Australia’s engagement in Mekong Water Governance

Australia has been supporting Mekong societies manage their water resources since the 1990s. The Australian Mekong Water Resources Program 2014–2018 is a new, five-year program that aims to strengthen water governance across the Mekong Region. This is important as effective water resources management is critical to water, food and energy security in the region. It is also central to economic development and local livelihoods.

Australia’s Mekong Water Resources Program focusses on strengthening the four main actors important to Mekong water governance (governments and regional institutions, the private sector, civil society and local researchers) and encouraging their continued and constructive engagement on the region’s large-scale water challenges. The overarching challenge is to meet the region’s growing demand for food, energy and water through use of its abundant resources while minimising social and environmental consequences.

The program covers the Mekong River flowing through China, Burma, Laos, Thailand, Cambodia and Vietnam. It also supports work on some of the other major rivers of the region, including the Irrawaddy, Salween, Chao Phraya, Nam Ou and Red rivers.

As part of our new program, DFAT will share stories from across program activities every six months through this newsletter.

Mekong River facts

- The Mekong River flows for 4800 kms through six countries (China, Laos, Burma, Thailand, Cambodia and Vietnam). The Mekong River is called the Lancang River in China.
- An estimated 40 million people or 66 per cent of the Lower Mekong Basin population is involved in fisheries activities. The yield of wild fish and aquatic animals is estimated at about 2.3 million tonnes per year with the total value between $3.7–7 billion a year.
- There are 77 new dams planned across the Mekong River System, including 11 on the mainstream Mekong River.

Effective water governance

Program outcome: Strengthen the institutional frameworks and capacity of regional, national and local actors to manage their resources more effectively.

Regional level

The Mekong River Commission (MRC) remains the sole intergovernmental body focussed on regional cooperation for the development of the water and water-related resources of the Mekong Basin shared by six countries. Given the scale of planned investment and its importance to food production, power generation and local livelihoods, supporting the MRC remains important for the pursuit of sustainable development and the maintenance of regional stability.

Mekong River Commission procedures: the spine of regional Mekong cooperation

Australia’s support to the MRC includes implementing the MRC’s five procedures governing shared water use in the Mekong Basin. Implementation of these procedures aims to normalise mechanisms for sharing water data across borders, consulting on new dam projects on the Mekong River and monitoring water flows and quality across borders. An agreed regional approach to managing this transboundary river is critical for sustainable development, a coordinated approach to flooding and natural disasters as well as managing the transboundary impacts of development. More info: http://www.mrcmekong.org/about-mrc/programmes/mekong-integrated-water-resources-management-project/
National level
DFAT’s interventions seek to plug critical resource gaps and improve institutional arrangements in each of the Mekong countries, such as river basin organisations in Laos. Australia partners with the Royal Government of Cambodia and the Asian Development Bank (ADB) to implement a suite of Cambodian water resources reforms. Funding supports reforms of institutions and policies, capacity building to improve Cambodian water governance, rehabilitation of small- to medium-scale irrigation systems and delivery of irrigation services within the Tonle Sap basin (a sub-basin of the Mekong basin).

Australia partners with the Government of Laos, ADB and World Bank in separate activities to support Lao water resources policy (with the Ministry of Natural Resources and Environment and the National University of Laos) and hydropower governance reforms and capacity building (with the Ministry of Energy and Mines, the national university and polytechnic institutes). In Vietnam, DFAT is co-funding a 30 month study (commenced September 2013) with the Government of Vietnam on the impacts of Mekong development on the Mekong Delta.

Irrigation reforms in Cambodia
With over 80 per cent of Cambodia’s population located in rural areas, agriculture – particularly irrigated agriculture – is critical to the lives of millions of people to help reduce poverty and to support economic development. While Cambodia, along with many development partners, has in the past invested heavily to develop and rehabilitate irrigation schemes, the investment has often failed to achieve expected results because of shortcomings in the systems to adequately maintain and to protect the investment.

In 2008, a survey conducted by the Cambodian Centre for Study and Development in Agriculture revealed that of the more than 2500 irrigation schemes in the government’s inventory, only 148 schemes were fully functional and only four of the schemes had a fully functional Farmer Water User Community. Recently, the Department for Irrigated Agriculture within the Ministry of Water Resources and Meteorology developed and commenced implementation of a comprehensive system for budgeting and managing Operation and Maintenance (O&M) in irrigation systems. This was made possible with funding support from the ADB, the Australian Government, the Nordic Development Fund and the Royal Government of Cambodia and technical support from the consultancy team. As a result of this reform, the Ministry of Economy and Finance has agreed (as a starting point) to allocate approximately USD8 million in 2015 for a specific program of O&M in 93 irrigation schemes across Cambodia. As the effectiveness of this program becomes apparent, it is likely that additional funds will be provided to support more schemes in coming years.

Accountable Water Governance

*Program outcome:* Raising the accountability of government and the private sector; normalising better standards for water investments and more transparent decision-making.

DFAT is partnering with the International Finance Corporation (IFC), Mekong governments and the private sector to jointly contribute to increasing accountability and transparency in regional water governance focussing on the following areas:

- Improved hydropower regulation that emphasises strong social and environmental standards.
- Strengthened capacity in practical environmental/social standards, and risk management for government agencies (i.e. river basin organisations).
- Adoption of best practice environmental and social standards by Asian banks investing in hydropower development in the Mekong Region, to influence the way they assess their hydropower investments.

Key activities with the Government of Laos include developing and implementing the new water resources law, implementing the new Policy for Sustainable Hydropower, work with the Ministry of Natural Resources and Environment to strengthen the existing Concession Agreement annex focused on environmental and social obligations and provide critical training to ministries officials in charge of hydropower development and management.

Irrigation scheme in Kompong Thom, Cambodia
Credit to: Global Water Forum

Nam Ngum 1 dam
Credit to: Challenge Program on Water and Food
Improving Lao officials’ negotiation skills is a win-win for government and hydropower developers

Soukvisan Khinsamone and Souksavart Sosouphanh work for the Department of Energy Business within the Ministry of Energy and Mines in Lao PDR. Their department is responsible for reviewing and evaluating hydropower project proposals. Strong negotiation skills are central to the success of Khinsamone and Sosouphanh’s daily work. Khinsamone is responsible for reviewing financial models for hydropower projects that define benefit sharing between the Lao government and the developer. The team negotiates project incentives and evaluates proposed project costs, which makes or breaks the deal between the government and developer.

“From our perspective, we want the Lao government and people to benefit as much as possible from all proposed hydropower projects,” said Khinsamone.

Sosouphanh is involved in the Government’s preparation for negotiations with developers on hydropower concession agreements.

“It is crucial that we understand that every project proposal and developer is different,” said Sosouphanh.

“When we approach a negotiation, we need to be prepared with solid background information on the developer as they come from many different countries and have various approaches to negotiating the deal.”

Good negotiating skills are critical for the Government. Better prepared government negotiators also means hydropower developers are able to discuss issues in more depth, which should lead to better projects. At a recent five day training course hosted by International Finance Corporation (IFC) and funded by the team from the Department of Energy Business had the opportunity to learn new approaches to negotiating. The course walks participants through scenarios that they encounter in their daily work and provided them with specific approaches that aim to improve their negotiating power.

“Personally, I gained excellent preparatory skills,” said Souphanh.

“When we walk into the meeting room we want to know who we’re dealing with and what their positions are. This is possible if you are well prepared.”

In Khinsamone’s work, project incentives are negotiated, which can have a great impact on royalties the government earns from the project, or the cash the community receives.

“The course was very valuable. We learned how to identify those that may share our views, and how to present our case so it is most appealing to those individuals,” said Khinsamone.

This training session is part of a series of activities aimed at helping the Department of Energy Business and the Department of Environmental and Social Impact Assessment upgrade their negotiation skills. Khinsamone and Sosouphanh agreed that future training sessions would be valuable to further prepare them for the negotiation table with hydropower developers.

More info: www.ifc.org/meonghydro

Informed Water Governance

Program outcome: Improving the availability and influence of research to improve water resources management and decision-making.

Australia’s investments in this area target research that will inform decision-makers and support to lift the capacity of local institutions to provide the evidence-base for development of the region’s rivers. Australia’s major investment is through the Water, Land and Ecosystems’ (WLE) Greater Mekong Program. This program funds local and regional partners to undertake water governance research, professional development of regional water governance practitioners, and convening of multi-stakeholder dialogues on key regional water resources topics.

The WLE Greater Mekong program focuses on three areas:

- Building knowledge about regional rivers, their ecosystems, their value and governance.
- Fresh and evidence-based approaches for governing rivers and monitoring their health.
- Forging partnerships to strengthen learning and the exchange of information within and across governments, but also with the academic sector, civil society and the private sector.

Mekong Delta Study

Vietnam’s portion of the Mekong Delta is over 40,000 km², home to nearly 20 million people and produces about 27 per cent of Vietnam’s Gross Domestic Product, 90 per cent of rice exports and 60 per cent of seafood exports. The future of the Mekong Delta is threatened by sea level rises, declining water quality and upstream infrastructure development, such as hydropower dams and irrigation schemes. In 2013 Vietnam initiated a comprehensive 30-month study, with complementary Australian Government support, on the impacts of Mekong River mainstream hydropower on the Mekong Delta and the floodplains of Vietnam and Cambodia, due for completion by end of 2015. Multi-scale modelling is exploring the impact of different development scenarios on natural, social and economic systems. Extensive negotiations with Cambodia and Laos have ensured that those two countries, and the MRC Secretariat, are engaged partners in study oversight, active in a technical working group and sharing data.

Mekong Fellowships Program: supporting the next generation of Mekong researchers

Through the Consultative Group on International Agricultural Research Challenge Program for Water and Food, Australian Aid funded a Fellows Program providing young Mekong researchers and government officials with small amounts of research funding and mentorship to critically analyse water issues facing their countries and the region. The fellowship program aimed to develop the skills of young Mekong researchers and government officials but also to bring these young people into wider discussions about water governance through their participation in regional public policy events. Fellows focussed their research on important topics, such as public participation in domestic water governance in northeast Thailand, in agricultural wastewater management in the Red River Delta, water scarcity in the Srepok River Basin, Vietnam, and in urban wastewater management in Rangoon, Burma. Other fellows examined the gaps in policy with regards to aspects of water governance in migrant-based water livelihoods in the Tonle Sap and on health aspects of water scarcity in the Irrawaddy basin communities in Burma.

More info: http://wle-mekong.cgiar.org
Inclusive Water Governance

Program outcome: DFAT is partnering with Oxfam Australia to support civil society input into water planning and decision-making, focusing on:

- Increasing civil society participation and engagement in water resource governance with a focus on women.
- Strengthening community-based management of water resources.

Women’s voice for change

Oxfam’s Inclusion Project supports a local Cambodian partner – North-eastern Rural Development (NRD) – to broadcast a radio program called “Women Talk on Air”. The program aims to build capacity and empower women, especially those who are living in remote areas, to speak their minds to community leaders and decision makers within government departments.

Dary Thouch, 24 years old, is a young indigenous Kouy woman leader who has been supported through this program. NRD provided training and mentoring on public speaking – building confidence to be able to speak on air. Dary has been invited four times to speak on key problems faced by women in her community: maternal health, community saving, illegal fishing, and concerns of hydropower dam construction and the impact on their lives. Initially, Dary felt nervous in raising the issues. Gradually, she gained self-confidence to be able to raise critical issues that will have greater impact on her family and community.

Dary has been living in Koh Dambong village of Sambor district for the last 17 years. The richness of natural resources – especially from the Mekong River – has been the main source of livelihood for her family and community. Dary grows rice, vegetable and raises pigs and chickens; her husband fishes on the Mekong River.

Dary has concerns over the potential impact of a hydropower dam proposed for her district. If this hydropower dam is built, the water will be blocked to generate electricity and her community would need to relocate. Dary thinks that relocation strongly affects women because at the new sites, access to resources such as water and other resources needed for her family’s basic needs might not be available.

As well as sharing her views on the radio program, Dary has also joined a public dialogue platform where she asked sub-national government to address fisheries problems faced by her community. With funding from the Australian Government the Inclusion Project is helping Oxfam and its partners support young woman leaders like Dary to have their voices heard and share their perspectives with decision makers. More info: https://www.oxfam.org.au/explore/infrastructure-people-and-environment/save-the-mekong/me Konginclusion/

Policy Dialogue

Program outcome: Policy dialogue is a central function of our program to support the scale of outcomes we seek from our investments. Each of the DFAT Mekong Water Resources Program’s implementing partners have policy dialogue expertise, that is augmented by DFAT’s own team and national/regional connections.

DFAT actively engages in policy dialogue to support our implementing partners’ efforts to reach agreed strategic outcomes. For example, supporting structured dialogue between civil society, the private sector, academia and governments on priority topics, such as:

- Encouraging greater disclosure of information by governments, developers and MRC to inform stakeholders engaging in consultation processes.
- Working with government to advance regulatory improvements in irrigation, hydropower, mining and river basin management
- Mainstreaming gender in regional water governance, particularly institutional strengthening, capacity building and public participation.

First Mekong Forum on Water, Food and Energy
Credit to: Challenge Program on Water and Food

Second Mekong Forum on Water, Food and Energy
Credit to: Challenge Program on Water and Food

Dary Thouch (middle) speaks during “Women on Air” broadcasting in Radio station in Kratie. Photo by Oxfam
Mekong Forum on Water, Food and Energy: supporting regional water resources development dialogue

For the most part, dialogue around water resources development in the Mekong Region has been difficult due to the political nature of the issue and the range of different perspectives and interests. Most meetings and forums in the region are places where groups present and defend their positions.

The Challenge Program on Water and Food with support from DFAT has developed the Mekong Forum on Water, Food and Energy as a more inclusive forum to present and examine evidence-based research and bring together developers, NGOs, academics, government planners, financiers and other stakeholders.

The Forum has provided a stage for stakeholders from different disciplines and six very different countries to regularly come together to learn and exchange what they know about contemporary regional water governance issues.

Second, it has brought together upstream and downstream actors (hydropower developers, researchers and governments) to have informal interaction and test out respective positions, dialogues and perspectives. This includes delegations of Chinese hydropower developers who have participated since 2011. This process complements the formal framework provided by the Mekong River Commission and other government partners.

A key outcome has been to build the confidence and professionalism of national partners to present their research to high level participants. The Forum requires that sessions are run in interactive ways so that discussion and debate are encouraged.

More info: http://wle-mekong.cgiar.org

Second Mekong Forum on Water, Food and Energy
Credit to: Challenge Program on Water and Food

For information about Australia’s Mekong Water Resources Program
Please contact:
Australian Embassy, Vientiane, Lao PDR
Email: MekongWater.Program@dfat.gov.au