

# Australian Mekong Water Resources Program Annual Program Performance Report 2011

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This report summarises progress of the Australian Mekong Water Resources Program in 2011.



#### Context

#### Introduction

Contestation over water resources in the Mekong Region heightened over 2011, with some issues creating disagreement within and between nations. Proposals for more hydropower dams (particularly the first on the lower reaches of the Mekong) and their projected impacts on communities, ecosystems and economies have spurred public protests, tense negotiations and diplomatic entreaties. Some contentious plans for new water diversions for large irrigation are proceeding. Security incidences affecting navigability of the Mekong and dam construction on the Irrawaddy made international headlines. Natural phenomena, exacerbated to varying degrees by the constructed environment and modification of hydrological regimes, led to extreme flooding in Thailand and continued drought in southern China. There have never been so many critical tests of national and regional governance structures for water and related resources.

The Mekong River and its tributaries are the most prominent of the water resources of the Region. Cambodia, Lao PDR, Thailand and Vietnam have agreed to cooperate in attempting to jointly manage, use and further develop the Lower Mekong Basin through the Mekong River Commission under the 1995 Mekong Agreement signed by the four governments. China has rapidly developed hydropower on the mainstream in the upper reaches, with little acknowledgement until 2010 of downstream concerns. China has agreed to expand technical cooperation with its Lower Mekong neighbours, with the Mekong River Commission leading negotiations for a new memorandum of understanding on behalf of its members. Burma is informally signalling its interests in seeking full membership of the commission.

The Mekong Region depends heavily on its major rivers and their tributaries for food from floodplain and irrigated agriculture and fisheries. There is scope for further development of the region's water resources, however poorly managed development would have negative impacts on food security, broad-based growth and regional stability.

The governments of the region recognise that their countries' destinies are entwined, and will be shaped in part by the way they extend the collective decision-making of the past 20 years—in fields such as intra-regional trade—into the realm of water resources development. This requires tempering traditional conceptions of sovereign rights over development, and accepting regional responsibilities that transcend national borders. This is a difficult challenge: there are few places in the world where collective interests on complex transboundary policy matters have been easy to resolve.

## National and regional developments

The six governments of the Mekong Region are all juggling competing national demands and priorities. Southern China's Yunnan Province is in its fourth year of drought, just coming to grips with the water demands required for its massive increases in rubber plantations, and ever upward demands from urban towns and cities such as Kunming. Moreover the demand for energy from its eastern provinces



continues to propel China's hydropower expansion in the south-west of the country and across its borders, especially into Burma and Laos.

Burma's political opening has coincided with pushback against extensive Chinese hydropower plans for using Burma's water resources to provide construction opportunity and power to China, most notably via the suspension of the giant Myitsone project on the Irrawaddy in late 2011. A pause may enable Burma to thoughtfully consider, in new national processes, the possible and preferred futures for rivers such as the Irrawaddy and the Salween. In the past Burma was a major rice exporter and could be again if land and water productivity is enabled to rise. That said, a first objective is attaining food and nutritional security.

Poor nutrition, ineffective irrigation and pressured rain-fed farming systems are part of Lao water resources management challenges. The Lao hydropower expansion agenda is being driven by government commitment to delivering the electricity it has promised to its energy-hungry neighbours, coupled with a regulatory and corporate regime that is providing a lot of incentive to private sector partners. The Government of Lao PDR is very sensitive to international engagement in the debate over hydropower development, particularly warnings of impacts on its downstream neighbours Cambodia and Vietnam due to the disruption of fisheries, and sediment and nutrient flows.

Thailand is actively involved in Lao hydropower and its government is avoiding playing any prominent role in the regional discussions about projects such as the proposed Xayaburi dam on the Lower Mekong mainstream. Thailand's national debate focused on drought in the north and northeast of the country in 2009 and 2010, and some of the worst flooding in its history in 2011. The floods in the Chao Phraya basin inundated farms, villages, towns and Bangkok's peri-urban and industrial zones, causing an estimated US\$50 billion in damage. The flooding has been blamed in part on the management of water reservoirs in northern and central Thailand. Flood mitigation will continue to dominate Thai water policy debate in 2012, but substantial support still exists for other mega-projects, such as inter-basin diversions from the Salween into the Chao Phraya for agriculture and urban water security, and diversions from the Mekong to expand irrigation in northeast Thailand. These are being promoted with justifications of fighting poverty, drought proofing, greening the northeast, and most recently, flood proofing.

Cambodia is grappling with threats to the natural flow regime of the Mekong River and unsustainable harvesting practices that might decimate the Tonle Sap freshwater capture fishery. The 'new water' for irrigation from upstream dams might help achieve an ambitious new rice production policy that is targeting 1 million tonnes of export rice by 2015, and upwards thereafter. Cambodia's position is complicated because although threatened by both the Chinese and Lao-Thai projects on the Mekong mainstream, it is contributing to its own problem by proceeding with major tributary developments, such as Lower Sesan 2 in partnership with Vietnam, and keeping its own dubious projects for the Mekong mainstream on its agenda.

Threats to the Mekong Delta are also worrying Vietnam. Despite having developed much of its own hydropower potential, it now finds itself at risk from neighbours such as Laos which, in partnership with the Thai quasi-public energy and business sectors, is essentially copying the Vietnamese hydropower development strategy.



The Mekong Region is also tackling changes in climate, which are likely to have significant impacts on water and related resources in the medium to long term. The macro-changes include shifts to the Asian monsoon and changes to the snow and glacier contribution to river headwaters. Regional governments are focused on adaptation as the political priority before mitigation. Hydropower is promoted as an economically-viable and cleaner alternative to thermal power. Delta areas are expected to be severely affected, by changing flow regimes and sea level rise, evoking serious debate about the most appropriate responses.

While there are prominent discussions about surface water – due to visibility and the more obviously transboundary character of the resources – groundwater is also increasingly being exploited. Information on the state of this resource is patchy, and efforts to improve understanding and develop policy responses are only now beginning.

Overall, institutional frameworks for integrated water resources management are building, albeit off a very low base. Some high quality impact assessment products derived through consultative processes have been developed over the past three years, but there continues to be insufficient, reliable, high-quality data to underpin fully informed decision-making. There remains an urgent need for deliberations to be better informed and more timely, to constructively influence negotiations and policy of public, private sector and civil society actors in the complex political economy of water. These are the challenges that are being addressed through the first phase (2009–2012) of the Australian Mekong Water Resources Program.

## Objectives and strategy

The Australian Mekong Water Resources Program contributes to the purpose and strategic goals of Australia's Comprehensive Aid Policy Framework by supporting sustainable economic growth and reducing the impacts of environmental change. This is done through improved management of the national and transboundary water resources which underpin livelihoods, fisheries and farming of tens of millions of poor people in the Greater Mekong Subregion.

The program objectives are:

- Institutional strengthening: strengthening institutional frameworks to improve integrated water resources management.
- Knowledge availability: improving availability of reliable water resources knowledge.
- Decision-making support: supporting water resources development decision-making processes.

In line with these objectives, activities supported by Australia address one or more of the following priority issues:

- Capacity building: technical and social capacity building to enable integrated water resources management.
- Environmental change: adapting to climate and other environmental change.



- Food security: ensuring there is enough food for vulnerable and marginalised people.
- Hydropower assessment: comprehensively assessing options, including alternatives.
- Transboundary engagement: engaging more constructively on water-related issues between all six countries of the Mekong Region.
- Corporate social responsibility: encouraging private sector leadership and accountability.

Australia continues to be one of the few donors with a dedicated regional water resources program. This is opposed to other donors for which water resources is a pillar of a country program, or support for the Mekong River Commission which is under the auspices of regional integration or a broader environmental mandate. Australia's program also works in more countries with more partners than any other donor, with all activities reporting to the one hub (the AusAID Mekong Water Resources Unit in Vientiane), allowing synergies and linkages.

Over the past three years Australia has been one of the top donors to the Lao government's efforts to improve natural resources governance. Australia is a key grant donor for Cambodian water resources, providing technical assistance to the government so it can manage concessional loan financing for irrigation rehabilitation. Over the past 17 years, AusAID has been a leading donor to the Mekong River Commission and has brokered development partner positioning on major issues, not least being implementation of the 'prior consultation' aspect of the Mekong River Commission Procedures for Notification, Prior Consultation and Agreement (see page 11). Our support to Vietnam, Thailand and China is modest in dollar value, but key to maintaining dialogue on national and transboundary technical and governance issues. Australia is working with Mekong governments, multilateral financial institutions—the World Bank and Asian Development Bank—civil society and research organisations from the region to implement our aid program. With the latter we do so in partnership with the Consultative Group on International Agricultural Research's Challenge Program on Water and Food and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). With an established network of partnerships and active engagements, AusAID is taking every opportunity to address priority issues. All this adds up to an integrated platform designed for multifaceted policy dialogue over and above our programming outputs and impact. As the program dealing with major national and transboundary challenges, our policy dialogue efforts and reporting are also serving to inform Australia's responses to wider development cooperation and foreign policy questions.

The delivery strategy 2009–2012 for the Australian Mekong Water Resources Program has served the program well. It has enabled partners to be expanded beyond the Mekong River Commission to national governments and non-state actors, focused objectives to be (as listed above), and the geographic scope to be defined as the Greater Mekong Subregion. As the last calendar year of the strategy draws to a close, the Mekong Water Resources Unit will be developing a new delivery strategy. This will follow AusAID's design guidance and include extensive stakeholder consultation. Adjustments to objectives and strategy will be determined through the consultation and design process.



## **Expenditure**

The program expended its full allocation of \$9.43 million in 2011–12. Expenditure is grouped by objective in Table 1 below.

Table 1: Estimated expenditure in 2011-12

Objective	A\$ million*	% of AMWRP*
INSTITUTIONAL STRENGTHENING	4.85	51
Cambodia Water Resources Sector Development Program	1.50	
Lao Integrated Water Resources Management Support Project	1.10	
Lao Hydro-Mining Technical Assistance Project	0.75	
Mekong River Commission's Integrated Capacity Building Program	1.50	
KNOWLEDGE AVAILABILITY	2.57	27
Challenge Program on Water and Food Phase 2	2.57	
DECISION MAKING SUPPORT	2.00	21
Mekong River Commission's Mekong Integrated Water Resources Management Project	2.00	

## **Progress against objectives**

Table 2 shows that the progress towards the program's objectives have remained the same as the previous year for institutional strengthening and knowledge availability. Decision-making support has been downgraded to only being partly achieved by the end of the strategy lifetime. Annex A lists headline results, Annex B lists the progress against the top five results set for 2011, Annex C lists the top five results for 2012 and Annex D sets out the performance assessment framework. The description of progress for each objective that follows includes both activities that were funded in 2011–12, and ongoing activities with no financial commitment in that 12 month period.



Table 2: Ratings of the program's progress towards the objectives

Objective	Current rating	Relative to previous rating
Institutional Strengthening		Unchanged
Knowledge Availability		Unchanged
Decision-Making Support		Downgraded

## Institutional strengthening

The objective will be partly achieved within the timeframe of the strategy.

The objective is unlikely to be achieved within the timeframe of the strategy.

The focus of the institutional strengthening effort has been on the Mekong River Commission and key natural resources management ministries in Cambodia and Laos.

In Cambodia, the Asian Development Bank-managed Water Resources Sector Development Program's technical assistance component (\$1.5 million from AusAID in 2011–12, \$5 million overall commitment) has supported key actors in Cambodia's government in achieving permission for an institutional reform agenda for water resources management, focusing on irrigation. Working groups to build consensus within government, including on gender, public financial management and anti-corruption, have been formed. An inter-ministerial committee on water resources, to coordinate the various relevant government bodies, has not yet been achieved by the government but terms of reference are being negotiated. Preparations for a pilot activity in the Stung Sen river basin are underway, but the pilot hasn't commenced. Achieving these institutional reforms is necessary to comply with terms of a program loan from other donors for \$20 million, and associated irrigation rehabilitation project investment of \$32 million. Overall, progress to date in this problematic area of policy development is modest but steady and in line with expectations.

A six-week intensive short course on integrated water resources management was hosted in Australia in mid-2011 for 21 Cambodian officials and professionals from across government, academia and civil society. It provided opportunities for practical learning and collaboration between delegates, and will improve communication between the various ministries and technical bodies with oversight and input into managing Cambodia's water resources. This activity was separately funded as a pilot by AusAID's Scholarships Section and provided a model for future exchanges that may be conducted under the next phase of the water program.

The Lao Peoples' Revolutionary Party held its five-yearly congress in March 2011, which as expected led to significant changes in the composition of the politburo and central committee, and the restructure of many ministries. The Water Resources and Environment Administration was absorbed into a new Ministry of Natural Resources and the Environment, with 17 departments including the Department of Water Resources and the Lao National Mekong Committee. The scale and slow settling of the changes to water resources-related departments delayed the inception of the Lao Integrated Water Resources Management Support Project managed by the Asian Development Bank, to which AusAID is the prime donor (\$1.1 million in 2011–12,



\$3.2 million of \$3.8 million donor funding over all years). Nevertheless, with funding and technical support from the project, the Lao government achieved a milestone in 2011 by holding the first hydro-mining forum for the Nam Ngum Basin in Vientiane Province, which was attended by hydropower and mining industries active in the basin. This is a start, but further work is needed and planned to ensure this flagship river basin organisation provides a model that can be replicated to other basins in Laos.

The Lao Ministry of Energy and Mines was also restructured in the wake of the June 2011 congress, leading to administrative and procurement dysfunction. Arduous World Bank administration processes slowed procurement by the Hydro Mining Technical Assistance Project's management unit within the ministry, so little was achieved in 2011 and the project is behind schedule. This in part reflects the bank's inflexible fiduciary requirements when applied to the low capacity environment in the target ministries. Concerns from the bank, shared by AusAID, were serious enough that the bank downgraded its assessment of this project implementation status to moderately unsatisfactory in January 2012. A mid-term review in late 2012 will consider how the project can be reshaped, including assistance delivery modalities, particularly as the Lao government continues to see the objectives of the project as highly relevant. Furthermore, the project has provided a platform for policy discussions at the working and senior-official level, examples of which are early discussions on improving public information availability in the mining and hydropower sectors and ways of addressing the massive monitoring and compliance burden on the partner ministries. AusAID's funding to the project in 2011–12 was \$0.75 million, which was the last tranche of a \$3.0 million commitment supplementing an International Development Association grant contribution of US\$8 million.

The 2011 floods in Thailand fully occupied Thailand's Ministry of Natural Resources and Environment, preventing a reciprocal visit by Australian officials under the Thailand–Australia Technical Exchange on Water Resources Management. This has been rescheduled to the second half of 2012.

At the Mekong River Commission, the institutional fractures which warranted the Integrated Capacity Building Program have led to poor coordination of capacity building activities across the institution and member governments. Due to the nature of the processes, time is required following capacity building activities before learning can be demonstrated and impacts gauged. Some activities that were funded and overseen by the Integrated Capacity Building Program in 2011 have not yet fully expressed their benefits. A mid-term review conducted in late 2011 made a raft of recommendations on how to ameliorate these and other issues, which received broad support from the member governments and AusAID as the chief donor (\$1.5 million in 2011–12 of a \$6 million commitment, which represents more than 60 per cent of all donor funding). The Mekong River Commission will be responding to the recommendations over the course of 2012, and with the program team fully staffed for the first time since inception, 2012 is promising to be a very productive year.

Despite these issues in implementation, the Integrated Capacity Building Program made a substantial contribution to AusAID's headline results by providing training to 1078 civil servants in the Mekong Region, including 524 women. The training was in various fields related to river basin management, organisational administration and



gender mainstreaming. Milestones set for 2011 for institutional strengthening at the commission were met in part or full. These bode well for future coordination and impact evaluation of program activities. However, the ambitious end-state milestones for 2012, specifically that Mekong River Commission institutions (including national Mekong committees and line agencies) are able to deliver effectively on their mandate, have been moved back in the performance assessment framework to 2015 in line with the objectives of the Mekong River Commission Strategic Plan for 2011–2015. The Integrated Capacity Building Program will continue operating beyond the end of 2012 towards these objectives.

The Integrated Capacity Building Program has also provided an avenue for AusAID (and co-funders Finland and New Zealand) to engage in policy discussions on the transfer of responsibilities from the Mekong River Commission Secretariat to line agencies within member governments, and the institutional capacities and set-ups this requires. These are key institutional developments flagged in the commission's strategy for 2011–2015.

A memorandum of understanding between the Mekong River Commission and Murray Darling Basin Authority was signed in 2011. Due to pressures on both organisations, the launch of substantive activities under the partnership has been deferred to the second half of 2012.

Overall, progress on this strategy objective has been modest. As noted above, some activity-level milestones are being met, but many are behind schedule. The objective will only be partly achieved by the end of 2012, and the objectives for the commission have been realistically reset for 2015. It should be noted however, that all of these activities continue to provide a basis for policy discussions with the national government and basin authorities in the region, which would have been difficult to achieve otherwise.

## Knowledge availability

The focus of the knowledge availability objective has been on hydropower, climate change, and water and energy futures.

With Australia's funding augmentation of Phase 2 of the Challenge Program on Water and Food's Mekong Basin program (\$5.5 million from AusAID, with \$2.57 million provided in 2011–12), the program was able to host the first Mekong Forum on Water, Food and Energy in Phnom Penh in December 2011. The forum brought together 160 mainly regional delegates to collaboratively explore the issues and implications of this nexus for the Mekong Region. With strong attendance and participation from government officials, academic researchers, journalists and civil society representatives, the forum provided an unprecedented opportunity for public discourse across all the implications of rapid developments and changes in the Mekong Basin for water, food and energy security.

The challenge program also mobilised 21 fellows from across the region in 2012–13 to undertake research for development in hydropower decision-making processes and how they can be improved, including through community engagement. Other areas of the program's work, including commissioned research and an open call, were delayed until early 2012, but are successfully underway and look promising.



The Mekong River Commission's Climate Change Adaptation Initiative, the design of which was funded by AusAID in 2007–08, began implementing local adaptation demonstration projects in Cambodia, Laos, Vietnam and Thailand during the year, with strong ownership by government and involved communities and support from the Mekong River Commission. The project in Vietnam has already concluded and an impact assessment is underway. The first basin-wide pilot on climate change impact and vulnerability assessment of Mekong wetlands for adaptation planning was implemented, and adaptation measures were identified and recommended. Grassroots workshops were organised at the demonstration sites to raise awareness about climate change and its impacts on livelihoods, and these used novel communication methods such as comic books. All of these activities drew heavily on AusAID's founding contribution of \$3 million, which will be fully spent by the end of 2012. The initiative is now fully subscribed by other donors up to 2015.

Exploring Mekong Region Futures is a collaboration between research institutes in the region funded by the CSIRO-AusAID Research for Development Alliance, with on-the-ground support from the AusAID Mekong Water Resources Unit. The initiative contributes to regional development and associated policy and infrastructure investment choices by investigating relationships between the production, distribution and use of energy, food and water across the Mekong Region. Appreciation of energy, food and water interdependence does not make policy making any easier, but it can help it to be more refined. Researchers in each country are working with governments and others to explore interdependencies and the possible follow-on effects of pending national decisions that will impact the future of the Mekong Delta, northeast Thailand, Cambodia's Tonle Sap, the Nam Ngum river basin in Laos, and the landscapes of Yunnan in southern China. Substantial progress was made in 2011 with scenario-building which was informed by multi-stakeholder groups in five Mekong countries, and socioeconomic surveying of 5000 households in target areas.

The portfolio of activities for this strategy objective is mainly on track to achieve the milestones. Other activities in the broader program, particularly the Mekong Integrated Water Resources Management Project under the decision-making support objective, have produced very high quality technical materials to inform policy-making and placed these in the public domain. Overall, the program is on track to achieve the objective of improving the availability of reliable knowledge about the use and further development water resources.

### **Decision-making support**

The focus of this objective has been on supporting key regional and national deliberative and decision-making processes and engendering transparency, social and environmental responsibility in the hydropower sector. This has had mixed results and it will only be partly achieved within the strategy timeframe. This is a downgrading from the previous year, principally due to unresolved issues with the finalisation and implementation of procedures and guidelines for use and management of Mekong waters by Mekong River Commission member countries. Work is being facilitated by the regional component of the commission's Mekong Integrated Water Resources Management Project, to which AusAID is the sole donor (\$2 million in 2011–12, \$7 million overall).



The first notification to the Mekong River Commission of an intention to build a mainstream dam was in September 2010, triggering for the first time one of the most critical of the procedures and guidelines: the Procedures for Notification, Prior Consultation and Agreement. The status of the prior consultation part of the process is still unresolved, with differing views on the status of the deliberations process. Laos views the process completed and the formal deliberations closed, while committing to respond to all comments made on the design by downstream neighbours and proceeding with extensive preparatory works at the dam site. Vietnam and Cambodia assert that more information is required before the consultations can be deemed complete. While the contestation over the Xayaburi Dam has been a test for the commission and regional trust, the ongoing deliberations between the countries through the commission have furthered mutual understanding and provided an opportunity for development partners (particularly Australia in our role as sole funder of the Prior Consultation and Agreement implementation) to engage in this seminal decision-making process. In the hypothetical situation that the agreement did not exist, or the secretariat was unable to facilitate implementation of the procedures (due to lack of funding or otherwise), the decision-making process would have been less informed, less consultative and less transparent.

In December 2011 the ministerial-level Mekong River Commission Council brokered an agreement to undertake further study on the sustainable development of the Mekong River, including the impacts of mainstream dams. When the terms of reference are finalised in mid-2012, this study will provide a further opportunity for supportive engagement by donors such as Australia.

The other four procedures in the suite managed by the Mekong River Commission – maintaining water quality standards, setting minimum flow volumes in the mainstream, sharing data and information, and monitoring water use – are at different stages of finalisation and implementation. Those that are still being finalised require resolution of definitional and technical differences between the four countries. For example, the countries did not resolve in 2011 a long-standing disagreement on what characteristics would be used to select tributaries which are considered significant to maintain the flow of the mainstream. Those procedures and guidelines being implemented are not being adhered to by all member countries. For example, some have not yet shared their backlog of data as required by the Procedure on Data and Information Exchange and Sharing. Nevertheless, the Mekong Integrated Water Resources Management Project achieved the milestone of designing a joint platform, which will be a new driver to address the remaining problems with the procedures.

In 2011 the Challenge Program on Water and Food supported a trial of the Hydropower Sustainability Assessment Protocol by Huaneng Lancangjiang Hydropower Company on the Jinghong Dam on the Upper Mekong in China, including roundtable dialogues between government, civil society and the private sector. This activity was wholly funded by a \$150 000 grant from AusAID in 2009–10. The company considered the application a pilot test, and has not yet publicly disclosed the results, but this does not imply it is unhappy with the protocol or trial. Hence the 2011 milestone was achieved in part. In 2012 it will undertake a second pilot, this time on the giant Nuozadhu Dam, also on the Upper Mekong. The engagement with and disclosure of information to Chinese, regional and international academics and non-government organisations has been ground-breaking, and has



established good working relationships which will serve as a foundation for future engagement. There is a good prospect that the 2012 milestone for this component will be achieved, as one or more companies will be applying transnational codes of conduct in the Mekong Region and beyond.

## **Program quality**

As shown in Annex E, activities that have improved year on year are the Cambodia Water Resources Management Sector Development Program activity, the Mekong Integrated Water Resources Management Project and the Climate Change Adaptation Initiative at the Mekong River Commission. The activities that depreciated in Quality at Implementation (QAI) ratings were the Lao integrated water resources management project and hydro-mining supports. This is partly due to institutional restructuring of the relevant ministries discussed on page 8, and some procurement issues, and has necessarily delayed program implementation and therefore led to some low scores.

Overall, there is no narrative specific to any single quality criterion, but more to the issues obstructing progress on these specific activities. As these activities both sit with the institutional strengthening objective, this is therefore proving to be the hardest objective to achieve within the lifespan of the program's current portfolio of activities.

The risk assessments remained stable for all activities, with most listed as amber due to various issues with implementation. Due to the improvements noted above, the Climate Change Adaptation Initiative was upgraded to 'green'. On the whole, the program is characterised by significant risks of delayed implementation. However, there are no identified risks of damage to reputation, collapse in efficacy, creating perverse outcomes or anything that calls for drastic preventative action.

The performance assessment framework for the current strategy, with reporting on the achievement of milestone targets for 2011, is provided at Annex D. Milestones for 2012 have also been set. This performance assessment framework will be overhauled as part of the formulation process for the new delivery strategy, which may have different objectives.

#### **Donor harmonisation**

The Mekong Water Resources Unit continues to be the central node of donor coordination for the commission's development partners. This has become more formalised and frequent since late 2011 with bimonthly face-to-face meetings between development partner representatives that are augmenting the notably improved drafting process and resultant quality of joint statements delivered over the past two years. In addition to exercising some modest leverage by joint messaging, the statement drafting is usefully boosting the understanding of development partners of the water-related political economy of the region.

In Laos, the coordination forums chaired by government (Sector Working Groups) are in the process of being restructured, and in their new incarnation may provide more space for natural resources management. In the meantime, donor coordination has continued in informal ways, with AusAID and the World Bank working closely



with German technical assistance to the Ministry of Energy and Mines, and Finnish technical assistance to the Ministry of Natural Resources and Environment. In Cambodia, the short course has lead to periodic roundtable meetings by participants to share information and discuss obstacles to furthering integrated water resources management.

## Performance of multilateral organisations

The World Bank and the Asian Development Bank are struggling to adequately resource project and program management in-country in both Laos and Cambodia. Ambitions, supported by recipient governments, to transfer management of activities from Washington/Manila to Vientiane/Phnom Penh are not being matched by congruent resourcing increases, although the Asian Development Bank will be providing dedicated staff for water resources projects to the Lao Resident Mission in 2012. This is a major issue for the Lao Hydro-Mining Technical Assistance Project, the Lao Integrated Water Resources Management Support Project, and the Cambodia Water Resources Management Sector Development Program, the implementation of which were to varying degrees hampered by management from afar. The situation is not helped by the fact that Australia, in its representations on the boards of the World Bank and the Asian Development Bank, has in the past voted to reduce operational resourcing. This must be reversed if both organisations are to decentralise management of activities to Posts, which is considered essential for successful implementation. Aside from this, the World Bank can also be slow at approving funding arrangements with recipient governments. For example, the agreement between the bank and the Lao government for AusAID's supplementation of the Hydro-Mining Technical Assistance Project was achieved more than 12 months after AusAID made the first tranche payment to the bank.

In the complex matrix structure of CGIAR, the Challenge Program on Water and Food sits under the International Water Management Institute, which is headquartered in Colombo, Sri Lanka. CGIAR is in the process of transitioning to a research programs model, which will phase out the Challenge Program on Water and Food and similar research programs in 2013–14. The transitioning has increased the management workload on challenge program teams, and has impacted on the ability of the program's Mekong Basin to meet its work plan. Cuts to core program budgets are expected in 2012, reducing management resources to take on the extra activities funded by AusAID, and reneging on organisations already partnering with the program. Negotiations between the program and AusAID on how to ameliorate this will be conducted in the second half of 2012.

#### Forward program commitments

For the 2012–13 budget of \$11 million, 43 per cent has been programmed to date, comprising activities commenced in 2010–11. The new delivery strategy will identify greenfield and continuing areas of engagement, and will outline the forward program to 2016. Major designs will need to commence in early 2013 to match the expected increase in the program allocation in 2013–14 and beyond.



## Management consequences

# Responses to management consequences for 2011 identified in 2010 APPR

The 2010 APPR noted the withdrawal in late 2010 of the counsellor (subregional) position, to which the Mekong Water Resources Unit had reported to, and recommended that this position be reinstated. From mid-2012 the Mekong Water Resources Unit will be reporting to the new counsellor (development cooperation) in Vientiane.

The 2010 APPR also recommended that to meet budgetary planning expectations by shaping a preliminary program pipeline to 2016, a new focus and delivery modes would need to be considered following a rapid program review. A 'soft' pipeline has been formulated to provide some guidance on what could be achieved by 2016, which has helped secure funding from the Infrastructure for Growth budget measure. A thematic scoping paper has been drafted on framing the new delivery strategy. A lot of work on these issues will be conducted in the second half of 2012.

The Mekong Water Resources Unit followed up on a commitment to look for new programming options in Vietnam, with Australia considering options to support the Vietnamese government's study on the impact of upstream development on the Mekong Delta. Dedicated engagement with Burma has not proceeded due to the Australian aid program's already expansive engagement with other sectors in the country since the reforms that commenced in 2011. Therefore engagement with Burma will remain on the backburner until AusAID senior management provides approval to proceed further. That said, there is no avoiding the fact that Burma is intimately connected to the water-food-energy economy of the region.

Supporting technology innovation for sustainable hydropower was identified in the 2010 APPR as a potential area of future work. This will be appraised during the delivery strategy formulation process.

## Management consequences for the Institutional Strengthening objective

This objective will require a significant push in 2012 to meet expectations as outlined in the performance assessment framework, particularly with regard to Lao government institutions and the Mekong River Commission. AusAID will need to work closely with new team leaders at the Asian Development Bank and the World Bank to ensure that the flagging support to the Lao Ministry of Natural Resources and Environment and the Lao Ministry of Energy and Mines is redressed – either formally through mid-term review, or continuously as needs evolve – to ensure the highest priority demands of these two ministries are being met.

AusAID will monitor the Mekong River Commission's Integrated Capacity Building Program to ensure that recommendations made in the mid-term review start being implemented in 2012. Frequent liaison with this program will be required to assist with the difficult task of fashioning effective capacity building activities and tracking impact. As always, AusAID will advocate in concert with other development partners as opportunities arise for major institutional issues to be addressed by the commission and its member countries.



## Management consequences for the Knowledge Availability objective

The Mekong Water Resources Unit will need to determine whether to support a second phase of Exploring Mekong Region Futures with or without a continuation of the CSIRO-AusAID alliance. The alliance is likely to continue and is therefore a likely source of funds. However, before committing our support to a second phase, the unit will wait until the first phase is completed and assessed. There are management, logistic, methodology and philosophical issues that need to be addressed, which were raised by AusAID during a mid-term review of the alliance undertaken in early 2012.

## Management consequences for the Decision Making objective

With respect to the five procedures and guidelines facilitated by the Mekong River Commission Integrated Water Resources Management Project for use and management of Mekong Basin waters, the project team is taking a different approach with a new 'joint platform' to resolve obstacles. A mid-term review to be conducted by the Mekong River Commission in the second half of 2012 will provide further guidance on what can be done for the whole suite of procedures and guidelines. Outside the formal review, the issues with the Prior Consultation and Agreement warrants some fresh analytical attention, and AusAID will arrange direct interviews, national focus groups and a regional forum to source suggestions for addressing outstanding issues and making the consultation and agreement process less ambiguous and more effective. Anonymity will be provided to suggestion-providers if requested, and the Chatham House Rule will be trialled for the forums – the latter being novel for the Mekong Region, especially considering the inclusion of state actors.

#### Workload and composition of the Mekong Water Resources Unit

Of the existing portfolio of seven major activities, none of them will have expended in 2012 their full allocations provided by AusAID. Multiple new activities are slated for design and implementation in 2012–13 and 2013–14, meaning that the management load for the unit will increase. It is not inconceivable that there will be five new major activities by the end of 2014, offset by the conclusion of two existing activities (likely the Mekong River Commission Climate Change Adaption Initiative and Lao Integrated Water Resources Management Project), so that there will be 10 major activities in total.

The management impost can be tackled in part by using facilities to deliver new support through multiple suppliers – such as with the open call being conducted by the Challenge Program on Water and Food. The use of trust funds for broad support to multiple departments of key ministries in Laos and Cambodia, which may also allow the World Bank or Asian Development Bank to provide sufficient management resources by drawing on the same trust fund, is also an option. It is inevitable, however, that further staffing capacity will be required within the Mekong Water Resources Unit, which at present comprises a second secretary, senior adviser and program officer (the 0.5 full-time equivalent assistant program officer was relinquished in 2011). A locally-engaged program manager will be requested in the business unit plan to commence by mid-2013. Further resourcing will also be





desirable at implementing Posts – particularly Phnom Penh, Hanoi and Beijing – while noting that the intermittent assistance provided by staff at these Posts has been both invaluable and sufficient to date. If Cambodia remains a key focus of the program under the new strategy, 0.5 full-time equivalent of a program officer will likely be required in Phnom Penh to assist with in-country liaison. If China in the region is to be a focus of the future strategy, further inputs from the program officer in Beijing would be essential, particularly considering the continued focus on policy engagement with China.

## Annex A: Headline results summary for the Australian Mekong Water Resources Program

Headline result indicator	2011 result	How Australia contributes (type of aid)	Method of calculation	Data source
Number of countries assisted with adaptation program to reduce vulnerability to climate change.	Four – Cambodia, Laos, Vietnam, Thailand.	Pooled funds, through the Mekong River Commission Climate Change Adaptation Initiative.	Countries are included in the Mekong River Commission's Climate Change Adaptation Initiative.	Mekong River Commission Climate Change Adaption Initiative annual report for 2011.
Number of countries supported to improve public financial management.	Two – Cambodia, Laos.	Specific purpose programs projects.	Includes Cambodia Water Resources Management Sector Development Program, Lao Integrated Water Resources Management Support Project, Lao Hydro-Mining Technical Assistance Project.	Annual reports for listed activities.
Number of public servants trained.	1078 civil servants attended training, including 524 women.	Funding the Mekong River Commission's Integrated Capacity Building Program.	AusAID funds 100 per cent of all training provided by the Mekong River Commission's Integrated Capacity Building Program to member government line ministries and the secretariat staff. Some individuals may have attended more than one training event.	Records provided by Mekong River Commission.

# Annex B: Performance against top five results identified for 2011

#### Objective

#### Assessment of performance

#### Objective 1: Institutional strengthening

#### New institutions

Establish and demonstrate operation of a new inter-ministerial water resources committee in Cambodia, chaired by the prime minister.

## Partly achieved

In progress. A working group is underway with the establishment of what is being called the Inter-Ministerial Committee for Water Resources Management. A background paper on the structure, role and functions of the committee was prepared by Capacity Development Technical Assistance consultants in February and March 2012. This draft document describes the mandates, modalities and operations of the committee. This now requires consideration and action by the working group.

#### Objective 2: Knowledge availability

#### Gender

Cambodian Integrated Water Resources Management commissions specific analysis of water resources-related gender issues, and develops a gender action plan in response.

Hydro-Mining Technical Assistance Project completes gender issues identification and analysis for hydropower and mining sectors in Lao PDR, and acts on those considered high priority.

Challenge Program on Water and Food awards fellowships or commissions new research with an emphasis on gender and hydropower decision-making.

#### Not achieved

The Asian Development Bank is working with Cambodia to ensure activities incorporate the concerns, needs and interests of women and men.

#### Partly achieved

Gender issues have been identified in Laos for mining and hydropower, with most early work done in mining. Progress in addressing these issues commenced in early 2012 with support from a social/gender advisor directly commissioned by AusAID.

#### Partly achieved

Challenge Program on Water and Food selection processes commenced in 2011.

#### Objective 3: Decision-making support

#### Hydropower governance

A Chinese hydropower company engages in a full trial of the International Hydropower Association sustainability protocol on a Mekong mainstream dam, and commits to sharing the results of its analysis.

Prior Consultation and Agreement
Mekong River Commission Council affirms
integrity of the first Prior Consultation and
Agreement process at its end-of-year meeting,
drawing on objective evaluation of the initial
testing in the Sayaboury case.

### Mekong Futures

Scenarios work in one or more Mekong countries demonstrably and constructively contribute to a major public policy decision.

#### Partly achieved

Huaneng Lancangjiang Hydropower Company conducted a pilot implementation of the Hydropower Sustainability Assessment Protocol at the Jinghong Dam on the Upper Mekong. It preferred not to publicly disclose the results, treating it as a learning exercise rather than a public audit. This is an acceptable first step.

#### Unresolved

The Prior Consultation and Agreement status is contested, deliberations through different platforms continue. Analyses of impacts of mainstream hydropower are underway.

#### Partly achieved

Scenarios were conducted in all countries, and were well received. No impact on a major public policy decision has yet been identified.

## **Annex C: Top five results for 2012**

#### Institutional strengthening

#### New institutions

In Laos, Nam Ngum River Basin Committee and Nam Theun Kading River Basin Committee formed and operating (that is, not just the secretariats).

#### Knowledge availability

Futures of water, energy and food

Across the region, all Mekong Futures projects, in conjunction with local and regional partners, produced final analysis, and demonstrably contributed to major public policy decisions.

#### Climate change adaptation

Across the Mekong Basin, the first round of Mekong River Commission Climate Change Adaption Initiative demonstration pilots are completed, and evaluation indicates that they contributed to improving capacity of communities and local authorities to adapt to impacts of climate change.

#### Objective 3: Decision-making support

Private sector hydropower governance

Transnational codes of conduct were applied resulting in improved sustainability of the hydropower industry in the Mekong Region and beyond.

Transboundary decision-making processes

Mekong River Commission member countries commenced holistic studies of sustainable development of Mekong River Basin, including on the impacts of mainstream and tributary hydropower developments.

## **Annex D: Performance assessment framework**

INSTITUTIONS: Strengthening the institutional framework to improve integrated water resources management in the Mekong Region.

Outcomes	2011 milestone targets and achievements	2012 milestone targets	End-state milestones
Mekong River Commission is an effective, efficient, viable organisation and represents a serious attempt to embody integrated water resources management in action.	Development of a road map for the decentralisation of the core functions.  Under development, but this has been transferred from the Integrated Capacity Building Program to the Mekong River Commission's International Coordination and Communication Section.  Integrated Capacity Building Program develops the competency framework for the riparianisation of the organisation.  Module-based Mekong River Commission transboundary integrated water resources management competency framework being developed by Integrated Capacity Building Program. and Mekong Integrated Water Resources  Management Project commenced, but not yet complete.  Integrated Capacity Building Program develops capacity building framework for the Strategic Plan 2011–2015.  Integrated Capacity Building Program and Mekong Integrated Water Resources Management Project developed a capacity development action plan for 2011–2015, which will be finalised and commenced in 2012.  Gender mainstreaming products from Integrated Capacity Building Program are translated and demonstrably rolled out in each Lower Mekong country.  Commenced, will be completed in 2012.	Road map for the decentralisation of the core functions agreed by all countries and under implementation.  Integrated Capacity Building Program competency framework complete and in place.  Implementation of Capacity Development Action Plan commences.  Gender mainstreaming products from Integrated Capacity Building Program are used in implementing workplans of all other Meekong River Commission programs, where applicable.	By 2015 (moved from milestones for 2012 to be end-state milestones in 2015, in line with the objectives of the Mekong River Commission's current strategic plan).  Mekong River Commission institutions have the necessary level of organisational efficiency and technical capacity in integrated water resources management to enable the effective delivery of their mandate.  The necessary level of integration and coordination is established to ensure the overall effectiveness of sustainable capacity building across Mekong River Commission.  Gender responsive development practices are achieved across the Mekong River Commission.

Outcomes	2011 milestone targets and achievements	2012 milestone targets	End-state milestones
Lao Water Resources and Environment Administration is an effective, efficient, viable organisation. Now Lao Ministry of Natural Resources and Environment. Australian assistance focused on the Department of Water Resources, and the Department of Environmental and Social Impact Assessment.	Appropriate governance systems for Lao integrated water resources management support program management, monitoring and evaluation are formulated and operating.  In progress. Secretariat for Lao Integrated Water Resources Management Support Program is functioning, with technical assistance support in place.  Water Resources and Environment Administration gender action plan prepared and application commences.  Now Ministry of Natural Resources and Environment. Deferred to 2012.  Nam Ngum River Basin Committee secretariat consolidates and commences implementation of an ambitious work agenda including convening hydropower mining forums, future scenario discussions, and use of rapid sustainability assessment tool to identify problems and inform future agenda setting.  Work agenda commenced but disrupted by machinations within Ministry of Natural Resources and Environment.	By 2012: Clarification of Ministry of Natural Resources and Environment, and Department of Water Resources mandate, including roles and responsibilities vis a vis the River Basin Committees.  Water law rewrite substantially underway.  Nam Ngum River Basin Committee Secretariat and Nam Theun/Nam Kading River Basin Committees visibly more effective. Nam Ngum River Basin Committee and Nam Theun-Kading River Basin Committee formed and demonstrably operating – that is, not just the secretariats.  Preparation of a medium-term five-year integrated water resources management sustainable financing plan commenced for rolling into River Basin Committees business plans.  Standard social and environmental obligations being applied by Department of Environmental and Social Impact Assessment to all new hydropower and mining projects.  Government of Lao guideline in place clarifying how Department of Environmental and Social Impact Assessment should manage fees for service arrangements for environmental and social impact assessments.	By 2013: Hydropower-mining forum in Nam Ngum for public-private cooperation to inform the Nam Ngum River Basin Committee and Government of Lao. By 2014: Groundwater management plan is published for major aquifers. By 2015: National University of Laos graduates a minimum of 10 integrated water resources management bachelors of science a year (25 per cent women) and Water Resources and Environment Administration employs about 50 per cent of the university's integrated water resources management graduates. Five major river basins have integrated water resources management plans fully integrated with province and national plans. Establishment of river basin committees in five river basins, including financing arrangements with integrated water resources management plans fully integrated with province and national plans. By 2020: In five basins, investment decisions are consistent with Integrated Water Resources Management River Basin Plans, and water resources use agreements are implemented.

Outcomes	2011 milestone targets and achievements	2012 milestone targets	End-state milestones
Lao Ministry of Energy and Mines incorporates incorporates integrated water resources management perspectives into, and improves strategic management and governance of, the hydropower and mining sectors. Australian assistance is also involving Ministry of Finance, Ministry of Natural Resources and Environment Department of Water Resources, Ministry of Natural Resources and Environment, Department of Environmental and Social Impact Assessment, and the National Assembly.	Hydropower Ministry of Energy and Mines achieves improved compliance with concession agreements for 25 per cent of projects that have signed an memorandum of understanding.  Not achieved.  Adoption of updated National Policy on Sustainable Hydropower with action plan under implementation, and acceptance of proposed procedures for compliance.  Revised National Policy on Sustainable Hydropower adopted, implementation and compliance slowly progressing.  Planning strategy for data collection at a national level developed by Ministry of Energy and Mines, supported by the World Bank, and installation of critical gauge stations along Nam Ou River.  Not achieved.  Mining Standard agreement prepared by Ministry of Energy and Mines and in use for large-scale mining investments.  Not achieved.  Reduce overlapping permit applications by 50 per cent, and conduct at least 50 inspections of exploration permits and mine operations.  Not achieved.	Commission review of hydropower fiscal regime and sector financing mechanisms that lay out: a) current situation b) relevant international experience c) options for government to consider.  Government of Laos review a) current situation b) relevant international experience c) options for public-private partnerships in planning, development, operation, and maintenance of infrastructure serving both public and private developers.	By 2013: Hydropower-mining forum in Nam Ngum for public-private cooperation to inform the Nam Ngum River Basin Committee and Government of Laos. Government of Laos agreement on financing mechanisms (government or operators and percentage or fixed-rate contributions) and procedures for community development funds in the mining sector (Ministry of Finance). Government of Laos review a) current situation b) relevant international experience c) options for public-private partnerships in planning, development, operation, and maintenance of infrastructure serving both public and private developers (Ministry of Finance). Improved compliance with concession agreements for 50 per cent of projects that have signed a memorandum of understanding (Ministry of Energy and Mines). Improved compliance with National Policy of Sustainable Hydropower of 30 per cent of operative projects (Ministry of Energy and Mines). Enhanced capabilities in data collection and development planning to serve the needs of the hydropower sector, and hydrological data processing system in place (Ministry of Energy and Mines, and Ministry of Natural Resources and Environment). Increase in the quality of investments through use of standardised mining investment agreements, improved title issuance and enhanced enforcement of obligations through vigorous inspections (Ministry of Energy and Mines). Reduce overlapping permit area by 90 per cent, and inspections of at least 100 exploration and mine operations (Ministry of Energy and Mines). By 2014: Implement selected options for the planning, development, operation, and maintenance of infrastructure serving both public and private developers (Ministry of Finance). Establish mining taxation unit/large taxpayer group to develop more specialised capacity in mining taxation (Ministry of Finance). Implement selected recommendations of the hydropower fiscal regime review (Ministry of Finance).

Outcomes	2011 milestone targets and achievements	2012 milestone targets	End-state milestones
Cambodia's water resources sector is capably implementing the integrated water resources management components of the Strategy for Agriculture and Water.	Establishment and operation of an interministerial working group to support the ministerial-level committee.  In progress. Working group is formed, but the higher-level committee has yet to be formed. Ministry of Water Resources and Meteorology commences a river basin coordination pilot activity in the Stung Sen river basin and one other basin.  Preparations commenced.  Develop a plan to establish training plan and bachelor and postgraduate level courses in water resources management.  Achieved through a very positive new collaboration with the Institute of Technology of Cambodia.  Working group established to analyse Ministry of Water Resources and Meteorology organisational issues.  Achieved.	Ministry of Water Resources and Meteorology implements river basin coordination pilot activity in the Stung Sen river basin and one other basin.	By 2013:  Ministerial-level national water resources committee established and operating, supported by an inter-ministerial secretariat.  River basin committee established in Stung Sen river basin, with replication initiated in at least one other basin.  Training plan adopted offering courses in water resources management, with 100 students entering program annually by 2013, 30 per cent of who are women.  Ministry of Water Resources and Meteorology has completed a review of its organisational structure, capacity, systems and staff resources, and demarcated responsibilities for water resource management and irrigation services.

# KNOWLEDGE: Improving availability of reliable knowledge about water resources use and further development in the Mekong Region, especially in the Mekong River Basin.

Outcomes	2011 milestone targets and achievements	2012 milestone targets	End-state milestones
Knowledge generated and decision-maker comprehension increased on possible water-food-energy futures.	All national and regional studies in the CSIRO-led Exploring Mekong Region Futures activity are functional and successfully linked.  Achieved Scenarios work in one or more Mekong countries demonstrably and constructively contribute to a major public policy decision.  Not as yet.	(see next column)	By 2012: All Mekong Futures projects, in conjunction with local and regional partners, produce final analysis and lead to multiple instances of contributing to major public policy decisions.
Knowledge generated on political ecology of hydropower decision-making, improving siting and operation of hydropower facilities.	Challenge Program on Water and Food conducts first call for fellowships and complementary projects, and commences targeted research. Fellowships commenced in 2011. Call conducted early 2012, targeted research under procurement.	All research and fellowships commissioned. Second Mekong Forum on Water Food and Energy, Hanoi, November 2012.	By 2013: All fellowships, research activities and complementary projects are completed. Research outputs adopted and lead to more participatory and informed decision-making by at least one government or regional body.
Increased understanding of climate change and how to adapt to it.	Mekong Panel on Climate Change established and functional.  No. Forum to establish the panel was held in 2011, but the panel is not yet operating.  All Mekong River Commission Climate Change Adaption Initiative demonstration pilots operational.  Achieved. Vietnam demonstration activity completed.	Mekong Panel on Climate Change established and functional. Repeated from 2011. Across the Mekong Basin, the first round of Mekong River Commission Climate Change Adaption Initiative demonstration pilots completed, and evaluation of the pilots indicates they contributed to improving capacity of communities and local authorities to adapt to impacts of climate change.	By 2015:  Methods and tools for assessment and adaptation planning are developed for basin-wide and transboundary applications.  National policies and plans are revised in response to lessons from demonstration sites, and adaptation tools are used by governments at various levels.  Next phase of the BDP and strategic plan (2016 to 2020) integrate climate change.

DECISION-MAKING: Supporting water resources development decision-making processes with more informed deliberation that constructively influences negotiations and policy of public, private sector and civil society actors in the Mekong Region.

Outcomes	2011 milestone targets and achievements	End-state milestones in 2012
Regional decision- making is transparent and well informed.	Resolution of first Prior Consultation and Agreement activation, following additional informed public consultations.  Unresolved, further study agreed.  Improvement in the rigour of the Prior Consultation and Agreement process through review of the first activation.  Review to take place in 2012, whether first activation is resolved or unresolved.  Develop action plan for implementation of the Mekong River Commission procedures and	Work plan developed, accepted and implementation commenced by Mekong River Commission (with partners) to fill-in information gaps on transboundary impacts of mainstream hydropower.  All Mekong River Commission procedures and guidelines accepted and under implementation.  Substantial progress expected but at end of 2012 it will still be a work-in-progress.
	guidelines. A joint platform developed in 2011, to commence in 2012 (by Mekong Integrated Water Resources Management Project).	
National decision- making is transparent and well informed.	Water Resources Policy Update, Strategy and Action Plan 2011–2015 are formally adopted and implemented by the Government of Lao PDR  Deferred to 2012 due institutional changes.  The Cambodian government issues either subdecrees or Prakas on Farmer Water-User Communities, (b) river basin management (c) water allocation and licensing and (d) water quality. Working group formed, set as an activity milestone for 2012.	Lao Water Resources Policy, Strategy and Action plan to 2015 formally endorsed by Minister for Natural Resources and Environment.  Lao water resources policy, planning and decision-making integrates hydropower, irrigation, ecological and food security concerns.  Cambodian water resources policy, planning and decision-making integrates hydropower, irrigation, ecological and food security concerns.  At end of 2012 it will still be a work-in-progress.
The private sector improves accountability, consultative processes and transparency of decision-making.	A transnational hydropower company engages in a full trial of the International Hydropower Association Sustainability Protocol on a Mekong mainstream dam, and commits to sharing the results of its analysis.  Partly achieved – Jinghong dam, although results not publicly disclosed.	Improved transparency by transnational hydropower companies operating in the region, evidenced by sharing of development agendas through multi-stakeholder roundtables.  Transnational codes of conduct applied resulting in improved sustainability of the hydropower industry in the Mekong Region and beyond.  Substantial progress expected but at end of 2012 it will still be a work-in-progress.

## **Annex E: Quality at Implementation scores**

Objective/activity							<u>@</u>	
	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Implementation assessment (Average QAI sco	Risk rating
Institutional strengthening								
Cambodia Water Resources Sector Development Program*	6↑	5↑	5↑	5 ↑	5↑	5↑	5↑	Amber
Lao Hydro-Mining Technical Assistance Project	6 –	3↓	4 –	4 -	4 -	3↓	4 –	Amber –
Lao Integrated Water Resources Management Support Project*	6↑	3↓	3↓	3↓	3↓	4 -	4 -	Green
Mekong River Commission's Integrated Capacity Building Program	6↑	3 -	3↓	5↑	4 -	4 -	4 -	Amber –
Reliable knowledge								
Challenge Program on Water and Food*	6 -	5↑	4 ↓	5↑	6↑	5 -	5 -	Amber
Mekong River Commission's Climate Change Adaptation Initiative	6↑	4 -	6↑	6↑	5↑	5↑	5↑	Green ↑
Decision-making support								
Mekong River Commission's Mekong Integrated Water Resources Management Project	6↑	4 ↓	4 -	5↑	4 ↓	4 ↑	5↑	Amber –

Definitions of rating scale:

Satisfactory (4, 5 and 6)

= 6 = Very high quality

= 5 = Good quality

= 4 = Adequate quality

† score improved against 2010 QAI | quality declined against 2010 QAI | QAI | quality constant

Less than satisfactory (1, 2 and 3)

= 3 = Less than adequate quality

= 2 = Poor quality

= 1 = Very poor quality

<sup>\*</sup> QAI comparison made with scores in Quality at Entry (QAE) reports submitted in 2010 (no risk rating in QAE).