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National and Sub-National Consequences of A Regional River Basin Agreement

The Case of the Mekong River Agreement¹

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This paper concerns itself with the risk for malevolent change in development cum exploitation of natural resources in international watersheds. More concretely, it focuses on the Lower Mekong River Basin and on water as an indispensable and valuable asset. It scrutinizes the risk for ecologically damaging interventions and the absence of public participation in the process. It assesses, finally, and in the light of the above, what difference the 1995 MRC-Agreement has made in this regard for the two core countries in the Lower Mekong River Basin, Laos and Cambodia.

Introduction

In the early 1990s increasing global attention was given to the upcoming scarcities of natural resources - especially water - and its implication for sensitive ecological systems. "Impossible" conflict situations were apparently emerging, and even "water wars" were predicted (cf. Starr 1991). However, this seems to be a misconstrued understanding on how tensions and rivalry on water typically will find its outlet; wars over water resources are rare in the modern world.

Instead, typically, international conflicts are negotiated and agreements reached. These agreements, however, are not seldom non-operational, and if they are operational they tend to rid the scene of impeding factors to large scale and modernizing approaches to resource utilization. This development is not necessarily less alarming. Potential international conflicts could then be transformed into sub-national and socio-economic conflicts threatening local resource bases. The local communities will be shouldering the burden of social and ecological change. These communities are commonly "voice-less" and have little chance of adapting to the changing

¹ Formally, the "Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin", henceforth "the Agreement" or "the MRC-Agreement".

circumstances. In the worst of cases this takes place in societies with little tradition of grassroots' participation, few democratic channels, and little concern for the affected people. Typically aid donors and the private capital, interacting in the process, have a dialogue with the national authorities, but with few local contacts and surprisingly little knowledge on social and local issues. Questions emerge, or should emerge, on which resources that are important for the local communities, which ones are tradable or expandable, and which ones are not, and how this should be controlled. While this is a general pattern (cf. McCully 1996), every river basin has its peculiar characteristics.

However, this seems to fit the development within the Lower Mekong River Basin. This pristine river basin, in terms of modernization, is facing large scale changes within the coming decade. It is, however, a sensitive object in all meanings of the word: the basin is a complex ecological system which is not easily changed and still maintained balanced. The social system - historically one of the most conflict ridden in the world - is also delicate and facing changes; primary production risks being forced to give way for production in the modern sectors. As a resource base the river basin is a cornerstone for all four Lower Mekong River Basin countries. And as a regional concern it is one of the single most important foreign policy questions.

The Mekong River Commission (MRC)-Agreement from 1995 addresses several problem areas, but a number of difficulties remain. In fact the agreement is, in a sense, a non-agreement; it has built in many of the most difficult questions into it, and these contradictions continue to disturb the "real" development of the basin. Moreover, it pre-supposes that national authorities develop these general statements into laws, policies and guidelines. Finally, the conclusion of the agreement has served as a catalyst for a renewed interest and increased pace in terms of its development in a modernist fashion. The capacity of the MRC in safe guarding the resource base is, however, limited or at least so one can hypothesize. The sincerity with which it is treated by (some of) the participating countries doubtful, and the position its executive agency, the MRC Secretariat, has vis-à-vis other agencies in the region is unclear. The relation between various states and the MRC is perhaps not unclear, but not as solid and direct as one could hope for. The MRC (and its secretariat) has difficulties exerting any real authority and to - in any substantial way - influence the sub-regional activities in the management of the shared resources. The National Mekong Committees have not been given/taken the role it needs to in order to be efficient. There is thus a possibility that the conflict resolution achieved at sub-regional level instead will reproduce conflicts and unsustainable resource utilization at the local level.

Plans on both hydropower and large scale irrigation projects abound. These plans do, however, face problems of various kinds. A common denominator for many of these problems, this paper argues, is that the scale and the design of the projects are out of tune with the development in the rest of the countries', the administrative and technical capacity, and the national budgets.² Another problem is that grassroots interests are rarely taken into consideration and, at least in Cambodia and Laos, any spontaneous public participation is not likely to appear in the short run. Thus, a major change of the resource base, from which most people in the basin are living from, without the adequate administrative capacity and without consulting the people it concerns, is a

² Thailand is the possible exception.

dangerous undertaking. There is an obvious risk that the MRC-Agreement, meant, inter alia, to protect the ecosystem and the resource base in reality threatens the very same ecosystem, and as a consequence threatens the livelihood of large parts of the basin population. This question cannot be answered here, however, we aim at giving an opinion on the two most urgent questions in the development of the Mekong River Basin, namely the one on *ecological sustainability* and its relation to survival and the one on *public participation* in the development process. Put more precisely:

- 1) Which are the overarching threats to the regional resource base?
- 2) What are the possibilities for increasing the role of the local communities to share responsibility for the utilization of the water resources of the Lower Mekong River Basin?

In addition, and in light of the above, we will try to assess which policy reaction the MRC-Agreement has triggered by two "core countries" of the Lower Mekong River Basin:

- 3) What are the consequences for Laos and Cambodia emanating from the MRC-agreement?

The paper is first and foremost based on a number of qualitative interviews with decision makers and "experts" in the region and on a number of empirical studies on community organization carried out in rural Cambodia (which will bias the second question towards Cambodia). In addition it draws on a large number of secondary sources, ranging from the countries' "white papers" on development of the Mekong Basin to various reports from a number of development institutions in the region. Finally it draws on the findings in the author's previous report for the Swedish aid agency Sida (Öjendal and Torell 1997).

The paper starts out with some theoretical perspectives on watershed (ecosystem) management and its relation to human intervention, and with a brief background section to the Mekong issue. It follows up with a section on each of the three questions, before it draws some tentative conclusions on which risks and possibilities the MRC-Agreement carry on national and local level.

Perspectives on change in sensitive human/ecosystems

Ecological systems are sensitive, they are constantly evolving and in a situation of instability and change they adapt to new conditions in order to regain stability. Some changes are natural, i.e. seasonal changes and individual plant and biogeochemical changes, while others are caused or accelerated by human interaction with ecosystems. The outcome of anthropologically driven environmental change is often an ecosystem of "less quality" (i.e. poor water quality, altered water quantity flow, stock depletion) than in earlier times. The social and economic outcome of environmental change is dependent on a set of variables such as population density, wealth, available technology, the speed of a particular change, the management response, and the ability of a region to import resources to replace losses (Johnston and Olsen 1998).

The Lower Mekong Basin is likely to be one of the most sensitive river systems in the world and as such it is not conducive to rapid and thorough shifts. It faces, though, growing internal and external pressure for development. Ecosystem management is often influenced by values encouraged by the contemporary view that economic development is something competing with ecosystem preservation (a win-lose situation). Resources are valued from the perspective of how much income they may generate to the person or company utilizing them, hence, the non-commercial value of the resources are less considered. In the Lower Mekong Basin, just like in many other areas of the world, both developing and developed, managers are often convinced that they can not afford to be conservationists.

Management of watersheds is often shortsighted, focusing on major interventions of single uses (for example hydropower and logging), and not taking the long-term ecosystem changes into account. This leads to management cycles that are short and out of synchronization with longer term ecosystem cycles, hence contributing to anthropologically driven ecosystem change. "But each proceeds at its own pace and in its own space, and this creates extraordinary conflicts when there are extreme mismatches among the scales at which ecosystems, institutions, and societies function" (Holling in Gunderson et al. 1995: 31). This quote needs to be thoroughly considered in the future development in the Lower Mekong River Basin; there is an obvious risk for a mismatch between the *ecosystem* and its human management, solid *institutions* managing this process is in short supply and the *involvement of people* in the process is inadequate, and, finally we have - routinely - *too little knowledge* about the societies that we are intervening in.

Should major interventions take place, and it is unlikely that it will not in the long run, local communities need to be brought in for a dialogue on priorities and strategies. Public participation, as part of a functioning democratic decision making process, is one of two pillars in *adaptive management*.³ Public participation ensures that learning will be at maximum, "political conflict can provide ways to recognize errors, complementing and reinforcing the self-conscious learning of adaptive management" (Lee 1993: 87). The second pillar in adaptive management is reliable knowledge gained by learning from experience. In order to attain reliable knowledge, baseline indicators have to be established, and thorough qualitative studies need to be carried out prior to any intervention. One barrier to sustainable management is that decision makers often are reluctant to question policies and their relevance to solving a certain problem, and therefore, they are not likely to transfer learning over time.

Physical Baselines and Recent Political Development

The Mekong is one of the great rivers of the world. From its origin in the Tibetan Himalayas, the 4,200 km long river's watershed stretches over China, Burma, Thailand, Laos, Cambodia and

³ Adaptive management is a conceptual framework developed by C. S. Holling in the 1970s. A substantial amount of literature is written on the subject. Three examples are: Holling, C. S. 1978, "Adaptive Environmental Assessment and Management" London: John Wiley, Gunderson, L. H., Holling C. S., and Light S. L., eds., 1995, "Barriers and Bridges to the renewal of Ecosystems and Institutions, Columbia University Press, and Lee, K. N., 1993, "Compass and Gyroscope, Integrating Science and Politics for the Environment" Island Press, Washington D. C.

Vietnam. The geographical features varies throughout its stretch, from rugged mountains and upland plateaus to low flat deltaic areas. The river provides an essential source of for example fisheries and water for agriculture and aquaculture. One example is the Mekong Delta, which is the major food surplus region in Vietnam. It generates close to 45% of Vietnam's total food production in rice equivalent, even if it covers only 12% of the land area and holds 22,6% of the population (Ojendal and Torell 1997). For Cambodia, which falls to 85% within the Lower Mekong River Basin, the Mekong and the Tonle Sap lake is of extreme importance for the population.

The countries of the Mekong River Basin (MRB) are rich in natural resources, although, due to lack of capacity and the history of war and conflict in the area, there is a lack of precise information. The Mekong region is heavily dependent on the natural resource base, and the whole area is relatively abundant in, for example, forest, water, fish and mineral resources. Most of the population, about 84% lives in rural areas, and consequently they depend on the resources, such as water, agricultural land, forests and fisheries for their daily livelihood ("MRB Diagnostic Study" 1996: 4-1). At the same time, the natural resources are important for the nations as a means of generating foreign currency by export, directly as raw material and food or indirectly through handicrafts. The natural resources are in some areas becoming degraded, mainly because of the increasing population pressure combined with exploitation in order to reach a higher economic development.

The economic situation in the Mekong Region is currently featured by a nominal high economic growth, even if the countries are at different levels of development. Thus, despite recent financial difficulties, Thailand is keen on reaching a status as a Newly Industrial Country, NIC, while the former Indochinese states are at a less developed stage, illustrated by the huge leap between the Thai GDP per capita in relation to the Indochinese GDPs per capita (see table 1). The common characteristics among Laos, Cambodia and Vietnam is that they all are in a phase of transition from centrally planned economies to market-oriented economies.

During the cold war era, river cooperation was, first, a strategy to unify the capitalist countries in the region, and, later, one of few topics around which the divided Mainland Southeast Asia could uphold a communication across its own "iron wall". Hampered by political conflicts, the development efforts on any major scale, based on the river's resources, have been impeded. So, in spite of an international and institutional river basin cooperation since 1957, the river is basically untouched by modernization: only one mainstream dam is constructed in the upper bay, leaving the mainstream of the Lower Mekong Basin presently untouched. It is not extensively used for irrigation and the river is only carrying a minor, albeit still important, part of the goods moving around in the region. By contrast, the people in the river basin use its resources extensively for primary production.

Table 1. Some indicators of the economies of Thailand, Laos, Cambodia and Vietnam

Country	GDP real growth 1994 (percent)	GDP per capita 1993 (USD)	Inflation 1994 (percent)	Foreign debt 1994 (USD m)

Thailand	8.5	1,950	5.0	40,900
Laos	8.2	280	6.8	2,080
Cambodia	4.0	250	26.1	472
Vietnam	8.8	240 (1994)	14.4	19,600

Source: Asia Pacific Review 1996; "Basic Statistics about the Socio-Economic Situation in Laos" 1996; "Statistical Yearbook 1995" Socialist Republic of Vietnam.

The Mekong Committee, born in 1957 with the mandate to coordinate the development around the Mekong River, soon got snared in the upcoming conflicts in the region. A full scale civil war in Vietnam, Laos and Cambodia was not conducive to any international river development. The Cambodia conflict, 1979-1989, with Vietnam occupying Cambodia and Thailand vehemently opposing this, effectively kept Cambodia outside international recognition and kept the committee in its interim status. Hence the Mekong river was spared from the realization of any large scale development plans. Following the improved relations between the countries, the committee was reformed in the period of 1993-95, not entirely without complications, into an institutionally, and politically, strengthened Mekong River Commission including all four Lower Mekong River Basin countries. This was meant to be a new start for the cooperation around the development of the natural resources in the lower basin.

Indicated through the liberalization of the socialist economic systems in the three Indochinese countries in the mid 80s, epitomized in the resolution of the Cambodia conflict in 1993, and concluded by the Agreement on Mekong River Basin cooperation from the 5th of April 1995 constituting the MRC, a new era has come to the Mainland Southeast Asia. An era marked by potential cooperation and, in the case of the Mekong River, the possibility of major, common and profitable projects carried out for developmental purposes. Moreover, all four countries are launching growth strategies rapidly demanding an intensified resource utilization that must, e. g., satisfy a sharply increasing demand for electricity, and be able to supply more water for the intensifying agri- and aquaculture. Rapid population growth and industrialization are ongoing processes further straining the resources of the Mainland Southeast Asia.

Whether irrigation, hydropower, transportation or fishing is considered, the natural resource related potential economic value of the basin is gigantic and the competition for the natural resources is, here as in other parts of the world, increasing. Both costs and benefits, risks and potentials, are high. Environmental, economic and political interest must be carefully balanced in order to realize anything coming close to its projected potential. The pace of change must be in concert with what the general public is prepared to accept.

Threats to the Resource Base

The environmental condition of the MRB is in general quite good, especially in Laos and Cambodia. However, a number of issues, such as loss of forests, soil erosion, changes in water quality (and possible future alterations of water quantity), and over-fishing, are emerging. Threats to ecosystem health stem from both general and particular uses. Non-sustainable management of resources, often triggered by population growth and exploitation aiming at fast economic returns,

leads to general exploitation of resources such as fish, and forests, as a result generating for example forest destruction, fish depletion, and water quality degradation. Apart from these general threats, the MRB faces a number of particular threats, mainly consisting of large scale plans for hydropower development and irrigation schemes. These activities usually involves international investments, and, as discussed later on in the paper, they as a rule has an insignificant foundation at the grassroots level.

The total population in the MRB, including the sections of Burma and the Yunnan province that are situated within the Mekong watershed, was estimated to be 65,7 million persons in 1995 (“MRB Diagnostic Study” 1996). The population growth is estimated to be around 2% annually. In Cambodia and Laos, the demand for land is not yet as severe as in other areas of the Region, (i.e. the Mekong Delta and Northeastern Thailand), but as the two countries have the highest population growth (2.6% for Laos and 2.8% for Cambodia) the situation is likely to change (Ojendal and Torell 1997). In Laos about 50% of the population is below 15 years of age, and the population is expected to double over the next 25 years (Ojendal and Torell 1997). This will put significantly higher pressure on the country’s resources, directly by for example increasing land and fishing pressure.

Since the main comparative advantage of the MRB is the richness in natural resources such as water, forests minerals and biodiversity, development strategies are, and will most likely continue to be, based on this resource base. As a contrary to the historical development of the industrialized world, where resource exploitation leading to ecosystem changes took place under a long period of time, the environmental changes, (caused by the general threats mentioned above), in the Mekong Region are most likely to occur rapidly if not managed properly. It is not likely that the Mekong Region will have the same opportunity to substitute lost resources with “imported” goods from less developed countries as the western world still do. Hence, it is crucial to use an adaptive resource management, which is able to detect failing development strategies, before the ecosystem is harmed beyond recovery. One example is to involve the public in testing theoretically sustainable irrigation methods, and community based forestry in demonstration areas. By evaluating that experience, it may be possible to find solutions that are sustainable. The paradox here is that the countries most reliant on natural resource for its development (survival), Laos and Cambodia, are also the ones with the least control over its area and with least administrative capacity and state presence on local level.

Large scale plans for development are often seen as the tool for fast economic development among the MRB countries, but if realized, there is a risk that these projects will have an immense influence on the environmental quality in the region. Strong external forces are pressuring Laos and Cambodia to “mine” their forest and water resources, by large scale hydropower and logging operations. Laos, which has one of the highest ratios of forest cover total land area in Asia, have experienced significantly declining forest resources during the past two centuries, and the remaining forests are in many areas of poor quality since they have already been logged for their commercial species and larger-sized logs, thus it is estimated that only about 10% of the remaining forests are commercially valuable (Ojendal and Torell 1997). Cambodia is also experiencing an alarming rate of deforestation. Since around 1990, illegal logging operations have led the forests to be cut at a pace that exceeds the sustainable rate 3-5 times (ibid.). The forest

exploitation illustrates the common short sighted resource exploitation driven by individual economic interests, that often are chosen instead of a more sustainable development supporting the long term benefit of the ecosystem and the population as a whole.

There is a substantial hydropower capacity in the MRB (see table 2), although less than 5% is yet developed. Laos, a future Kuwait of Indochina some dream, with its many tributaries winding down the hills of the Annamite Chain and the Northern Highlands, has the largest potential for hydropower generation in the Lower Mekong River Basin. There are many actors, with Thailand in the front-line, who wish to see a large Laotian hydropower expansion. It is widely disputed if hydropower development is a salvation for the Laotian economy or if it would lead to environmental destruction, eschewed economy and international economic dependency. Hydropower development inevitably leads to local changes in the environment, and it competes with several other sectors, such as fisheries, agriculture and tourism, over available resources.

Table 2. The energy situation in the MRB

Region	Hydro-power potential GWh/year	Power demand 1993 (GW)	Estimated power demand 2020 (GW)	Electricity demand 1993 (TWh)	Estimated electricity demand 2020 (TWh)	Percent of households supplied with electricity
Yunnan	71,500	2.0	11.2	12.9	72.3	19
Burma	500	0.5	2.5	3.3	14.5	7
Thailand	26,100	9.8	61.8	61.6	411.3	72
Laos	102,300	0.05	0.3	0.3	1.8	13
Cambodia	36,300	0.09	0.8	0.6	4.9	4
Vietnam	10,000	2.0	11.2	12.4	93.0	10

Source: The Mekong River Basin Diagnostic Study 1996

Although there are several risks, both environmental and social, with hydropower, it is a sector that receives an immense attention in the region. There are several reasons to this. First of all there is strong national and regional pressure for development of electricity. Secondly it is a sector, just like mining, which attracts foreign direct investments, something most wanted by the MRB governments. There are many pro's and con's in hydropower development, but if the decision to build a dam is taken, the full environmental and social costs relating to the development should be included in the cost of dam construction and operation, and hence, influence the cost per unit of electricity generated. If the polluters pay principle is adopted, the true value of resource utilization is realized. The problem is that polluters often are backed up by strong financial and political interests, while the pollution victims, such as rural populations, environment, or even future generations, are scattered, politically weak and hard to organize. In the case of hydropower, it is common that only construction costs are included in the budget. Sometimes, as with the case of the Nam Theun-Hinboun project in Laos, an environmental protection agreement has been negotiated. In this case one million US dollars of the project

budget were allocated for this purpose. This is only a minor sum compared with the estimated total costs for plant construction (including transmission lines) of 280 million US dollars (Ojendal and Torell 1997). If the true costs, related to depletion of biodiversity including fish resources, loss of social and cultural values, and decreased access to agricultural land, would be imposed on the producers, the environmental cost would be immense, and maybe (not only in the case of hydropower) it would seem more attractive to check alternative development possibilities.

A possible threat to both water quality and quantity in the Mekong and its tributaries, are upstream activities which may alter both the quantity and quality of water reaching further down. China has many dormant plans on what to do with the Rivers water, and is currently constructing a series of dams on the mainstream. A large scale irrigation of the Korat Plateau will also be environmentally destructive for downstream areas. These irrigation schemes would most likely lead to decreased water flow downstream, and to water of less quality because of higher salinity, pesticides and acidity. Thailand has also much feared plans for transbasin diversions in the northern part of the country. Two areas, most likely to suffer from decreased water quality and quantity, are the Tonle Sap lake in Cambodia, and the Mekong Delta in Vietnam. The Tonle Sap lake, covering between 2,500 to 10,000 square km throughout the year provides one of the most productive fisheries in the world, with an outstanding biodiversity, at the same time as the hydrological feature, with seasonal changes in the water flow, acts as a natural flood regulator downstream. In Cambodia, over 80% of the daily protein intake comes from fish, out of which over 60% is caught in the Tonle Sap (Ojendal and Torell 1997). Upstream activities pose a threat to the lake, and in a worst scenario, the lake may decrease or even disappear. In this scenario, the fish and forest resources may diminish to a level where it will not be able to support the surrounding population and in a larger perspective lead to severe repercussions throughout the MRB.

One underlying reason for the regional focus on large scale hydropower and irrigation projects is that there is an under evaluation of “free” resources such as fish, fuelwood, and frogs, snakes and other species caught as a secondary product to rice-cultivation. Much of these products never reach the market, and their importance is often neglected when estimating benefits and costs of larger operations. Subsistence farming, fishing and hunting supports the majority of the population, and as stated earlier, the scale and design of many development projects are out of tune with the scale of development and capacity of the region as such. If development will proceed without taking the value of the present activities into account, and if not adapting strategies to suit the local circumstances, there is a risk that the development will lead to rapid ecosystem changes which will alter the availability of for example fish, fuelwood, and arable land. In this scenario, development will most likely only benefit a small proportion of the population, and leave the rest worse off.

To sum up: The MRB in general, and Laos and Cambodia in particular, are presently at a point, where they have the possibility to choose which path of development they will take regarding the management of their natural resources. As of now, most of the threats to the ecosystem stems from general sources, and it is crucial that management is directed towards mitigating non-sustainable exploitation of resources at local level. But there are also a number of particular threats lurking in the background. If realized, there is a risk that major hydropower development

and large scale water diversions, will have a devastating effect on the MRB ecosystem. Therefore it is essential to involve the various interest groups both at international, regional and local level, and to thoroughly discuss and study the long term effects and compare them to the benefits of the particular projects as well as to alternative development alternatives, prior to the realization of any of these plans.

Possibilities for Increasing the Role of the Local Communities

Large scale ecological changes are frightening in themselves. If they occurs without consultation or preparation with local communities, they are a recipe for disaster. Or in the words of Hill:

"Failure to include human values in planning and implementation of development projects has resulted in the continuing loss of biodiversity and increased social conflict" (1995: 1)

To achieve genuine public participation in the Mekong Basin is difficult for many different reasons. A forced development agenda have overlooked public participation and in all four countries there is a wide rift between the modern and the traditional sectors. Modernizing projects tend not to see, or at least to be insensitive to, traditional production and local needs. In none of the four countries there is a tradition of grassroots' participation in national policy making. The lack of working local democratic processes aggravates the difficulties for the local administration to communicate with the local people and vice-versa. Neither the MRC's, nor its predecessor's, working program have resulted from a participatory process. International, or transnational, cooperation tends to distance decision making from the grassroots. Finally, lack of appreciation and knowledge of the livelihood of the local communities and the underestimation of the potential of local production is seriously undermining the future existence of the traditional sectors.

Participation are thus lagging behind, but rapidly an awareness of the need for involving the local communities are emerging - at least in rhetoric:

"To plan for the sustainable and rational utilization, protection, conservation and management of water resources based on community needs and priorities within the framework of national economic development policy.

To design, implement and evaluate projects and programs that are both economically efficient and socially appropriate within clearly defined strategies, based on an approach of full public participation, including that of women, youth, indigenous people, local communities in water management policy-making and decision-making" (Matoba, Chief Executive Officer of the MRCS, 1995: 5).

One of the largest donors to the MRC cooperation states that:

"Valuable local experience and knowledge will be lost in the planning process by not involving local participation in the process of priority-setting and decision-making with respect to the future development of the Mekong River Basin. It may further lead to

situations of dissatisfaction and social unrest, and may hamper/delay or in worst case even block the needed socio-economic development of the area."

It continues:

"Public participation in the planning and decision making processes should be ensured so that people affected by planned developments have the opportunity to express their interests and see that they are taken seriously. This process will help ensure understanding and acceptance of decisions, and a feeling of shared responsibility"

The Policy and Planning division of the MRCS writes in a project proposal, as a part of a direct attempt to address the public participation deficit, that:

"Therefore it is strongly felt that pre-empting these conflict situations should be one of the pre-requisites for sustainable development and this can perhaps be accomplished by means of public participation in the various and important stages of planning and developments." (MRCS 1996: 3, bold in original)

Finally, an example can be quoted from the UNESCO-led project on the protection of the Tonle Sap:

"Governments agencies must delegate some degree of local control to communities. Decision making bodies that plan and implement policies on natural resources' management must have sufficient representation of local people./.../ A willingness to negotiate settlements with communities must be displayed at an early stage." (UNESCO, 1996: 25).

However, these are ambitions and plans. Which reality do they address?

In Cambodia - probably the most difficult country of the four to put the above stated visions into practice - an interesting development is going on in terms of strengthening local participation. However, at the same time as we are acknowledging an interesting development, we must note that this starts from a very low level of public participation and a historical and political resistance to this.

First we must note that the Cambodian culture is hierarchical with few built-in mechanisms for people's participation, at least not in terms of people opposing authorities in a constructive way. The experiences from the last decades have reinforced the top-down, centralist approach to development (Ovesen et al 1996). However, recently a number of initiatives have been launched on how to involve the local communities in the process. These changes are normally initiated by the development community, either through the work of various NGOs or through, e.g., CARERE2.⁴ Although these are donor driven, they have reached a high appreciation within certain parts of the central Cambodian administration and in most cases great enthusiasm on the province level and down. The idea with CARERE2 is that the local communities analyze their

⁴ A UNDP project in "decentralized planning", currently on its second cycle.

own situation and plan how to improve their situation. In the process, villagers as well as the local administration are involved. While this CAREERE2 "experiment" is limited to five (out of 21) provinces, similar initiatives are pursued in other parts of the country and the idea of VDCs (Village Development Committees) might slowly be taking root. The Ministry of Rural Development is (now) a staunch supporter of the idea and plans to make it nationwide.

However, viewing a number of villages less targeted for participatory experiments, the situation is rather one of administrative ineptness (development wise), popular distrust (in authorities), lack of communication (between various levels of the administration), and grinding lack of resources (Basically economic, but also know-how and technical skills). One village tried, with the assistance of an external NGO, to develop a small participatory irrigation scheme under difficult circumstances. The village, ridden by internal conflict, plagued by its remote location and a constant food deficit, was in no way hooked up to the state (except, possibly, security wise) and became thus very vulnerable to disturbances of various kinds. Its precarious situation made participation unattainable and the project difficult to succeed with. In another village, the Commune Chief, and the village chief together tried to locally raise resources for building a small reservoir. This succeeded initially, but severe flooding a few years later damaged the structure and it was not possible to get any funds from the state to repair it. As a result the villagers had no water supply and an increased distrust vis-à-vis the authorities.

Adding to these problems are economic liberalization and administrative reforms. While these might be necessary for other reasons, locally and in terms of resource management, the slim lined and impoverished local administration (dealing with these issues) and the individualized economy make collective action much more difficult. Local leadership is not always held in high regard and village and commune chiefs often have difficulties in raising money and labor. Sometimes people do not often come to meetings, tired as they are on failed promises, illegitimate leadership and incompetent management.

In Laos, the situation is less plagued by social inertia and lack of self organization. Local communities are probably quite capable of managing their own resource use. Major construction projects at the village level proved a clear example of how the community organizes sustained cooperation for the benefit of all. Schools, pagodas, and irrigation dams are common examples where large amounts of labor, material, and sometimes money are mobilized by the community. (cf. Ireson 1996: 231). However, when scarcity situations emerge conflict of various sorts appear. This is particularly the case when the problem is extending the boundary of the village. How, for instance, to cope with the slash-and-burn agriculture which no longer - in the light of the increasing population - is sustainable? Or how to deal with various (planned) dams which infringe upon peoples' living space or reduce biodiversity and wildlife?

Like in Cambodia, there is no tradition of local organization opposing the state and the political climate has not encouraged spontaneous protests against plans from above. In addition, the state has had a very brief presence in and knowledge about local villages in remote communities. In both Cambodia and Laos, on the one hand, there is nothing inherent making public participation impossible, on the other, we must realize that there are great obstacles in achieving this in a

credible and constructive way. It is neither sufficient to launch a project on Public Participation nor to write fancy "objectives" in project documents.

Reactions and Actions to the 1995 MRC-agreement from Laos and Cambodia

To which extent has then the MRC-Agreement affected the situation accounted for in the previous section?

Laos and Cambodia are stuck in two overarching contradictions; firstly, they are both highly dependent on the existing and sustainable resource base the Lower Mekong Basin supplies *and* dependent on utilizing it, changing it in order to accommodate population growth, demands on national economic growth, and development imperatives. Secondly, They are both small countries and weak states having difficulties defending themselves in international fora, at the same time as they need to get involved in the international cooperation on the Mekong issues. These are contradictions that the two countries have to live with and accommodate their policies to.

Addressing the latter contradiction, Laos tries to balance the possible benefits of river development with the possible (economic and political) damage this could have on downstream countries. In order to do this, communication and sub-regional river cooperation is of utmost importance. Consequently, Laos has welcomed the MRC-Agreement and reportedly been working very seriously in order to fulfill its undertakings.⁵ For Laos it could be argued that any restrictive features the agreement might possess are, however, largely already "restricted" of political reasons - with or without the Agreement. In fact the agreement has served to open up and clarify the room of maneuver for Laos. Laos has, for instance, gone ahead with Nam Theun Hinboun and Nam Theun 2 (in spite of fierce critic from NGO's and other external actors), but without any objections from downstream countries. In fact both Cambodia and Vietnam is quite pleased with the role Laos has played so far (quite rare in the world that downstream countries approve of the upstream countries activities). The point being made here is that the MRC-Agreement rather dictates what Laos *can do*, instead of what it *cannot do*.

Domestically the Agreement have had less importance for Laos. Laos have neither current plans on any diversion from the Mekong Basin, nor any mainstream dams. It has, however, a wide range of hydropower projects planned (see Öjendal and Torell 1997). These are promoted, more or less as they would have been without the Agreement. They have - especially Nam Theun 2 and Nam Theun Hinboun - been harshly criticized⁶ for reasons of lack sustainability and lack of public participation. However, this critic has little to do with the Agreement. Quite the contrary, the Agreement states that "On tributaries of the Mekong River, Including Tonle sap, intra-basin uses and inter-basin diversions shall be subject to notification to the joint committee" ("Agreement

⁵ One much observed affair was the twist around where the Headquarters should be placed. Vientiane was the first choice for many, and in spite the fact that Laos was very keen on getting the headquarters, it, in the end, gave in to Cambodian demands on having it in Phnom Penh (cf. Sivexay 1996: 196).

⁶ The US based IRN (International Rivers Network) has launched severe critic to the dam building plans. In Thailand domestic NGOs like PER (Project for Ecological Recovery) and FOCUS, have been pursuing similar critical stances.

on...", Art. 5), but gives no concrete limitation to what can be done with domestic tributaries to the Mainstream. The Agreement protects against "substantial damage" (article 8) and tries to safeguard "...the environment, natural resources, aquatic life and conditions, and ecological balance of the Mekong River Basin from pollution or other harmful effects resulting from any development plans and uses of water and related resources in the basin." (Art. 3). Neither of these clauses do really protect against tributary constructions - at least not if they are done with a minimum of environmental protection in mind. One possible difference is that greater efforts have been made to include grassroots. This is, however, something which is neither easily done in Laos, nor something emanating from the Agreement as such.⁷

To sum up: the Agreement has internationally given Laos clearer frames what it can do without really impeding any of its previous plans. Domestically it has so far meant little. In the long run, when less "smooth" projects are likely to become actualized, the Agreement might get a renewed importance for Laos also domestically.

Cambodia faces similar problems as Laos with the important difference that where Laos has a basic characteristic as an upstream country, Cambodia has a basic position as a downstream country, receiving problems instead of creating them. Cambodia is thus less concerned about the damage it causes but more with the damages which are brought on them. This is perhaps best illustrated with that the membership in the Mekong Committee (predecessor to MRC) was Cambodia's first choice in breaking the international isolation in the early 90s. The Agreement serves as a means for Cambodia to defend itself against possible harmful effects of change in the Mekong water regime. As such it is fairly helpful for Cambodia: The protection of Ton Le Sap has received a special clause (Art. 6) in the Agreement, and the stress on prevention of harmful effects downstream is certainly a better mechanism than any Cambodia could have accomplished bilaterally. Cambodia has consequently reacted very positively to the conclusion of the Agreement and there is a widespread consensus in all formal bodies in Cambodia that the Agreement is a good one. To interpret the Cambodian sources, they are largely satisfied with the actions of the its co-signatories, albeit a certain worry is growing on where the process with the Basin Development Planning⁸ (BDP) is taking the cooperation. Understandably so; again Cambodia, from a position of weakness, downstream position and dependency, needs to negotiate a crucial document. The seriousness with which Cambodia is approaching the Mekong issue is illustrated in the Headquarters issue (cf. note 4). Now, having the Headquarters moving in July this year, the preparations on the Cambodian side have seemingly been taken well care of. A building has quickly been prepared and a headhunt for the most competent Cambodians to go to Bangkok for training has been carried out so as to reassure continuity in its day-to-day operation.⁹

⁷ Indirectly it does, however. The Agreement served as a (re-) invitation to donors and many donors are conditioning increased level of public participation for continued support.

⁸ The BDP is a key instrument in planning and managing the development activities in the basin. It has been given much attention, but the process with working that out still has to begin.

⁹ One of the arguments for not placing the HQ in Phnom Penh was that many of the regular staff would refuse to move and that there would be difficult to find competent administrative personnel in Cambodia. This was an argument much disliked by the Cambodians who hereby will (try to) prove that to be false.

Domestically the agreement has in Cambodia, contrary to Laos, risen to prominence. In absence of a Water Law or even a National Water Policy, and in a situation of rivaling ministries - all vying to be the Water Ministry - the Agreement has come to be *the* major document which everybody can refer to and around which everybody agree. It is likely that, when the national policy document and laws are worked out, they have to be adapted to the Agreement (instead of vice-versa which it naturally should have been). In addition a number of consultancy reports (notably the Halcrow study on irrigation) commissioned by the MRC has also become major policy documents in themselves (rather than policy tools), dictating approaches and developments. These documents are of course not aimed to serve this purpose and much critic could be directed to them in that capacity (cf. Öjendal 1997).

To sum up: the MRC-Agreement has given Cambodia a certain protection from upstream activities and clarified its international position. Domestically it has become a key instrument in both working out a national water policy and in cross ministerial communication. On local level it has so far meant little.

Conclusions - Risks and Possibilities with the MRC-Agreement

Water wars are not likely in Mainland Southeast Asia, however, socio-economic difficulties on local level are likely to appear if no concerted, well-planned and long term action are taken to counteract this. A pattern identifiable in other international basins are thus found in the Lower Mekong River Basin as well. Throughout this paper we have discussed some risks and possibilities involved in basin development on a fragile natural resource base. With this discussion as a foundation we have drawn a set of conclusions:

- ? In a sustainable society - and especially in societies based on primary production - the inherent value of ecosystem quality must be recognized, and development must be founded on a belief in win-win solutions, where both desires for sustainable ecosystems and economic development are kept in balance.
- ? In order for development to be synchronized with large scale ecosystem change, development of the MRB must be sustained over time, be ecosystem based, integrate the interests of different user groups, and coordinate the regional and international actors and programs.
- ? Local ownership of the development process is crucial, because without local acceptance for projects the results will be poor. Therefore, the development process should not be donor driven. The MRB countries should, in their local and regional development efforts, present solutions to issues like ecological sustainability and public participation which the donors then could react to.
- ? The MRC-Agreement should be seen, not as a fixed and final blue-print for future development, but as a tool and a framework for the planning and management of future development. As such it gives the countries a common platform from which they can proceed, adapting development to local as well as regional conditions and demands.

To achieve the above, particular interest groups' narrow preferences have to be resisted, or at least thoroughly scrutinized. Communication, aiming at the building of mutual trust between the major stakeholders need to be established; especially between the four (or even better, six) states in the basin. In the current dynamic economic development, and in the not so dynamic, but equally powerful "economic piracy" currently going on in certain areas of the basin, high political level commitment to the problems discussed in this paper need to be established. As for the MRC-Agreement, it is a necessary, but far from a sufficient policy document. The planning and management does not stop here, it starts here. Finally, as for the BDP, there is an emerging wish among the members of the MRC that it must be a flexible instrument that can adjust to changes to come. This flexibility must, however, not be used as a pretext for not doing a BDP or for not engaging in management of the Mekong River watershed.

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