



The Council for Security Cooperation in the Asia-Pacific

Chairman's Report

2nd CSCAP Study Group on Water Resources Security Siem Reap, Cambodia July 15-16, 2011

The 2nd meeting of the CSCAP Study Group on Water Resources Security was convened on 15-16th of July 2011, in Siem Reap, Cambodia. The meeting was co-chaired by CSCAP Cambodia, CSCAP Japan, CSCAP Thailand and CSCAP Vietnam. Ten CSCAP member countries from the Asia Pacific region attended the meeting plus representative from Lao PDR.

H.R.H. Norodom Sirivudh, chairman of CSCAP Cambodia, opened the meeting with welcoming remarks which emphasized the importance of the first meeting organized by CSCAP Vietnam earlier this year, which held high quality throughout its discussion. H.R.H moved on to stressing how Cambodia, being a country where most people's livelihoods are based on water resources and agriculture, is realizing the urgency of sustainable water resources management. Water resources are being threatened by an increase in population growth, urbanization, industrial development, tourism, industry and dam construction on the Mekong River. H.R.H also emphasized how water security is a multidimensional and complex issue, and as such, how it requires cooperation among multi-stakeholders including states and non-state actors. H.R.H. Norodom Sirivudh ended his welcoming remarks by expressing his expectations for the meeting to produce high quality discussions on sustainable water resources management.

Prof. Mikiyasu Nakayama, with CSCAP Japan, expressed his gratitude towards CSCAP Cambodia for hosting the second CSCAP meeting on water security and mentioned how he hoped that this CSCAP meeting would produce relevant policy recommendations for regional leaders to take action upon, to prevent and manage water insecurity. Prof. Mkiyasu Nakaya also requested that the participants would exchange views in a frank manner on issues of common and also stated how CSCAP Japan was interested in organizing the third meeting of the study group.

Dr Suchit Bunbongkarn, representing CSCAP Thailand, again thanked CSCAP Cambodia for hosting the meeting and furthermore emphasized how the livelihood of the people of Thailand are highly interlinked with water resources management, as water is vital for their daily survival. He also mentioned how it is a breakthrough for CSCAP to conduct this manner of security study. Mr. Nguyen Hung Son, with CSCAP Vietnam,

offered his gratitude to CSCAP Cambodia for hosting the second meeting in Siem Rea, the city of wonder full of historical, cultural and natural heritage. He also mentioned how it was suitable that the meeting was hosted in Siem Reap as it is close to the Tonle Sap Lake, one of the biggest lakes in the region. He moved on to stressing how stakeholders should play a constructive role in sustainable water resources management. He concluded by stating how he expected fruitful outcomes from this meeting and expressed his gratitude towards CSCAP Japan for being willing to host the next CSCAP meeting.

Session 1 focused on the collaboration between key stakeholders in relation to water security and the session aimed at identifying key stakeholders in ensuring regional water security and what specific frameworks of cooperation and partnership need to be in place for this to take place. Mr. Shichun Zhou from CSCAP China gave a presentation on “Strengthening Cooperation among Riparian Countries and Promote Water Security in the MRB”. In his presentation, Mr. Zhou introduced the eight hydropower projects (built, under construction, planned and postponed) for the middle-and lower- Lancang River developed by the Chinese government in addition to the environment management measures that have been strictly applied with, including measures for water, soil, wildlife and atmosphere conservation.

He summarized the contributions of upstream hydropower projects: since high water pressure is found in the Mekong Delta and the River Basins during the dry season, the storage projects will actually provide active storage of water for downstream and improve water security in MRB. He concluded that China has been sharing and will continue to share knowledge and information on water resource management in an effort to strengthen cooperation between upstream and downstream countries. MRC is facing with challenges, thus dialogue and cooperate on water security issues, between riparian countries is desperately needed.

Ms. Ellen Levin from CSCAP US delivered her opinion on several issues in her speech. Firstly, she highlighted how stakeholders need to be identified to address regional water security issue. She also mentioned how stakeholders need to reach an agreement on identifying the critical issue of the region to ensure timely and appropriate policy implementation. Water users play critical roles in water resource management, which can be illustrated by the tourism sector, which puts high pressure on water resources management.

As a result, stakeholders should be aware of how to make good use of and how to preserve water resources in an efficient manner. Cooperation and negotiation among these different stakeholders is key for the sustainable use of water resources and leadership is desperately needed. In addition, Ms. Levin addressed the issue of how a framework of cooperation strategy is needed for water management. Several frameworks are available and the Mekong region needs to find a suitable one that encourages participation of all actors and helps achieve agreements and encourage long term commitment.

Regardless, the frameworks should be cooperative agreements that bind participants in a

flexible manner so that it does not become too demanding where stakeholders might opt-out. Examples mentioned were memorandum of understanding or governmental agreements. The last issue, Ms. Levin addressed is how to build better partnership for the region. From this perspective, the region should be guiding international institutions rather than being guided by the international organizations. The region itself should play the leading role.

These two speeches were followed by comments and questions from other participants. Mr Nguyen Hung Son from CSCAP Vietnam commented on how the Chinese government has recognized the negative impacts of damming and their concern on the environmental impacts. Mr. Zhou responded that the central government of China is in charge of the projects and monitoring systems to ensure the safety of dam projects. Ms. Levin from CSCAP US complemented by stating how the region has been faced with water insecurity for a long time and that it accordingly will take a long time to address the water security issue. Since water is a multidimensional and complex issue, there are issues that take longer time to fix and there are issues that need immediate actions. The construction of dams is an issue that needs immediate actions. Regional water security needs to be addressed on a basis of priority where the issues with a higher sense of urgency are addressed first.

Ms. Maria Larsson and Mr. Chheang Vannarith with CSCAP Cambodia and Mr. Mark Brindal with CSCAP Australia emphasized the significance of transparency and information exchange regarding the damming activities. They also raised concern over the impacts of the dam construction along the mainstream, particularly the Xayaburi Dam project. Mr. Zhou responded to these comments by stating how China has experiences and expertise worth sharing with the downstream countries.

Dr. Suchit Bunbongkarn emphasized how we need to recognize that there are different stakeholders in the region such as riparian states, international organizations, private sectors etc. Cooperation between these stakeholders is crucial. Ms. Levin responded to the argument raised by Dr. Bunbongkarn by agreeing and emphasizing how with different stakeholders there will inevitably be different understandings and concerns on water security issues. As a result, the stakeholders are likely to have different interests in the matter and it is therefore crucial to increase cooperation between the different stakeholders.

Mr. John Brandon from The Asia Foundation followed up on this line of thought by comparing how hydropower dams are important for Laos, while damming is a harmful activity for fishing and agriculture in Cambodia and Vietnam. A balance between national development and interests in relation to regionals needs and sustainability needs to be balanced. This was reinforced by the argument made by Dr. Somkiati Ariyaprichya, from CSCAP Thailand, who stated that stakeholders have to realize that they will get something and lose something as well, through regional cooperation.

Session 2 focused on regional institutions and water security and the session aimed at examining the existing regional institutions such as Mekong River Commission and

ASEAN in dealing with water resources management and the sufficiency and efficiency of water usage and supply. The first speech was delivered by Mr. George Radosevich from the International Association of Water Law and Resources Administration and Development Inc. He addressed that water insecurity is a reality in the region and differs from the issue of water security. Water security planning addresses the known unknowns through various types of data and information and a range of analytical models designed for projections, forecasts, decisions on water allocations, infrastructure needs and safety preparedness. Water insecurity, in turn, refers to the unknown unknowns – unexpected events, uncertainty, and randomness, for example visible in how most water institutions and governments have little experience and planning capabilities for these types of contingencies. Hence, when they occur, decisions are quickly made to respond as best possible to the nature and magnitude of the events to mitigate the problems.

Mr. Radosevich furthermore emphasized the need to strengthen existing regional instruments and institutions to support regional cooperation on water resources management. He proposed that more concrete actions and a sense of stronger commitment is needed to achieve the goals of strengthening regional water security, as well as existing regional mechanisms and partnerships. He suggested two important points that need to be considered. Firstly, it does not make much difference which type of instrument or form of organizational arrangement is used; what is needed is a workable, committable, and monitoring framework that is adaptable to conditions-needs. Secondly, the ASEAN's feature of the special minister's council to address and resolve urgent issues could be utilized. His perspective is that cooperation improves the change of gaining mutual benefits and avoidance of the tragedy of the commons. Organizations such as CSCAP, MRC and ASEAN can greatly facilitate conflict avoidance and data sharing and collection and aid in ensuring regional water security. Mr Radosevich concluded by asking the question we currently have the opportunity to have dialogue and the exchange of perspectives, which he argued remains limited.

The next speaker was Mr. Nguyen Nam Duong from CSCAP Vietnam. His topic was "Attaining Water Security in Regional Institution: Options for Southeast Asia". First of all, he talked about the current regional institutions including Mekong River Commission. In terms of its shortcomings, MRC is absent of upstream riparian states; the communication among governments and the public is very poor; and it has little impacts on decision making of national members and lack of compliance and enforcement principles. Moreover, the National Mekong Committees are faced with bureaucratic issues and compliance problems. Other regional options mentioned were the ASEAN Regional Forum and ASEM.

Dr Seungho Lee from CSCAP Korea delivered a speech on "Securitization of Water Issues for Economic Growth in the Mekong River". Dr. Lee investigated how to approach water security issues in the Mekong River Basin through regional institutions such as ASEAN and ADB GMS and explored ways for sustainable resources use by applying economic security to hydropower development. He reviewed the conventional approach and new approach to water security. The conventional approach put emphasis on reliable access to water supply from human security point of view while the new

approach guarantees the quantity and quality of water and an acceptable level of water related risks. For trans-boundary waters in particular, the new approach to water security is sharing benefits of cooperative management and development. He mentioned that there are two major concerns: to develop hydropower whilst sustaining eco-systems and how it is crucial to strike a balance between economic growth and environmental protection.

Dr Seungho Lee noted that there is a racing trend for hydropower development in the region and that this trend is difficult to counter. Mutually beneficial development has to be considered and nations have the obligations to minimize externalities inflicted on other riparian states. He stated how serious environmental challenges in the riparian region could undermine the economic growth of the whole region in the long run, and as a result, ecological protection programs need to be integrated into regional development. The recommendations are that 1) advert disasters from damming, more engagement by international agencies to build environmentally friendly hydropower dams; 2) short-term and long term plans by the riparian states; 3) revival of MRC, leadership for mediating conflicts and special procedure for sustainable hydropower development; 4) China's cooperative engagement and 5) integration of economic development among the international players.

In the discussions following the presentations, Mr. Zhou clarified that China's pursuit of hydropower development is not a racing trend, but a strategic need. China does cooperate and exchange information with other countries. Whether China is a member of the MRC will not affect China's willingness of information exchange and sharing. Dr. Uttam Sinha from CSCAP India agreed that economic development needs to consider the ecological concerns raised. He stressed the importance of local participation and local knowledge to water resources management. Mr. Radosevich, commented how an MRC agreement is constituted by what the countries voluntarily agree upon. If there is no agreement, there will be no consensus or action.

Furthermore, Mr Radosevich stressed how whether China is a member of the MRC or not, does not matter significantly. The key concern is instead whether or not mechanisms to facilitate our understandings of each other exist. He also raised the question of neutrality, especially when viewing international organizations. Institutions often reflect the donor's interests, not the interest of the local people and it is likely that donors have their own agendas. Mr. Brindal commented by stating how institutions have functions in lessening the conflicts over the use of natural resources. Rivers or water resources are not the point of problem, but nations with sovereignty. The resources do not belong to any single country, but are common and public goods, which should be displayed in policy documents.

Session 3 focused on water security and the role of the private sector. The session aimed at discussing the potential role of the private sector in relation to attaining regional water security. Mr. Mark Brindal from CSCAP Australia delivered a speech on "what potential role can the private sector play in working towards regional water security?" Mr. Brindal further discussed the concept of "tragedy of the commons" as discussed by Mr Radosevich in session 2; when a common pool resource is available, there is a fear of the

commitment of others to common goals, for example, that they might exploit the resource fully, even with the realization of the dangers this might present. As a result, the certainty of ownership rights is critical.

The concept of “tragedy of the anti common” on the other side refers to how the ownership of any resource is clear but becomes more and more fragmented, it becomes increasingly inefficient and eventually fails. The Mekong region is facing this issue since the states are sovereign and are trying to exercise sovereign rights over the water resources. Public and private partnership is critical. Private sectors can provide expertise and capital, which helps to build efficiency. As the private sector might be primarily interested in economic gains, involvement of the private sector must be a well thought through decision where the needs of the region are clearly stipulated. Mr Brindal’s opinion is that private sectors can be constructive but that they need to be used in the right way.

Following the presentation, Ms. Levin stated that the US has established water markets in the West and when there is a willing buyer and willing seller, the markets can function well. The markets, in turn, help people who are in need, for example the farmers during the dry seasons. Mr Radosevich expressed his opinion on the water trading, as being a trading right, and stated how it is not sure how functional it would be. The social element needs to be considered, in relation to water trading where the interests of the environment and the poor are taken into consideration. To make the trading market function well, it is necessary to clearly define the role of private sectors and investment. Mr. Brindal also stated how the right to water resources remains the right of all and, correspondingly, how everyone also has a responsibility to protect the water resources.

Mr. Lee from CSCAP South Korea, who has many years of experience in studying partnership among stakeholders, said that when there are profits, there are private sectors and mechanism and institutions needs to be established to monitor the private sector. Mr. Brindal concluded with his recommendations for the governments to engage private sectors with the water resources management by: 1) build common frameworks and rules before engaging the private sectors; 2) create joint sharing arrangements for the region and 3) build mechanisms and frameworks for knowledge and technology sharing to have more informed private sectors.

Session 4 discussed water security and the roles of civil society organizations. It examined the role of CSO’s in addressing water security issues and their efficiency and influence in terms of policy design and implementation processes as a way to develop and further expand its role and its engagement with other sectors (both private and public). Mr. Try Thoun from International Centre for Environmental Management gave a presentation on “water security and the role of civil society organization”. He introduced the MRC SEA and its consultation process.

Following the presentation, Mr. Vannarith from CSCAP Cambodia and Dr. Bunbongkarn from CSCAP Thailand asked Mr Thoun to elaborate further on the specific role of civil society organization and to what extent they can aid in ensuring water security and

manage water insecurity issues. Mr. Bunbongkarn shared an experience from Thailand where civil societies have been involved and played critical roles in protesting against dam construction. There is a need for civil society organizations to increase their participation, for example by getting involved in monitoring and assessing the impacts caused by unstable development projects, particularly hydropower dams.

Mr. Brindal agreed with this line of argument and stressed how civil society refers to the use of knowledge and the empowerment of the local people. In this sense, the local people are a critical source of knowledge and policy-making, however, they need to be educated for this to be possible. Dr Bunbongkarn agreed that local people need to be educated. As an example, the local people generally do not know who owns water resources, accordingly, public awareness needs to be strengthened.

Ms. Levin and Dr. Yiyuan Su raised the question how knowledge can be spread to local people, regarding water security. Dr. Su further pointed out that poverty is still common in the region, which might complicate the issue further. Public participation might accordingly become an issue, and Mr. Thoun mentioned how in the SEA case, documents are translated to the local language so that the local people are able to take part in the information. Again, Mr. Brindal emphasized how rights to water also comes with a responsibility, and as such, how a framework can be developed to encourage people to take responsibilities for water resource management whilst information is shared and spread.

Session 5 focused on water related disputes and the role of conflict prevention and management. Dr. Uttam Sinha from CSCAP India touched upon several issues in his speech such as the role of international treaties. Dr. Sinha gave some recommendations by pointing towards Asian history and the relationship between civilization and water. Dr Sinha stressed how threats such as fast population growth, increased demand of water and agricultural production, urbanization, climate change have impacts on water resources management but also how it is affected by international relations and politics.

As an example, dam construction has generated many studies and discussions and debates and the impacts of dams on water resources need a comprehensive research and assessment, taking into account ecological and human costs. Accordingly, water security is related to many other issues and concerns which might change over time. As such, there is a need to rethink, reexamine and reevaluate water security from time to time. Dr. Sinha concluded by making recommendations. He suggested that we examine water security issues in terms of disputes rather than conflicts. The region also needs to work on a comprehensive approach where cooperation is increased. He stressed that politicians have to be included since water is a fundamental issue and basic need related to human security.

Mr. Christopher Baker from the Centre for International Security Studies followed up by delivering a speech on “water security and international security”. Even though conflicts for water resources might be unlikely in the region, he stressed how a risk for water conflicts, still exists. Mr Baker stated how water security must be viewed from a

hydrological, economic and geographical dimension whilst taking availability, supply, quality, quantity, and access to water, into consideration. He explained that the pressure on water resources is increasing with population growth and an increasing demand for agriculture and fisheries. Additionally, there are an increased number and severity of droughts and floods due to climate change.

Moreover, forced migration in the region due to dam construction is frequent whilst people in the region are reliant on the natural food cycle of the river for daily substances. When water resources are increasingly unavailable due to dam construction, the livelihood of people is threatened and migration becomes a coping mechanism. Mr Baker gave suggestions on solutions: 1) no unilateral action on dams 2) continuation of dialogue 3) Chinese engagement, especially in terms of data sharing 4) a renewed MRC (possibly subsumed within ASEAN) 5) to examine if development without dams is possible and 6) regional and international cooperation as stability is needed.

In the discussion on the session, Ms. Radosevich said that this meeting has covered a lot of topics, which includes many suggestions for ways forward. He also maintained how, regardless of what perspective one might have, each country face similar issues. MRC is represented by its member states, and so far, the countries are not ready to respond to the many issues facing this region. Regarding Mr Uttam's presentation, Mr. Lee raised a question on what the difference is between framing water into dispute and framing water into conflict. Mr Uttam answered that focusing on water disputes rather than water conflicts is more beneficial for setting the issue within the framework and better for the settlement of the issue. Water conflict is more related to other security issues and by focusing on water disputes, key problem can be managed more sufficiently.

Ms Maria Larsson with CSCAP Cambodia asked Mr Christopher Baker specifically, who emphasized a renewed MRC, how conflict prevention could be explicitly incorporated into policy decision-making and implementation procedures, and if there could be a potential role for China to play in this regard, as a regional leader, connecting with Ms Levin's speech during session 1. Mr Baker was asked to answer the question whilst disregarding if a Chinese membership into the MRC would take place or not. Mr Baker responded by stating how China indeed does have the potential to play an important role as a regional leader, this can be illustrated by the case of the South China Sea dispute. He recommended how the Mekong Agreement could be used as a way to move the debate forward, and how regional dialogue, for example through the Shangri-La dialogue, remains key for policy implementation but also the importance of China raising these issues by themselves and actively participating in regional dialogue.

In relation to Mr. Baker's statement of a renewed MRC, he was asked to clarify the possible future role of the MRC. He replied how the MRC can function as an informative institution, and as such, how possible issues can be elevated to a ministerial level straight away. Additionally, he re-affirmed the high dependency of water resources within this region, on the livelihoods of the people. When dam construction takes place, people's livelihoods are seriously affected as their food and ways for survivals are threatened. Accordingly, water security should be viewed as mainly a non-traditional security issue.

Ms. Xing from CSCAP China stated how China is still a developing country, faced with climate change, like all the other countries. Hydropower is a clean source of energy, and as such, hydropower development is beneficial to people's lives under the monitoring system of the government and cooperation between China and upstream and downstream countries. Mr Zhou also confirmed that dam construction is not evil. There are dams that were built many years ago and have contributed to people's livelihoods and benefited people. He also stated how, with China's continued sharing and cooperation with other riparian countries, dam construction projects can be environmentally friendly. He also stressed how data sharing and cooperation must be of a two-way character; it is not only the responsibility of China to work towards a higher degree of transparency.

Session 6 focused on possible ways forward, both in terms of water security but also in terms of the study group itself, and was a roundtable discussion. The session in particular discussed the policy recommendations made by all participants, which aim to sufficiently address water security in the Asia-Pacific. Similarly to the first meeting, most participants agreed on the importance of information sharing and transparency, enhanced function of regional institutions and civil society and collaboration between stakeholders. Moreover, all participants expected a renewed and enhanced role of CSCAP from this aspect.

The session summarized the key issues which had been discussed in the last five sessions. Even though there are some uncertainties related to the impacts of dams or role of China as a regional leader, this meeting has achieved consensus on some of the key issues discussed and produced constructive recommendations so that the debate and study group can move forward to make specific policy recommendations. For up-coming meetings, it was also suggested that the role of media and education was further explored. As water security issues remain a complex issue, which relates to many other issues such as economic, human, environmental and energy security, it requires an integrated and comprehensive approach. Cooperation between different key stakeholders and involvement of regional organizations and civil society is crucial to be able to move forward to sustainable water management and sustainable development. In relation to this, it is crucial to more specifically define both the private sector and the civil society. It was also mentioned how the discussion needs to be expanded to include more examples and cases than the ones found in the Mekong region.

In the wrap-up session, the co-chairs summarized how the meeting has discussed the importance of cooperation and sharing of knowledge and information in the region. The concept of water security, sovereignty, stakeholders and common interest has been discussed extensively. It was recognized that although dam construction and hydropower development remains an immediate crucial concern, it is important to also move the debate beyond this scope.

The meeting came up with suggestions such as the possibility of establishing mechanism and frameworks for cooperation and data sharing, strengthened regional and international institutions, the empowerment of civil society and the potential contribution of private sectors and preventive mechanism for water related disputes. As an example, it was mentioned that although the meetings so far has focused extensively on the Mekong

region, this could be useful. If a framework for ensuring water security in the Mekong region could be constructed and implemented, this framework could be exported into other regions, for example into China which in the near future will face severe water security challenges.

In his concluding remarks, CSCAP Vietnam co-chair observed that the discussion and recommendations of the study group were evolving around 6 themes. *First*, enhancing the effectiveness and efficiency of regional institutions addressing water security issues, first and foremost the Mekong River Commission, being the most prominent and legitimate institution dealing with the issue in the region. *Second*, enhancing the role of regional security institutions and mechanisms to promote dialogue and cooperation on water as a source of several regional security problems. Several suggestions point to the need to immediately elevate water security to the agenda of regional institutions such as ASEAN, the ARF etc. *Third*, promoting cooperation with other international mechanisms to advance the exchange of experience among regions and facilitate the sharing of information and best practices about water management. *Forth*, establish and strengthen the normative and legal environment in order to facilitate the collective management of water security issues in an appropriate manner and in conformity with generally accepted international standards. *Fifth*, engaging the various stakeholders who might play important but different roles in different context in different countries in a joint regional effort to ensure water security and other related matters. Particular attention was given to the private sector, the civil society organizations and how these players interact with one another and with the state. *Sixth*, promoting education and the role of the media to raise public awareness and generate support to national and regional water policies.

The co-chairs expressed their hope that further detailed discussions and specific proposals along the said themes would be made in subsequent meetings of the study group. The co- chairs concluded by stating how they all look forward to the next meeting of the CSCAP Study Group in Japan, in 2012.