-2015.

We believe the plan must be responsive to the opportunities, risks and responsibilities we raise in this statement.

To be effective the Strategic Plan must provide clear, achievable and measureable objectives as MRC strives to become a world-class river basin organization. The Plan should also provide a well defined framework against which to measure the performance of MRC as it develops further.

The Development Partners strongly believe the next Strategic Plan should articulate an agreement between the member countries on the MRC's core functions and next steps with the process to fully 'riparianise' the Secretariat.

We welcome a clear and time-bound target for total member country financing of the MRC – as outlined in the Hua Hin Declaration. However, a 2030 date for this important target would mean a further 20 years of development partner support.

We urge the MRC member countries to:

- Streamline the Commission's 'core functions', and
- Design innovative financial mechanisms for total financial autonomy of your Commission.

By adopting this approach within a shorter, more ambitious timeframe MRC nation leaders will signal a deep commitment to handling the opportunities, risks and responsibilities of Mekong water management and development.

In conclusion, the Development Partners recognise that the Mekong River Commission has an important role to play at this critical moment in Mekong history when decisions with long-lasting consequences are being taken.

The Development Partners call on the Heads of the Governments of the Kingdom of Cambodia, the Lao People's Democratic Republic, the Kingdom of Thailand, and the Socialist Republic of Viet Nam to fully use and empower your MRC to discharge its mandated responsibilities.

This statement is supported by the following seventeen nations and organisations:

- Asian Development Bank
- Australia
- Belgium
- Denmark
- European Union

- Finland
- Food and Agriculture Organisation
- France
- Germany
- International Union for the Conservation of Nature and Natural Resources (IUCN)
- International Water Management Institute
- Japan
- The Netherlands
- New Zealand, Sweden
- United States of America
- United Nations Development Program
- World Bank
- World Wide Fund for Nature (WWF)