

THE SECOND MEKONG RIVER COMMISSION SUMMIT

Ho Chi Minh, April 2014

Development Partners Group Statement

5 April 2014

Excellencies. Ladies and Gentlemen,

1. Development Partners express their gratitude to the Socialist Republic of Viet Nam for their invitation to attend the second MRC Summit in Ho Chi Minh City. This Second MRC Summit, on the 19th anniversary of the 1995 Mekong Agreement, is evidence of the political commitment to the MRC by its four Member Countries.
2. We also welcome the participation of the governments of the People's Republic of China and the Republic of the Union of Myanmar as Dialogue Partners and of international NGOs as observers.
3. The Development Partners believe that this is the right time to take stock of progress of the implementation of the Hua Hin Declaration including Core River Basin Management Functions, and to debate how regional cooperation can enhance opportunities and overcome challenges to the sustainable development of the Mekong River Basin.

Progress of the implementation of the Hua Hin Declaration

4. We congratulate the MRC and its Member Countries on the achievements since the Summit of 2010. In particular the adoption of the IWRM-based Basin Development Strategy. the improved flood forecasting systems. the setup of a legal framework for navigation. and increased cooperation with the Dialogue Partners.
5. We look forward to strengthened progress on other priority areas under the Hua Hin Declaration. particularly the full and unequivocal implementation of the MRC Procedures. to balance conservation and development, to ensure the protection and sustainable management and use of the natural resources of the Mekong Basin. with a focus on appropriate benefit sharing. and avoiding or mitigating negative impacts of hydropower and other major development activities.

Challenges facing the Mekong River Basin

6. The Development Partners take note of the impressive economic growth in the Lower Mekong Basin. This growth. to a large extent. has been and continues to be based on the use of natural resources. Resources in the Mekong Basin should be used in an ecologically sustainable, economically viable and socially equitable manner for the benefits of current and future generations. conserving the natural capital base and the environmental services they provide.
7. This is of crucial importance for the livelihoods and food, energy and water security of the fast-growing riparian population of the Mekong Basin, and for the protection of one the world's richest ecosystems, facing significant pressure by climate change. The sustainable use of the Mekong River and its vast resources can only be ensured through regional cooperation. This is why

Development Partners firmly believe that the MRC is more relevant than ever as a pro-active facilitator of sustainable development achieved through a platform of sound knowledge, cooperation and trust.

8. With the accelerated hydropower development in the Mekong basin, it is becoming increasingly important that decision-making on hydropower and other development projects is based on sound scientific knowledge regarding their transboundary and cumulative impacts on resources and eco-systems. The MRC platforms and processes need to be further strengthened and applied as means for supporting such decisions.

9. Recent hydropower developments on the mainstream and tributaries have illustrated the importance of a common understanding and application of the Procedures for Notification, Prior Consultation and Agreement (PNPCA). Development Partners encourage the MRC to consider the inclusion of tributary dams with likely transboundary impacts in the Prior Consultation process. We reiterate that information sharing fulfils a central role of the MRC and ensures that the legitimate concerns of Member Countries are taken into account.

10. Development Partners welcome MRC Member Countries prioritizing the Council Study as stated in the Ho Chi Minh City Declaration. Development Partners continue to support the Study's focus on hydropower and other infrastructure impacts and look forward to its finalization.

11. The MRC has a tradition of engagement with civil society and other external stakeholders. A more proactive exchange with civil society, research institutions, private sector, developers and other regional stakeholders would be in line with the MRC's core commitment to foster dialogue and communication and would also strengthen its knowledge base.

Reforming the MRC towards Core River Basin Management Functions

12. In the Hua Hin Declaration, Member Countries committed to fully financing the MRC by 2030 and to focus on Core River Basin Management Functions.

13. Development Partners fully support the reform process and welcome the principles of the regional roadmap. The decentralisation of many functions would lead to efficiency gains and would be consistent with the principle of subsidiarity. However, it is key that critical functions remain centralised. Motivated by the move towards a more financially sustainable, leaner MRC as well as accelerated country ownership and in light of the strong economic growth in all four Member Countries, it is likely that Development Partner funding will not meet the levels assumed by MRC for 2016-2020. This is consistent with the recommendations of a more efficient and more focused MRC in the future. We therefore suggest that the roadmap be fast-tracked and that financial self-sustainability be reached ahead of 2030.

14. The move to Core River Basin Management Functions is an opportunity to consider broader

15. institutional reform, including a stronger strategic planning and transparent budgeting process. These reforms will be important as Development Partners consider future funding commitments to the MRC.

16. We welcome the many helpful recommendations contained in recent reviews of the MRC. We look forward to continuing our engagement on the follow-up of these reviews and the broader

MRC reforms.

17. In conclusion, Development Partners would like to reiterate their support for the MRC and MRC Member Countries. We believe that close cooperation and coordination in accordance with the 1995 Mekong Agreement is the best way to ensure the sustainable development and management of water resources for the benefit of all inhabitants of the Lower Mekong Basin.

18. Now is the time to take the reform process forward, Development Partners stand ready to support the MRC in this endeavor to preserve and strengthen its high international standing as a world-class River Basin Organisation.

19. We trust that the MRC Member Countries will continue to be guided by the “Mekong Spirit” towards enhanced regional cooperation for sustainable Mekong Basin development.

This statement is supported by the following nations and organisations:

This statement is endorsed by Asian Development Bank, Australia, Belgium, Denmark, Germany, European Union, Finland, IUCN, Japan, Luxemburg, Sweden, Switzerland, United States, World Bank, WWF.