Mekong Vision 3.0: Stakeholder Consultations

***Interview with Dr An Pich Hatda (CEO), Dr Anoulak Kittikhoun (Chief Strategy and Partnership Officer) Dr Winai Wangpimool (Director of Technical Support) and Dr Ly Sarann (Water and Climate Specialist), Mekong River Commission (Vientiane), November 4, 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 Shelley MacMillan (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.

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

Dr Hatda: these are all identified in the Council Study and the MRC’s State of the Basin Report (SOBR). Amongst the significant ones: the permanent change to the Mekong’s flow regime. This has led to reductions to sediments, fisheries, riparian environment, wetlands, and caused significant local flooding. To manage the mainstream, we need to understand what is happening on the tributaries. Dr Hatda hopes that the MRC’s next Strategic Plan (SP) will address this, especially in terms of data-sharing.

From January to July 2020, there was lowflow and drought in the region. This will get more frequent, and the countries will need to work together in order to address this.

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

Dr Hatda: cooperation is very important for the MRC. They believe that there are 12 regional cooperation frameworks. They see the LMC and the Mekong-US partnership as being the most important. The MRC is the only treaty-based orgainisation in the region. We must continue to build on our strengths, which they say other frameworks do not have. The MRC has a clear mandate to promote cooperation, and a focus on water. Other frameworks have a broader scope. In the next Strategic Plan, we plan to work with the LMC.

Only the six countries (that share the Mekong) can work on their own (domestic) problems. Our task is to invite them together to address regional challenges. Dr Hatda references the MOU that the MRC has with the Water Cooperation Centre of the LMC, but says that cooperation needs to be further enhanced to, in particular, address drought and low flows. The MRC is an observer on the LMC’s Joint Working Group (JWG) on Water, where he suggests that perhaps an expert working group could be established to address these issues. He also hopes that China will write the Chinese parts of the next State of the Basin Report. While China is now sharing hydrological data with the MRC, this is only from two hydromet stations. The MRC needs more data on this – including on water storage in the upper basin.

Dr Kittikhoun: regional cooperation needs to promote the ‘only agreement in town’ (i.e. the 1995 Agreement). Dr Kittikhoun states the principles of cooperation, and what these mean. We often hear about the problems that development brings; but there are still great development needs in the basin. It is these needs that we must address. Dr Kittikhoun claims that infrastructure regulates only 15% of the Mekong flows. The MRC has had a long-standing dialogue with China, and also the with LMC – but the latter has limitation in terms of who drives the agenda. The MRC is lucky to have representation on the JWG, so that it can avoid duplication with the LMC. There are, he says, increasing transaction costs because the countries have to engage with both the MRC and the LMC.

There is also a role for development partners, from whom there has always been great support and interest. We should, through the MRC, to encourage them (the DPs) to cooperate with each other, and to avoid competition between super-powers.

Dr Hatda: we cannot always get what we want right away (from China). We cannot rush. The public, he says, trusts the MRC. The MRC, he points out, made comments on the Eyes on Earth Report. We have the capacity to do these kinds of things. The MRC is well established and mature. The LMC has its Joint Working Group and is ‘still a dream’ (because it is so young). While he doesn’t know what the LMC’s long-term plans are, he thinks that they are trying to learn from the MRC.

Dr Kittikhoun: One clear difference between the MRC and the LMC is that China co-leads the LMC; it drives the LMC’s agenda. China probably thinks that because it is a regional leader it should be driving the agenda. This is not how things work in the MRC, which, Dr Kittikhoun argues, is part of its comparative advantage.

Dr Hatda: increased (transaction) costs mean that we have to ensure that the MRC and the LMC complement each other. “The MRC needs to be ahead of the game; we need to strengthen our capacity in knowledge production and management”. We were created long ago, we have our procedures, guidelines etc. The LMC is project-based and still in its infancy. The LMC is only a cooperative mechanism, while the MRC is a River Basin Organisation (RBO). The Mekong countries can be proud of the MRC, where they can – and do – still come to discuss solutions.

Dr Winai: it is very easy to establish data-sharing platforms (which the LMC and MRC have done), but it is more difficult to ensure that it is sustainable. In the MRC, the member countries share data, and the MRC processes it. This makes the data legitimate to the member countries – because they provide it.

Dr Hatda: at the moment, our decision-support framework is used for planning purposes. But now we need to deal with operations (of hydropower?). This would put the MRC in a better position to address regulated flows. This could be an opportunity for the World Bank.

It is up to the member countries (of the LMC) to define how cooperation will occur between them.

Dr Kittikhoun: for the four MRC member countries, cooperation is clear. But this is not the case for the LMC, because it is not an RBO. Their framework addresses the projects that are needed for development. Its starting point is not the river basin. It is probably good for the time being that the LMC does not work on this (on a basin perspective). The LMC has a very particular role in the basin, while the MRC’s is broader.

Dr Hatda: the door is open for the MRC to welcome China (into its membership), but this is China’s decision; as it is to establish a different kind of framework. Dr Hatda wonders how the MRC will harness the various regional frameworks? We have moved the MRC closer to other initiatives like the GMS, the ASEAN Secretariat and the LMC. As an observer to the LMC, we know what is going on in there, and we advise out member countries before their LMC meetings – so that they can ‘synergise’ the countries, and to harness other initiatives. I have a strong belief in the member countries’ to continue using the MRC as a cooperative framework.

Dr Kittikhoun: China has a very bilateral approach to river basin management. The LMC is not a river basin framework. Its members exchange ideas for river projects. The MRC is multilateral – which is a different approach, and this is why China has not joined the MRC. For Myanmar, they have a very small interest in the Mekong. At the last MRC Summit, the Myanmar minister said that they were happy to remain an observer. The LMC can include the whole region – to include the Irrawaddy and the Salween, so that is why Myanmar joined it.

**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?**

Dr Hatda: it is too early for the LMC to have results, and premature to understand its impacts. When China agreed to share data (with the MRC) it was a good start. The first data arrived on November 1, 2020. But they (the MRC) continue to need more.

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

Dr Hatda: we can share with you our analysis on this. Of course, we need to synergise and avoid duplication. The frameworks have a broad cooperation area. For the MRC, it is water. This is very clear and specific.

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

Dr Kittikhoun: In M&E, there are many indicators of success. If cooperation is judged successful, it is because it had met the cooperation goal. One key indicator is adequate data-shring. Another is whether or not differences and tensions have been managed. He sees evidence in the MRC of this, because the member countries still use it has a platform for discussion. This is not what happens with other frameworks, where the countries sometimes turn to the media, or to external actors to try and push for their perspectives.

Dr Hatda: He wants to stress that the SOBR and the SP can assess the success of cooperation. For Dr Hatda, vision is a long-term thing. This is why the MRC’s vision does not change, although in the new SP, they have added climate resilience.

Sustainable development is very complex and difficult. The MRC has worked with its member countries to help them understand the 1995 Agreement (where sustainable development is writ large). Their development trajectories are very much defined by their needs, and national interest is very important for them all. It is challenging to convince the member countries to create the balance (between economic and sustainable development) – but the 1995 Agreement and the MRC’s procedures remain valid. In the next SP, there is a need to revisit the procedures. We also stress the importance of uptaking – previous SPs have stressed knowledge, but it is important that the member countries actually use this. It is also important to be able to show each country’s success related to the other (member) countries.

Dr Kittikhoun: in principle, sustainable development is understood by the member countries. The differences emerge when they practice it. If you look at the SDGs, Laos and Cambodia stress those parts of it that address economic growth. For the other SDGs, they try to mitigate the impacts of development. At the MRC, we look at trends from the avoidance, mitigation and compensation perspective. Maybe we need to use a ‘limits to growth’ approach – like Japan – that compensates by setting aside natural resources that will not be developed.

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

Dr Hatda: the issue is the shortage of data. Cooperation in the future will be driven by data and information. This is why China has sought a data-sharing platform. We need to understand the operating rules and storage capacity of the Chinese dams. The core issue is that the river is no longer natural, and there are many impacts because of this. Now, you have to manage the flows in order to mitigate the impacts of regulation. Sharing water then becomes another issue. This is why we want to revisit the Procedures for Maintenance of Flow on the Mainstream.

Dr Kittikhoun: in response to a question from John Ward (Mekong Futures) on social and economic data, Dr Kittikhoun responds that this has to do with the way in which the data will be used. Some member countries feel that, in the absence of a model to assess socio-economic impacts, that the data will be misused. Nevertheless, many of these data are in any case publicly available. At national levels, it is very clear that impacted people need to be compensated; but this is not clear in the transboundary context – which projects causing what impacts downstream. It is very complex to determine this. This is why the member countries resist this. He suggests that a fund could be established to support adaptation without attribution.

Dr Hatda: after every PNPCA, the MRC has never issued a ‘reasonable and equitable’ statement (another key tenet in the 1995 Agreement) because this is not well defined. We need this fund (that suggested by Dr Kittikhoun) to address this. Thailand also stressed it, and they call it an ‘endowment fund’.

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

Dr Hatda: for an RBO like the MRC, hope and trust is needed amongst the countries. The members have to see the value of the MRC. The countries are now engaged with other frameworks, the MRC now has to focus on strengthening its core functions – monitoring, assessment capacity, planning, pro-active planning – so that the member countries can see the benefits of cooperation with each other. The countries need to align their development needs with other countries’ needs. This is very challenging and very delicate.

Dr Kittikhoun: trust is required to enable and sustain cooperation. Without it, the countries would be suspicious of each other. In addition, there need to be clear agreements that they all subscribe to. Cooperation requires procedures. Standards and guidelines are also required, and for these, an institution for discussion is needed, so that it does not all “turn to nonsense”. In addition, we need (international) partners ~~the countries~~ at the right time. And finally, there is a role of public or NGOs. There are those (NGOs) who have a very skewed perception, which can create distrust and disengagement, and this can ruin cooperation.

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

Dr Hatda: cooperation is not a zero-sum game. You cannot ask for ‘equal’ cooperation, or equal benefits, or equal access.

China co-chairs every LMC meeting. In the MRC, every country has equal footing and the same opportunity to cooperate. Nevertheless, in the LMC every country has an opportunity to express its views.

Dr Kittikhoun: In the LMC, China proposes and drives the agenda. The countries can ‘chip in’. In the MRC, no country sets the agenda. Some observers might think that Thailand or Vietnam does this, but this is not the case. China, to be fair, is also a good listener.

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

Dr Kittikhoun: When projects have already been decided upon, all you can do is share data on possible impacts. If you don’t do this, you reduce the opportunities for engagement or to monitor impacts. Projects proposed over the long-term, there may be opportunities to influence, and for new joint project put in place. When projects have been approved and decision already made, opportunities for revision are very limited. In the longer term, there is some opportunity for revision or investigating alternatives. The MRC looks at maximising system benefits, and minimising transboundary impacts.

We have uptake guidelines. If it meets their needs, the countries will use it. We need to do a better job at assessing these needs.

In closing the meeting, Dr Hatda wanted to stress that the next SP will be a ‘game changer’ for the MRC. It will equip the commission to deliver services based on its core functions.