

Joint Development Partner Statement **Seventeenth Meeting of the MRC Council, 26 January 2011**

1. We congratulate the Mekong River Commission Member Countries and Secretariat on the progress that has been made since the successful First MRC Summit in Hua Hin, Thailand in April 2010.
2. Development Partners welcome the closer collaboration that is occurring between the MRC and Dialogue Partners, China and Myanmar.
3. Development Partners commend MRC Member Countries on finalising the Commission's Strategic Plan 2011-15. We highly appreciate the consultation with all stakeholders during the preparation of the Strategic Plan. The vision and principles of the Strategic Plan provide a strong foundation for Member Countries to reap the opportunities and meet the challenges of managing the Mekong Basin and its resources in the coming decade. The Strategic Plan also outlines the transboundary benefits and risks associated with development projects, especially in the field of hydropower development.
4. In this context, the Strategic Environmental Assessment commissioned by the MRC to assess the cumulative impacts of the 12 proposed hydropower projects on the Lower Mekong Mainstream is highly relevant. The SEA report has provided important information on the potential benefits, costs and impacts of all the proposed mainstream projects. The SEA provides a valuable basis for informed consultations and decision-making in the four member countries on this issue. Development Partners would welcome hearing a response to the recommendations of the SEA by Member Countries.
5. The finalisation of the Integrated Water Resources Management-based Basin Development Strategy is also welcomed by Development Partners.
6. The drive by Member Countries to strengthen energy security, provide electricity to communities and industries, while minimising greenhouse gas emissions, are admirable and worthy of continued support. However, the risk of concentrated adverse impacts on large numbers of people by mainstream hydropower development is surely also of great concern to the Governments of the Mekong Region.
7. Mainstream and tributary development must make economic sense, both in terms of sustainable growth and poverty alleviation. The assumptions underpinning claimed economic benefits to all the stakeholders – communities, country governments and developers – need to be properly scrutinized. The technical barriers and economic costs of mitigating negative impacts – particularly the replacement of lost fisheries, livelihoods and the impact of altered water, sediment and nutrient flows on floodplain agriculture – have yet to be sufficiently addressed and need to be comprehensively studied.
8. Development Partners note the Roadmap for the implementation of the Procedures for Notification, Prior Consultation and Agreement for the first proposed mainstream dam on the Lower Mekong. Informed, comprehensive and effective consultations amongst governments and publics require full disclosure of environmental and social impact assessments provided by the project proponents and the technical review reports by the MRC Secretariat. Given that this information is not yet available in the public domain, Development Partners suggest Member Countries consider an extension to the indicative PNPCA closing date to ensure adequate consideration of all available and forthcoming analysis.
9. Investigations into alternative project designs, such as the Thakho hydropower project in southern Lao PDR, have progressed. It appears this non-dam project adjacent to the Mekong mainstream would have negligible impact on both fisheries and sediment flow. Development Partners encourage Member Countries to further explore diversionary and hydro-kinetic hydropower technologies, in addition to demand-side management, and stand ready to consider support where possible. Such technologies could form a crucial part of a diversified and sustainable Mekong Region energy mix.

10. Development Partners support the inclusion of prioritised funding according to the development levels and capacity gaps of each Member Country as a principle of the MRC Strategic Plan 2011-2015. We encourage enhanced ownership and regional coordination among a wider group of stakeholders and Member Countries. Development Partners urge the MRC to develop an ambitious and credible implementation plan, including measurable and time-bound performance targets, for the transition of functions to Member Countries.
11. In Hua Hin, Heads of Government resolved to enhance efforts to create a financially secure international river basin organisation and increase Member Country contributions to cover core operating costs. Significant steps need to be taken to achieve this goal. In addition to an implementation plan, and before the next Council Meeting, Development Partners request to see a financial plan with milestones for increasing financial ownership by Member Countries.
12. Development Partners note that the capacity of the MRC has been greatly strengthened over the past decade. We look forward to the appointment of the next Chief Executive Officer of the MRC. The Development Partners congratulate the current CEO, Mr Jeremy Bird, for his leadership of the Secretariat, and all MRC staff for their valued service.
13. The MRC Member Countries have before them key decisions with major transboundary impacts. The MRC was created for this very purpose. Development Partners welcome the on-going opportunity to engage with and support the Mekong River Commission Member Countries and Secretariat on issues of great importance to development in the region.

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