Mekong Vision 3.0: Stakeholder Consultations

***Interview with Ren Peng, Program Manager (Overseas Investment, Trade and the Environment Program), Global Environment Institute (Beijing), November 2, 2020.***

**Notes**: Unless indicated as a direct quote, these notes are not verbatim, and reflect the interviewers’ interpretation of what was said.

The interview was introduced by Quiong Lu (World Bank), who summarised the World Bank’s (WB) history of engagement in the Mekong, and provided a background to the Mekong 3.0 initiative. She then handed over to the Mekong Futures interview team. Note a more comprehensive introduction was presented compared to previous consultations. Mr Ren agreed to interview recording.

**Question 1: What do you think are the current challenges to sustainable development in the Mekong–Lancang region?**

Mr Ren has participated in previous World Bank consultations and leads an NGO based in Beijing, focused on Sotheast Asia and the Lancang-Mekong basin.

The geo-political debate is the most important issue, followed by identifying stakeholders who need to be involved in debates and decisions. A question posed by Mr. Ren was who determines who should be involved?

Decisions about the level of environmental protection versus economic development are important: downstream countries make use of natural and water resources to meet development objectives, typically with biodiversity losses and natural resource deterioration.

Climate change and hydropower development, including accounting for El Niño and La Niña cycles, are important.

**Question 2: What does regional cooperation mean to you? What are the opportunities for regional cooperation to support sustainable development in the Mekong- Lancang?**

Mr Ren noted an increase in regionalism and the need for muliti-lateral cooperation, especially concerning cross-border matters.

External (non-state) stakeholders and local communities need to be involved and introduce a local voice. These need to be heard, and are currently the weakest link in promoting cooperation and opposing geo-political attitudes. In April, the MRC entered discussions in China and Mr Ren noted a change in Chinese attitude where the MRC voice was listened to.

The data-sharing of water flows by the LMCM is an important opportunity to be built upon.

**Question 3:** **From your experience, are there examples where some or all of the Mekong-Lancang countries have cooperated to yield a clear and positive trans-boundary river management outcome?**

Mr Ren was not able to identify Lancang-Mekong examples but was familiar with transboundary examples from Canada and the USA. Critical point was cross country (upstream-downstream) agreement about water allocations. These agreements were reached very early in negotiations, including agreed compensation for agreement breaches and country obligations. Compensation may be in monetary or non-monetary.

**Question 4: What are the relative advantages/merits of the different mechanisms for cooperation, and do you see any opportunities for improvements?**

Mr Ren was familiar with LMCM and the MRC, but not other platforms. Examples provided were the GMS, ASEAN and ACMECS. Mr Ren noted the lack of information-sharing as a key impediment; and is necessary as a starting point for cooperation. Water flows represent technical information only and social exchange (we assume data and analysis) is limited. The lack of social and economic data does not foster mutual understanding and trust.

**Question 5:** **In your opinion, when cooperation occurs between Lancang-Mekong countries, what indicates its success? How do you know if cooperation is successful?**

The LMC and MRC agreements are not legally binding nor describe enforceable country obligations. Mr Ren noted the differences (that is legally binding) example of the Canada-USA transboundary agreements.

International investors need to observe and adhere to national investment regulations. The same principle applies to water resource management. The second level are international laws and treaties as a guide to river governance, possibly deferring to international arbitration for enforcement and dispute resolution.

Mr Ren noted the main problem with international treaties is the lack of an implementation mechanism.

**Question 6:** **From your experience, for what types of Lancang-Mekong problems has cooperation been most effective?**

IWRM: the World Bank has substantial convening power and leadership to promote transboundary country discussions. This represents an opportunity to design and coordinate an agreed integrated basin plan.

**Question 7:** **In your view, which factors prevent cooperation? And which factors enable it?**

Mr Ren noted environmental social governance. The environment can be quantified; social effects are more difficult to evaluate. Mutual trust is needed by riparian countries to address common social outcomes and impacts.

Mr Ren noted a DFAT evaluation that most stakeholders do not have sufficient field experience to assess social conditions: most rely on desktop analysis which is not sufficient. Field research is critical for robust social assessments, especially at the household level.

Technical analysis can be leveraged, but since April, Mr Ren has noticed a reduction in mutual trust concerning social data sharing. Most social discussions are political and superficial.

**Question 8:** **From your experience, when Lancang-Mekong countries cooperate for sustainable development of the basin, who are the most influential actors?**

Upstream countries are more influential than downstream: Vietnam is the most downstream and China the most upstream.

Media coverage has focussed on Chinese dams, but Laos also has numerous dams, which have received less attention, and affect Vietnam.

**Question 9:** **In your opinion, how can governments balance natural resources sustainability with economic development goals?**

Local government needs to assume a main role. China has important insights and lessons to share with LMB countries regarding the trade-offs of developments. Mr Ren mentioned water and air pollution as a result of development. Environment protection (and utilisation) are sovereign rights, whereby exploitation of natural resources are a means to reduce poverty.

Local people need to be involved with and actually making these NR choices, which are an important opportunity for support by the World Bank and international organisations.

In response to question about ownership of the process, Mr Ren noted excellent energy plans prepared by the ADB and AIIB for Myanmar. The reports remain on the shelf, had no effect on policy and energy decisions and have not been converted into actions. Mr Ren highlighted co-design as a critical step in ownership and decision-maker buy-in. If policy and decision-makers are not involved in the program design, there is a very low likelihood of program influence on actions taken.