

Statement by H.E. Ms. Khempheng Pholsena  
Minister to the Prime Minister's Office  
Head of Water Resources and Environment Administration (WREA)  
Chairperson of Lao National Mekong Committee  
Member of the MRC Council for Lao PDR

His Excellency Dr. Pham Khoi Nguyen  
Minister of Natural Resources and Environment  
Chairman of Viet Nam National Mekong Committee  
Chairman of the MRC Council for 2010/2011

His Excellency Mr. Lim Kean Hor  
Minister of Water Resources and Meteorology  
Chairman of Cambodia National Mekong Committee  
Member of the MRC Council for Cambodia

His Excellency Mr. Suwit Khunkitti  
Minister of Natural Resources and Environment  
Chairman of Thai National Mekong Committee  
Member of the MRC Council for Thailand

His Excellency Dr. Nguyen Thai Lai  
Deputy Minister of Natural Resources and Environment  
Vice Chairman of Viet Nam National Mekong Committee  
Alternate Member of the MRC Council for Viet Nam

**Distinguished Delegates, Ladies and Gentlemen, Colleagues and Friends**

**Distinguished Representatives of Observers and Development Partners of the MRC**

I take it as a great honour and privilege to join the Seventeenth Meeting of the MRC Council and the Joint Meeting with MRC Donor Consultative Group, here in Ho Chi Minh City. Allow me to thank H.E. Dr. Pham Khoi Nguyen and the Viet Nam Government for hosting us in this beautiful location and for the warm welcome and gracious hospitality and the excellent arrangements made for the Meeting. This year's meeting is of particular importance as it comes after the first ever MRC Summit of our Leaders, who I quote "affirmed their strong and continued commitment to cooperate and promote the sustainable development, utilization, conservation and management of the water and related resources of the Mekong River Basin". It is also happening at a time of great challenges posed by the need to strike the right balance between ensuring strong economic growth coupled with environmentally sustainable development on the one hand, and the conservation of our natural resources and the rich biodiversity in the Mekong basin on the other hand. In addition, the impacts of climate change are increasingly being felt throughout the region, as reflected by the heavy losses in assets and

human lives as a result of intensifying cycles of droughts and floods, thus putting at risk the attainment of the Millennium Development Goals in this part of the world. In this connection, may I convey our deeper sympathy to Countries and People affected.

In the face of the previously mentioned challenges, we are encouraged by the significant progress that has been made in the implementation of the decisions of the Leaders at the MRC Summit. In this regard, I would like to take this opportunity to congratulate H.E. Mr. Suwit Khunkitti, for his strong leadership and dedication to the cause of MRC during his chairmanship in 2009/2010. In particular, I would like to highlight the decision on the permanent co-hosted location of the MRC Secretariat and the strengthening of the stakeholder dialogue process to ensure greater participation in the development of the IWRM-based Basin Development Strategy and the MRC Strategic Plan for 2011-2015, which redefines the MRC core functions and performance objectives. The organisation has taken solid steps towards increasing riparian ownership of policies and programmes, while the Member Countries continue to increase their financial and in-kind contributions, thus paving the way towards reaching the ultimate goal of financial self-sustainability by 2030 as outlined in the MRC Hua Hin Declaration. With this in place, the MRC is becoming more transparent and is preparing for its role as a world class knowledge-based river basin organisation. As a reflection of this, the MRC is beginning to play an increasingly important role in the region. This can be seen, for example, through the current public debate over hydropower development in the mainstream Mekong, triggered by the Procedures for Notification, Prior Consultation, and Agreement. Managing the Mekong will require riparian countries to address cross border issues, which in turn demand strong coordination and cooperation among countries, each with quite different human resources and technical and financial capacities, but united in their shared Vision for the Mekong and linked by the Mekong Spirit.

Another important milestone of the progress made is the preparation of the Climate Change and Adaptation Initiative Framework Document for 2011-2025, which was approved yesterday. This Framework will help the member countries to focus their efforts on countries addressing the challenges of climate change through adaptation planning and implementation in the Mekong River Basin in order to contribute to the MDGs, Poverty eradication and improved food security. The adoption of the Procedures for Water Quality is another notable achievement.

We also welcome the strengthening of cooperation with our Dialogue Partners, PRC and Myanmar, as reflected by the organisation of study visits to the Chianjiang Water Resources Commission last year, with a special training course organised by Chinese experts on flood and disaster risk management for government staff from the other five Mekong Countries. In addition, the sharing of hydrological data, particularly during the dry season by PRC is highly appreciated.

Mr. Chairman,  
Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen,

For the Lao PDR, our natural resources are our biggest assets, with over 40% of our country covered in forest, large mineral deposits, and the mighty Mekong River and its tributaries providing ample hydropower potential. The economy has benefited from large inflows of FDI in hydropower, mining and agriculture, as well as from Government policy to open up the economy to trade and investment, making the private sector the prime driver of economic growth. While

the country is striving to achieve strong economic growth, the Government is committed to protecting the environment, and ensuring sustainable use of national natural resources and inclusive and equitable development. There have been key improvements in the country's environmental policies and legislation as reflected in the approval of the sustainable hydropower policy, essential social policies fostering inclusive growth so that all segments of society benefit, particularly the most vulnerable, as well as the adoption of relevant pieces of legislation, namely the decree on compensation and resettlement of people affected by development projects, the decree on environment protection fund, the decree on environmental impact assessment, and the finalization of the updated environment protection law, due for submission to the National Assembly. In addition, Lao PDR became party to the Ramsar Convention on Wetlands on 18 September last year.

We have introduced the highest standards when it comes to social and environmental safeguards in relation to large investments, such as Nam Theun 2 hydropower project, which was officially inaugurated last December. Based on that experience, and thanks to the support from World Bank and ADB, the Lao PDR has been able to ensure the best international practices and the highest standards in mitigation of social and environmental impacts are being applied to large investments in the natural resources sector through the introduction of environmental legislation which will hold domestic and foreign investors accountable for environmental impact and mitigation, and the gradual application of the polluter pay principle.

Mr. Chairman,  
Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen,

The wealth of our national water resources provides a wonderful opportunity for the Lao PDR to meet its objective of exiting from its LDC status by the year 2020, while at the same time contributing to the Mekong Region's economic development. We have formulated a National Water Resources Policy, Strategy and Action Plan, soon to be adopted by the Government, and are in the process of revising the existing Water and Water Resources Law for submission to the National Assembly.

As a country with extensive water resources, Lao has the potential to draw vital revenues from this sector and is working to ensure that these investments are carefully considered, particularly those in the Mekong mainstream. Cautious social and environmental analysis will need to be undertaken in close consultation with key stakeholders to ensure that hydropower development in Laos is green, socially and environmentally sound and that they do not only benefit local Lao communities but also those in the Mekong riparian countries. Lao PDR has implemented and carefully followed the 1995 Agreement by proceeding in a very considered and cooperative manner in accordance with the PNPCA with respect to hydropower development in Lao PDR, including mainstream hydropower projects. We strongly believe that working this way contributes to the noble goals set forth at the first MRC Summit by working together with our member states to better integrate sustainability considerations into the development of the Basin's hydropower potential.

The recent adoption of the Prime Ministerial Decree on River Basin Committees aiming to apply IWRM principles at the basin and sub-basin levels has enabled the establishment of the Nam Ngum and the Nam Theun-Nam Kading River Basin Committees, both very important tributaries of the Mekong. As part of the Mekong IWRM Programme, we have formulated a comprehensive National IWRM Programme to assist in the building of the needed capacities as well as the establishment of an early warning system, and we are grateful to the MRC and our Development Partners who have assisted us in this endeavour, including ADB, Australia, Finland, France, Germany, Japan, Spain, and the World Bank to mention a few. We are indeed very pleased on our cooperation with Member Countries, Cambodia, Thailand, and Viet Nam as well as our grateful to the support of international Development Partners through the framework of MRC programmes.

Mr. Chairman,  
Excellencies,  
Distinguished Delegates,  
Ladies and Gentlemen,

Once again, I would like to take this opportunity to thank my colleague, H.E. Mr. Suwit Khunkitti, for his excellent job as the Chairman of the MRC Council for 2009-2010 as well as for all the hard work and effort he has devoted to this important role in leading the MRC Council. At this point in time, I would like to convey our sincere condolences to the Royal Thai Government and the Thai National Mekong Committee for the loss of Dr. Saksit Tridech, the Vice Chairman of the Thai National Mekong Committee and Permanent Secretary of the Ministry of Natural Resources and Environment of Thailand. May I also give my personal thanks to my other Council members, Dialogue Partners, Observers and Development Partners for their support to the MRC and Lao PDR. My thanks also go to the MRC Secretariat and its CEO, Mr Jeremy Bird and staff for their hard work in support of member countries.

On this note may I offer my congratulations to H.E. Dr. Pham Khoi Nguyen on assuming the Chairmanship of the MRC Council for 2010-2011. I am strongly convinced that under his able leadership the MRC will achieve new heights. The Lao PDR reaffirms its commitment to working with you, Mr Chairman, and with all of our Member Countries, Dialogue Partners, and Development Partners in the spirit of the 1995 Mekong Agreement and the MRC Summit Declaration.

In conclusion, may I take this opportunity of the forthcoming Lunar New Year to convey our best congratulations and wishes to the Government and people of Viet Nam. May the Year of the Rabbit bring happiness and further achievements to all of us.

**I Thank you.**