

# Chapter 4 | The Mekong River and Mekong Subregion Cooperation

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Sithivong (សិទ្ធិវុង) is sitting at his office inside the ASEAN Secretariat building in Jakarta, reviewing various documents ahead of the upcoming “Annual Mekong Plus Summit” to be held at the end of 2040. He has been appointed to undertake the role as Chair of the ASEAN Mekong Basin Development Cooperation (AMBDC) under Cambodia's quota as the first member state to revitalize this mechanism. The mandate for this rotating chair would last for approximately five years in accordance with the alphabetical order of the five Mekong countries. A long-serving diplomat who has had extensive experience in the Mekong affairs for decades, Sithivong is more than competent to steer things forward as regards the inclusiveness of all Mekong subregional mechanisms. During his first year at the office, he pledges to minimize competing interests and maximize collaboration. Anusa (អនុសា) has been a strong advocate for the livelihood of the Mekong but primarily explores the question of hydropower and how it has become increasingly inefficient, both in terms of cost and energy generation. Recognizing these realities, she established a non-profit firm to supply solar power to local households which eventually was scaled up in order to supply a national-scale solar farm, including technical support where needed. Anusa has also received strong support and encouragement personally from Sithivong who has long been a dedicated proponent of the renewables transition. He then helps to introduce and connect “RE for Cambodia” to various stakeholders of the Mekong subregional mechanisms across the region as well, of which some individuals have taken up her approaches and set up similar firms

and other countries begin to engage “RE for Cambodia” to support them setting and/or scaling up the solar farms in their respective countries. Anusa’s firm and Sithivong’s commitment have helped to vivify Cambodia’s vision to become a champion in renewable energy’ to set stage the baseline for proactive diplomacy with all development partners on the Mekong and beyond; and to eventually have the Mekong issues as part of the ASEAN key agenda via AMBDC.

## I. Ideal Scenario: The Mekong in 2040

With a major transition to renewable energy, the Mekong, metaphorically speaking, would be put to rest, allowing biodiversity to revitalize itself. The river flow will return to normal, minimizing the risk of drought during the dry season and flooding during the rainy season. The livelihoods of those along the Mekong and millions of others that depend on it would be improved, their living standard would be increased through various means including the advancement of the eco-tourism and hospitality industries.

The new phase of hydropower dam construction strictly complies with best practice in ethical and technical standards: (i) previously constructed dams will have revised the standard agreement in order to comply with the sustainability aspect or the license would be revoked, and (ii) bids for new dam construction will have to strictly abide by the agreed principles and guidelines set forth by the Mekong River Commission and close collaboration with the AMBDC.

Finally, all Mekong sub-regional mechanisms will be under the close coordination of the AMBDC. Fewer competing interests would now be seen, owing to joint projects from various external partners in the recipient countries rather than duplication. Cross-border connectivity will have been widely on the basis of unified agreements and standardized best practices. Loans and grants will be more coordinated and synchronized such that they open up increased opportunities to less developed countries, with the best deals possible.

## II. Scenario Space and Key Factors

This scenario space for this chapter is the Greater Mekong Subregion in broad terms, it seeks to provide a picture as to where the subregion as a whole could

be by 2040 in terms of both environmental sustainability and overall regional stability.

Three key factors are recognized here as determining which scenario Cambodia will confront in 2040: (i) Competing subregional cooperation mechanisms; (ii) Cambodia's agency in the context of the Greater Mekong question; and (iii) environmental sustainability. Discussion of the first of these assesses the current circumstances of the existing Mekong mechanisms and the prospects for cooperation toward 2040, contra the mainstream implicitly antagonistic approach. The second key factor examines areas of cooperation that would benefit Cambodia in the long-run and Cambodia's agency therein. The third key factor, sustainability, highlights the question of green development, specifically the role of the energy sector and renewables. This last key factor also brings to the fore the question of Cambodia's role as a potential regional champion or role model aligning with United Nations Sustainable Development Goals (SDGs), while also denoting a less dependency on the Mekong deliberately water-politics should outrageous critical problems arise in the probable future.

## The Mekong and the Greater Mekong Subregion: Historical and Contemporary Development

For the past few years, the Mekong has been seen as 'the talk of town' owing to its strategic importance, more so after China launched its new subregional initiative – the Lancang-Mekong Cooperation (LMC) – in 2015, on top of the other 8-existing<sup>5</sup> Mekong cooperative mechanisms previously established by regional actors as well as by other external partners outside the region with its counterpart of the five Mekong countries namely Cambodia, Laos, Myanmar,

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<sup>5</sup> The actual number of existing Mekong subregional cooperation mechanisms is debatable; some have contended that it may have up to 12 different initiatives. For the consistency of this chapter, 9 frameworks are argued to have been in place which include: (i) US's LMI, now the Mekong-US Partnership, (ii) Japan's MJC, (iii) China's LMC, (iv) South Korea's Mekong-ROK Cooperation, (v) Inter-governmental Mekong River Commission (MRC), (vi) Thailand's ACMECS, (vii) India's Mekong-Ganga Cooperation (MGC), (viii) ADB's Greater Mekong subregion (GMS) Economic Cooperation, and (ix) ASEAN's Mekong Basin Development Cooperation (AMBDC).

Thailand, and Vietnam. In the wake of the establishment of the LMC, notably, there has been a 'reboot' in attention in other mechanisms, including the Mekong-US Partnership (a rebranding of the former Lower Mekong Initiative, LMI), Mekong-Japan Cooperation (MJC), Mekong-Republic of Korea Cooperation, and the revitalization of Thailand's ACMECS (Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy).

Attention was paid not only to the sustainability aspect of the Mekong River itself but also, toward the geopolitical strategy, the quest for regional domination, and the dynamics of regional order. LMC is viewed as China's subregional framework, a part of its Belt and Road Initiative (BRI), and is perceived by many as a mechanism to make more concrete its economic influence in the subregion. Given the astonishing speed of its institutional build-up and evidenced by a remarkable number of projects, part and parcel of the readiness of its Special Fund, LMC is perceived by some to jeopardize the current regional order. In their latest paper, Rabea Brauer and Frederick Kliem (2018) cautioned that China is practicing "coercive water-diplomacy" and that there is an urgent need for the Mekong region to embrace "rule-based institutionalized water cooperation" (Bauer and Kliem 2018).

Originating in the Tibetan Highlands, the Mekong River is approximately 4,350 kilometers in length and is the 12th longest river in the world. Although demarcation varies, this transboundary waterway is commonly divided into two main parts alongside with the national boundaries: the Upper Basin (primarily in China, known as Lancang) and the Lower Basin (Cambodia, Laos, Myanmar, Thailand, and Vietnam). Around 80 percent of the total 60-65 million population of the Lower Mekong Basin are dependent on this river system for nutrition and livelihood. The Tonle Sap lake is the largest lake in Southeast Asia and the most important inland fishery in Cambodia. The Tonle Sap is situated in the central floodplain of the country and is responsible for sustaining fisheries and rice production of the flooded areas around the lake as well as the Mekong Delta below (Open Development Cambodia, 2016). Unfortunately, the Mekong River has been heavily 'politicized' for economic reasons (the construction of hydropower dams to generate electricity, for instance) and for geopolitical

ramifications writ large (i.e. great power competition and regional divides, as many skeptics have pointed out).

Cambodia is no exception when it comes to the current dilemmas of the Mekong. In addition, given its exceptionally close relations with China, as leaders of both countries regularly enunciate, Cambodia is even more prone to critique and skepticism as being sidelined with China leading to the erosion of regional unity and ASEAN centrality at large. ASEAN on its own is explicitly 'divided' in relation to hard security issues and often refrains from bringing these to the table during ASEAN meetings. On one hand, there is the South China Sea question involving the maritime Southeast Asia countries (namely the Philippines, Indonesia, Malaysia, and certainly Vietnam) while on the other, there are the five Mekong countries which have encountered significant issues over the governance and future of the Mekong. Given this notable divide, the Mekong aspect has not been considered to be an 'ASEAN issue' yet, but this is also due to the fact that the South China Sea issue has dominated the regional agenda for so long.

The Mekong, hence, is no longer just a river and the Mekong subregion is no longer merely a geographical landmark of five countries; it is becoming more and more strategically central for external partners eager to play a role. As a consequence, the Mekong subregion has become more 'strategic' than ever before. Its strategic connotation, though, should not be allowed to traumatize the region and the countries involved but instead, it is necessary to push forward stronger comprehensive regional connectivity and development sustainability. That being said, the Mekong countries need to be cautious of being trapped by geopolitical risks and their subsequent negative implications. The region will need to be prepared to align itself toward a plausible hedging strategy that would associate with minimal risks possible. This transboundary water source is not just confronting the challenges of ecological and environmental impacts but also the larger geopolitical implications, underscored by the number of the aforementioned subregional initiatives in place. For that reason, an immediate question needs to be asked: whether or not these initiatives aim to cooperate or to compete (or worst yet, to replace one over the others).

## Key Factor One: Competing Subregional Institutions

Scholars and regional experts are still debating the 'actual' number of the existing Mekong mechanisms, let alone have reached a single conclusion whether the status quo is cooperation or antagonism. As a rising regional and global power, China would logically attempt to propose new initiatives as a means to contribute to regional development and universal prosperity at large, so as every other major power, but also to seek new ways and solutions to the enduring problems.<sup>6</sup> In contrast, experts suspect a re-creation of a Chinese version of regional rules and institutions, having LMC as the "logical and preferred Mekong governance framework" (Pongsudhirak, 2016).

The LMC, despite being a new-comer, attempts to address the development aspects of the Mekong in five key priority areas: (i) connectivity, (ii) production capacity, (iii) cross-border economic cooperation, (iv) water resources and agriculture, and (v) poverty reduction. With its astonishing pace of institutional development and rapid project implementation, the LMC has created significant doubt and suspicion among the region's external partners. This is made even more evident when other existing subregional mechanisms have started to revitalize and rejuvenate their respective frameworks as well, so as to pay closer attention to this particular region with their respective Mekong mechanisms on hand and more so, with the growing numbers of other initiatives being put forward. This section will elaborate each of the Mekong mechanisms and aims to seek a different impetus as to how these could be developed more as complementary to one another rather than being seen as rivals.

The **Greater Mekong Subregion (GMS) Economic Cooperation Program** was set up in 1992 with assistance from the Asian Development Bank (ADB). Members comprise all of the five lower Mekong countries plus China, specifically Yunnan Province and Guangxi Zhuang Autonomous Region. The objective is to develop the Mekong subregion through increasing infrastructure connectivity, enhancing cross-border trade into transnational economic corridors, integrating

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<sup>6</sup> Interview conducted with the Chinese counterpart in Beijing (August 2018).

market and value supply chains, and addressing shared social and environmental concerns that would have the impacts on people's well-being. The recent 6th GMS Summit in Vietnam in April 2018 has adopted the Hanoi Action Plan (HAP) 2018-2022, where the Regional Investment Framework (RIF) 2022 was also formulated, identifying 227 pipeline projects with the amount approximate to USD 66 billion. Cambodia will be the next chairman of the 7th GMS Summit in 2021 (GMS, 2018).

The **Mekong River Commission (MRC)** was established in 1995 with members comprising Cambodia, Laos, Thailand, and Vietnam; Myanmar and China are the dialogue partners. In April 2018, Cambodia was the host for the 3rd MRC Summit in Siem Reap under the theme: "Enhancing Joint Efforts and Partnerships towards the Achievement of the Sustainable Development Goals in the Mekong River Basin". Leaders adopted the Basin Development Strategy based on the Integrated Water Resource Management (IWRM) Principle 2016-2020 and MRC Strategic Plan 2016-2020, among other sectoral strategies being approved. The Declaration reaffirmed their commitments on the 1995 Mekong Agreement and placed MRC as the premier inter-governmental body set forth to lead sustainable development on the Mekong River Basin (MRC, 2018).

The **Mekong-Ganga Cooperation (MGC)** was launched in 2000 by India and the five lower Mekong countries, and was the first official development partner of the Mekong subregional cooperation framework. The first Plan of Action to Implement MGC (2016-2018) was adopted to implement various cooperation projects in the areas of tourism, cultural cooperation, education, people-to-people contact, transport and connectivity, ICT, health and agriculture. The MGC framework has succeeded in establishing Entrepreneur Development Centres (EDCs), Center for English Language Trainings (CELTs) and the Vocational Training Centers (VTCs) in various Mekong countries including Cambodia over the past years as well as the annual scholarships offered under the Indian Technical and Economic Cooperation (ITEC) program and through Indian Council for Cultural Relations (ICCR) (MGC, 2016). Recently, in June 2019, the Indian government provided Cambodia a grant for 18 projects worth nearly USD 900,000 to implement the Quick Impact Projects (QIPs) under the MGC framework. The projects also extended, on top of the above, towards women's

empowerment, skills development, rural development, and water resources. One practical achievement that stems from this cooperation is the “Asian Traditional Textile Museum” which was inaugurated in 2014 in Siem Reap (Hin, 2019).

**The Ayeyawady-Chao Phraya – Mekong Economic Cooperation Strategy (ACMECS)** was established in 2003 under Thailand’s initiative, comprised of Cambodia, Laos, Myanmar and Thailand, with Vietnam formally joined later on in 2004, with eight areas of cooperation: (i) trade and investment facilitation, (ii) public health and social welfare development, (iii) human resource development, (iv) industrial and energy cooperation, (v) tourism cooperation, (vi) transport linkage, (vii) agricultural cooperation, and (viii) environment. During the 8th ACMECS Summit in June 2018, Thailand proposed to establish an ACMECS Fund as an “innovative financing mechanism” to address the need for the funding of projects under the ACMECS Master Plan (2019-2023). Cambodia has agreed in principle to the establishment of the ACMECS Fund and ACMECS Infrastructure Fund and Trust. Cambodia has already finalized the List of Prioritized Projects as well as the List of First Batch of Development Partners so as to effectively garner financial support (Sim, 2019b). Cambodia will chair the 9th ACMECS Summit in 2020.

**The Mekong-Japan Cooperation (MJC)** was launched in 2008 by Japan and the five lower Mekong countries. In the ‘MJC New Tokyo Strategy 2015’, four main pillars were put forward: (i) hard efforts – focuses on the development of hard infrastructure and connectivity; (ii) soft efforts – the development of human resources, industrial structures, and the strengthening of soft connectivity, i.e. institutional, economic and people-to-people connectivity; (iii) sustainable development – towards the realization of a Green Mekong; (iv) coordination efforts with various stakeholders. Japan committed around USD 6.8 billion in ODA to the Mekong region for three years (2016-2018). In October 2018 during the 10th Mekong-Japan Summit Meeting in Tokyo, Japan unveiled the ‘Tokyo Strategy 2018 for MJC’ focusing on three pillars namely the vibrant and effective connectivity, people-centered society, and the realization of a Green Mekong. With that, Cambodia has put great emphasis on the importance of the ‘industry connectivity’, together with the utilization of the enhanced hard and soft

connectivity, with the engagement of the private sector. That is to say, the whole Mekong subregion is regarded as an integrated supply and production value chain and that allows different Mekong countries to fully maximize their respective comparative advantages through outsourcing production mechanisms from Japan and with one another (Sim, 2019a).

The **Lower Mekong Initiative (LMI)** was created in 2009 by the US, Cambodia, Laos, Thailand and Vietnam, while Myanmar formally joined later in 2012. LMI has six pillars: (i) environment and water, (ii) energy security, (iii) education, (iv) health, (v) connectivity, and (vi) agriculture and food security. It also focuses on cross-cutting issues, such as women's empowerment and gender equality (LMI, 2016). LMI has transformed itself to become an important platform for policy dialogue and consultation on resource management, sustainable development, and good governance. Two inclusive pillars have been synthesized: (i) the water, energy, food, and environment nexus; and (ii) human development and connectivity (MFA Thailand, 2019). In April 2019, Cambodia and Thailand successfully co-chaired with the US their pillars at the First LMI Policy Dialogue convened in Bangkok, and Cambodia has led the discussion with Washington on strengthening STEM education in the region (Sim, 2019c).

LMI has placed significant effort on capacity building programs ranging from enhancing resilience to cope with extreme weather conditions and to counter its negative effects, to strengthening data collection capacity and promoting water data sharing mechanisms in order to mitigate the risk of natural disasters such as flood and drought. Among others, empowering women entrepreneurship and strengthening STEM educational institutions and student networks across the region are also a main area focus (Heidt, 2016). Marking the tenth anniversary of its establishment, Cambodia has benefited greatly, especially in capacity-building to manage sustainable infrastructures under the LMI framework. In addition, the LMI and Friends of Lower Mekong (FLM) successfully adopted the "Joint Statement to Strengthen Water Data Management and Information Sharing in The Lower Mekong" in August 2018. This initiative has been very beneficial for the lower Mekong countries and the MRC in order to mitigate related risks in relation to climate change and the incurred natural disasters as such.

LMI was upgraded and rebranded as **the Mekong-US Partnership** on September 11, 2020, after over a decade of fruitful collaboration between the lower Mekong countries and the United States as well as to promote the necessary synergies between the recently adopted ASEAN Outlook on the Indo-Pacific (AOIP) and Washington's Indo-Pacific Vision. The Partnership expands the priorities set forth by the LMI into 4 areas of cooperation: (i) economic connectivity; (ii) sustainable water, natural resources management, and environmental conservation and protection; (iii) non-traditional security; and (iv) human resource development (Mekong-U.S. Partnership Joint Statement, 2020).

**The Mekong – Republic of Korea Cooperation** launched in 2011; the Han River Declaration put forward six priority areas with the support of Mekong-ROK Cooperation Fund: (i) infrastructure, (ii) information and communication technology (ICT), (iii) Green Growth, (iv) water resource development, (v) agriculture and rural development, and (vi) human resource development. The New Southern Policy has served as a major boost to this cooperation framework and together with the recent state visit of President Moon Jae-in to Cambodia in March 2019, it has signaled the ROK's strong interest and commitment toward friendship and cooperation to elevate this bilateral as well as multilateral relations.

**The Lancang-Mekong Cooperation (LMC)** was initiated in 2015 by China, the latest to join the club. As previously mentioned, LMC is indeed the most critical and the most strategic Mekong mechanism among all given its astonishing speed of institutional developments and project implementations (Pich, 2019). As the first co-chair since its establishment, Cambodia has served the role of host for the 2nd MLC Leaders' Meeting in Phnom Penh, which formulated the Phnom Penh Declaration and the Five-Year Plan of Action on the Lancang-Mekong Cooperation (2018-2022), moving the mechanism from the 'foundation-laying stage' to an 'expansion stage'. The 4th MLC<sup>7</sup> Foreign Ministers' Meeting,

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<sup>7</sup> Throughout this chapter, LMC and MLC will be used interchangeably, i.e. if the meeting was held in any of the five Mekong countries, MLC is used. Likewise, if the meetings were held or the documents were signed in China, LMC is used. As a side note, LMC is mainly used therein in accordance to the general awareness unless otherwise stated.

held in Luang Prabang in December 2018, concretized the LMC Economic Development Belt (LMCEDB) framework, prioritizing the production capacity development through cross-border connections into value-added supply chains and production lines across the wider region. Cambodia also proposed to conduct a feasibility study on the establishment of the LMC International Secretariat for a more effective and efficient coordination on the subject matter.

With an allocation of \$300 million from the LMC Special Fund for five years, Cambodia has received 35 projects in total (16 from the first round and 19 for the second) accounting for approximately \$14 million which cover a broad range of issues, 'soft infrastructure' is of particular significance here.

The **ASEAN Mekong Basin Development Cooperation (AMBDC)** was established in 1996 between ASEAN member states, Mekong riparian countries, and China. It has attempted to promote economic partnerships in order to realize the ASEAN Economic Community by 2015. Major achievements were seen in the form of human capital and infrastructure developments in this subregion and beyond. Several subregional and national projects are still pending and in need of further funding support of which the importance of expanding collaboration with development agencies and the private sector has been highly emphasized. The last meeting was held in Brunei Darussalam in August 2013 during the 15th Ministerial Meeting on AMBDC (AMBDC, 1996; ASEAN, n.d.) and has been put off till now; it is time to reactivate AMBDC under Cambodia's leadership.

Despite antagonism in these debates, there is room for cooperation. One should view each of the above mechanisms as complementing one another rather than competing or worse yet seeking to replace or dominate. However, instead of continuing to make pledges on the surface, there needs to be a more practical and plausible impetus such that these mechanisms can be synergized and complement one another when certain aspects or loopholes arise.

Regardless of political motives or a mechanism's structure, the ultimate goal is that each external partner intends to strengthen collaboration so as to enhance development in the Mekong subregion. To jointly support and seek alignment are some of the key aspirations to look into, whereby resources and proposals

need not merely come from a single external partner but others should be welcomed to provide support as it seems fit. To be precise, first of all, there ought to be a pool of resources from different external partners and institutions and the aspiration to develop joint projects for the third countries (i.e. the Mekong counterpart) should be formalized. Secondly, there is a need to develop a concrete coordination mechanism such that all these Mekong mechanisms can be synergized that would benefit the Mekong subregional development at large. With that, Cambodia can play a major role in coordinating this aspect which will be elaborated in the next section below.

## Key Factor Two: Cambodian Agency in the Mekong Subregion

Cambodia, as a member of all the Mekong subregional mechanisms, can certainly play an active role in coordinating these mechanisms toward achieving synergy. Despite Cambodia's proposal to have the LMC International Secretariat be established (Hor, 2018), Cambodia should not coordinate the aforementioned mechanism given the political speculation concerning Sino-Cambodia relations. To have the LMC International Secretariat set up in Cambodia would further erode Cambodia's reputation as being inherently tied to China and loosen the kingdom's credibility as one of the major key players in the Mekong. Instead, Cambodia should consider taking a lead in ASEAN's existing platform – the Mekong Basin Development Cooperation (AMBDC), which has often been forgotten and neglected. Nevertheless, this would give Cambodia a unique role and steady effort in relations to the Mekong context. This section elaborates how Cambodia can construct an engaging role and its foreign policy basis in the Mekong subregion toward 2040 based on two policy areas: (i) maintaining a proactive diplomacy platform toward all Mekong mechanisms and prospective future mechanisms and (ii) leading the AMBDC.

On the question of proactive diplomacy, Cambodia has benefited immensely from each Mekong mechanism through different cooperation platforms and different ranges of projects across diverse fields that have been undertaken in the country. Cambodia has also been involved in the people to people connectivity spectrum in the form of field research, scholarship, cultural exchange, youth forum, high-level meetings, sectoral seminar and workshop,

just to name a few. While this positive trend is projected to continue toward 2040 and beyond, a few key elements to strengthen this momentum should be embraced.

First, despite the differences in the level of its engagement, it is still vital for Cambodia to embrace all external partners and their respective subregional mechanisms so as to enhance the visibility of their cooperation efforts in the country. The enthusiasm to welcome different initiatives and mechanisms on board is a highly encouraging sign that needs to be carried forward. Neighborhood diplomacy is essential for regional unity and economic prosperity. Beyond that, there comes a critical juncture when a country is at a crossroad between national interest and regional interest, domestic politics and standardized principle. Regardless, Cambodia should stand firmly to continue its engagement and embrace proactive diplomacy at the forefront. Cambodia may consider utilizing Mekong mechanisms as a means to strengthen and to 'renew' friendship with certain countries where relations have been strained in the past.

Second, with regard to project proposals like that of the LMC framework, there should be a more inclusive dialogue platform whereby all relevant stakeholders are invited to take part and to consult as to what works best for Cambodia in relation to the priority areas in the short and medium terms. Ideally, a dual-track format should be constructed; relevant line ministries and/or departments from Track I need to be fully engaged so as to avoid internal conflict of interest while Track II research institutions, academia, and think tanks should be invited to take part such that fresh and innovative ideas can be incorporated into subsequent policies as well as toward the proposed project implementation within the LMC framework, among others.

Additionally, this Track 1.5 dialogue platform can be utilized to bring emerging new project proposals to other mechanisms rather than having dialogue partners to decide for Cambodia. This inclusive and diverse dialogue platform has not yet been widely executed in Cambodia, leaving a loophole in civic engagements at large, causing resentment among civil society organizations (CSOs) as to impacted issues that the government has failed to address. Civic

engagement is an essential component for successful policy design that the government should highly take into consideration to avoid public shortfalls on top of the ‘populist politics’ that have sparked criticism and social disturbances in the past.

Third, a combination between the two deliberations above, an annual national-scale workshop should be created, bringing together representatives of all nine Mekong mechanisms plus all relevant and prospective stakeholders to the table to discuss pressing issues and concerns arising from the Mekong. This would also allow room for joint initiatives derived from different stakeholders and external partners to implement joint projects in Cambodia and the subregion as a whole. The subsequent joint project proposals should then be commissioned to specialized CSOs, research institutions, and independent think tanks alike to conduct feasibility studies and impact assessments before reaching the final approval and implementation stage. This would enhance inclusiveness as well as ensuring sustainable development and collective engagement across a broad spectrum.

#### Cambodia as Coordinator of the ASEAN Mekong Basin Development Cooperation (AMBDC)

Some regional experts look to ASEAN to play a greater role and to become “central” in the Mekong subregion (Ho & Pitakdumrongkit, 2019). ASEAN in part has shown a lack of interest in Mekong affairs which is explicitly seen in the slow progress of the AMBDC, despite its establishment since 1996. The Singapore-Kunming Rail Link initiative, a flagship project of the AMBDC, has made little progress. The major setbacks of AMBDC are due to the lack of financial resources and institutional capacity, but also due to the minimal emphasis on the institution by the maritime states of Southeast Asia that prevents the framework from making substantial progress. While the vast amount of Mekong cooperation mechanisms is obvious, analysts cautioned of a further “geopolitical divide” between mainland Southeast Asia and its maritime counterpart should ASEAN fail to effectively implement its own initiative in its efforts to narrow the intra-ASEAN development gap, particularly under the Initiative for ASEAN Integration (IAI) (Doung, 2018).

Hence, there is an immediate need for ASEAN to collectively work together to concretize its own Mekong mechanism. Acknowledging the loopholes and restraints thus far, a member state has to take the lead and to institutionalize this framework. As such, this is the area where Cambodia can play a constructive and unique role in moving the AMBDC forward.

First, Cambodia needs to concretize the institutional framework in the form of setting up a clear organizational structure for AMBDC, which ideally should connect the Mekong Department within the Ministry of Foreign Affairs of each of the riparian countries; this would facilitate smooth coordination linkages at the initial stage of the institutionalization process. This coordinating body should bring together and collaborate with representatives from the other eight Mekong mechanisms that would then set the stage for prospective working groups and in-depth assessments for relevant issues. AMBDC should also serve as a 'one-stop' center for information-sharing platforms and data-oriented specifics to further facilitate research so as to elevate public awareness and promote transparency.

Second, the establishment of different sectoral joint working groups should be the primary element for prospective research and policy-specific developments on Mekong issues. These joint working groups are necessary for future assessment and feasibility studies before actual projects can be approved and implemented. The report from each working group needs to draw attention to a wide variety of aspects including environmental, social, economic, and even political (e.g. diplomatic working groups). This would enhance inclusivity in the intra-regional context, taking into account the diverse range of issues in order to avoid probable resentment and negative effects on people's livelihoods and sustainable development.

Third, there is a need to develop a clear framework to draw funding and financial sources from all interested stakeholders and external partners. To do so, a concrete set of confidence-building-measures (CBMs) in the form of a substantive dialogue platform and clear Plan of Action (PoA) are needed such that strong and sincere willingness can be accentuated. The ultimate aim is joint/cross-border projects as well as intra-regional development that would

benefit the region as a whole. Taking the example of the Friends of Lower Mekong (FLM), LMI was able to draw development assistance from regional development partners (including Australia, Japan, South Korea, New Zealand, the European Union) as well as international organizations such as ADB and World Bank. This enlargement would not only secure more financial assistance but would also particularly enhance a sense of collaboration and inclusiveness among diverse partners including private multinational corporations, concretized in the context of Public-Private Partnerships (PPPs).

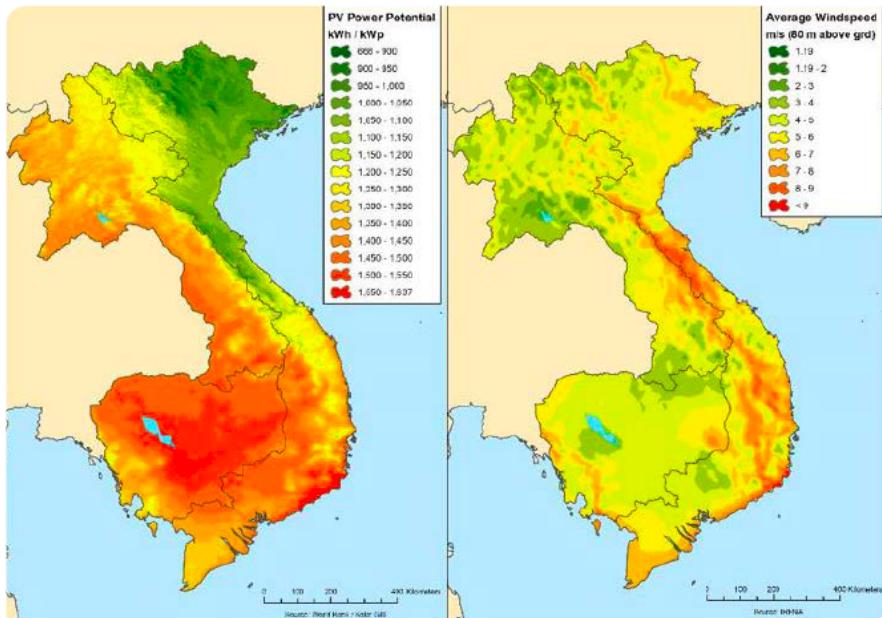
### Key Factor Three: Renewable Energy

Cambodia has great potential to become 'self-reliant' on renewable energy, especially solar power. The most recent Cambodia's Master Energy Plan (MEP) was completed in 2016 with assistance from the Japan International Cooperation Agency (JICA), but has yet to include alternative sources of energy. The MEP noted that the planned 2,793MW power generation projects toward 2020 mostly reside within hydropower and to a lesser extent coal plants, natural gas and a small number of small biomass projects; solar and wind power were not mentioned (Eyler & Weatherby, 2019), signifying the lack of credibility and less emphasis to incorporate these in wider national plan for the time being.

The Stimson Center has done a great deal of work on energy composition (its implications and the subsequent impacts) in Cambodia as well as across the wider region. Their latest report (2019) elaborated on alternative potential energy sources that are essential to incorporate in the country's MEP so as to diversify power generation away from hydropower. The report argued that Cambodia is not an 'ideal' geographical location to accommodate large reservoir dams as in Laos and China, not to mention the drastic disadvantages that arise from hydropower development including the reduction of river connectivity and the shrinking of natural resources available in the lower part of Mekong Basin. In addition, water flow is uncertain due to significant seasonal fluctuations, creating a huge challenge for hydropower development in the long-run which would not yield the expected quantity of power generation as planned. During the monsoon season, hydropower dams can run at full capacity (due to the high level of rainfall) and produce excessive amounts of electricity above domestic

demand; however, during the dry season (owing to reduced rainfall and higher demand for electricity given the hot weather conditions), dam productivity to generate power from hydropower dam drops as low as 25 percent, according to the National Strategic Development Plan 2014-2018 of the Royal Government of Cambodia. As such, there is a need to diversify the future energy mix to avoid shortfalls stemming from seasonal change. Given the extreme heat during the dry season (with minimal rainfall which, as noted above, results in the decline of power generation), Cambodia should utilize this natural phenomenon at best, i.e. a major shift to solar power to fully utilize the heat (see Figure 1 below).

**Figure 1:** Solar Power PV Potential and Average Wind Speed in Cambodia, Vietnam and Laos



**Source:** Eyler & Weatherby (2019). Letter from the Mekong: Toward a Sustainable Water-Energy-Food Future in Cambodia. p. 36.

Recently, the Director-General of Electricite du Cambodge (EdC), Keo Rattanak pledged to the public that Cambodia will prioritize renewable energy development over hydroelectric power. Cambodia is set to expand its solar energy investment by 12 percent by the end of 2020 and to further increase this by 20 percent over the next three years. A few solar power projects are already

in the pipeline; several new projects have already been approved by the government, while some of the existing projects are set to expand capacity. By 2020, Cambodia will generate 70MW of electricity from solar power; one facility in Svay Rieng province generates around 10MW and another in Kompong Speu will produce around 60MW. Another two newly-approved solar power projects are in Pursat and Kampong Chhnang provinces, with a total capacity of 120MW, to be in operation by the end of 2020 and 2021, respectively (Thou, 2019). In July 2019, the Council of Ministers approved four more investments in solar energy projects in Pursat, Battambang, Banteay Meanchey, and Svay Rieng provinces, with an expected output of 140 megawatts (Niem, 2019). Teak Seng, WWF Cambodia Country Director, also shared similar sentiments that Cambodia would benefit tremendously from shifting toward solar power in that it is “reliable, renewable, plentiful, and eco-friendly” (2019). He emphasized that solar panel prices have dropped almost 80 percent since 2010 and the average time to construct a large solar farm would take one year or less while it would take 5 to 10 years to build a large-scale hydropower dam, making solar an ideal renewable energy solution for Cambodia.

Cambodia is the only country in ASEAN that has yet to set national-level targets for renewable energy (USAID, 2017), despite strong momentum from the government to further promote and develop potential investment in this sector. Part of the reason is that there is no ‘commercial-scale’ solar or wind power in Cambodia to cope up with the technological capability as well as the assurance that their investment would be sustained, given uncertain feasibility and operational contexts (Eyler & Weatherby, 2019). To kick start this prospect, the government should seek collaboration from development partners (such as ADB) on technical assistance and human capacity-building as well as to encourage more foreign investment in the renewable energy sector. In current conditions, it is unlikely that renewable energy is an attractive sector that local investors would be keen to engage with, given the huge start-up cost, high maintenance facility expenses, and uncertain feasibility.

To resolve these challenges, a PPP framework needs to be strongly embraced, starting from the feasibility study stage, to initial stage of investment, to the connection stage to the main national grid, up through the maintenance stage.

The government may also consider subsidizing a small portion of the private investment at the initial stage should potential projects present the possibility of long-term sustainability. While that could be a challenge given the limited budget allocation towards the energy sector, the government could also alter a sound investment-friendly environment of the renewable energy sector so that FDI could flow in this area. While international organizations such as ADB, JICA, USAID, and World Bank could step in to provide technical and human capacity-building support.

### III. Baseline Scenario: Competition, Antagonism, and Fragmentation

With the Mekong operating under the business-as-usual dilemma, in 2040 it will face its own destruction. Biodiversity will be diminished, the river flow will continue to worsen, natural disasters will prove to be more severe. In all likelihood, those living directly along the Mekong and other populations that depend on it will be traumatized and their living standards heavily affected; the ecotourism industry would barely survive.

In this business-as-usual scenario, if hydropower dam construction continues as it is without complying with ethical and technical standards, without listening to impacted communities, without taking into account the environmental and society impacts, countries downstream would be the most vulnerable. The MRC will have a limited and toothless political mandate to have a say in their member countries river utilization and management leading to a vicious cycle of even more severe impacts.

The existing Mekong subregional mechanisms would still work under their own frameworks and political interests; the importance of the AMBDC will remain neglected and forgotten. More and more, competing interests will conflict; similar projects and initiatives will steadily be put forward by various external partners with the recipient countries of the Mekong. Finally, cross-border connectivity will remain a key challenge, given the different standards and practices.

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