

**AIRGRAM**

**DEPARTMENT OF STATE**

PA-AAY-409

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DATE SENT  
~~4/5/77~~ 4-18-77

FROM - RED/Bangkok  
E. O. 11652: N/A  
SUBJECT - RED Transmittal of PAR on U.S. Assistance Mekong Program,  
Including Projects 498-11-995-206 and 498-15-120-220  
REFERENCE -

1. Transmitted herewith is a terminal Project Appraisal Report (PAR) covering the 20 year, 1957 to 1977, U.S. participation in the activities of the Committee for Coordination of Investigations of the Lower Mekong Basin and its Secretariat (MC/S). Due to its length and form, a brief summary follows.
2. The full submission is composed of:
  - a) This covering airgram;
  - b) Four Logical Framework Matrices, prepared following AID Project Design and Evaluation Guidelines, covering the four stages of the project's evolution;
  - c) The PAR (modified version of the standard PAR form);
  - d) A narrative discussion that explains, supports, and complements the concepts presented in the Logical Framework Matrices and the modified PAR. The narrative also presents the conclusions of the review;
  - e) A series of 18 appendices presenting detailed background and supporting information.
3. The report was prepared by a multidisciplinary team of four members, assembled by RED/Bangkok specifically for the purpose, over the period

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DRAFTED BY JFHank/TClrvin:ah	OFFICE RED	PHONE NO. 57	DATE 4/5/77	APPROVED BY: Thomas C. Irvin, Director
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February 1-25, 1977 with the cooperation and assistance of the MC/S.

4. Historial Background: The region involved concerns all of Northeast Thailand, 93 per cent of Laos, 80 per cent of Cambodia, and 42 per cent of southern Vietnam. The Committee consists of one plenipotentiary from each country and is supported by an Executive Agent and Secretariat in Bangkok operating under the aegis of The Economic and Social Commission for Asia and the Pacific (ESCAP).

Regional water resources investigations in the basin began in 1951. U.S. investment in the activity through 1976 amounts to some US\$37.7 million (22.2 in Planning and \$15.5 in Construction). Total resources provided the MC/S through 1976 by 25 donor countries, 18 U.N. and other international agencies, and the four riparian countries amount to over US\$354 million. MC/S activities have ranged from simple, initial hydrologic data collection activity through highly sophisticated computerized programs to major capital construction.

5. Terminal Evaluation Framework: The terminal evaluation assesses MC/S progress resulting from U.S. assistance to major portions of the Mekong program in four identifiable time frames: 1957-65, 1965-73, 1973-78 and 1975-77. Each time frame reflects changes due to program progress and events in Indochina and is marked in turn by decided changes in U.S. assistance policies:

a. Period 1957-65: Purpose: To create a capability within the MC/S for producing basic hydrologic data. U.S. assistance included a large training component, contract studies and investigations. The US also provided technical advisory services. By 1965, these inputs had helped to create a functioning basinwide hydrologic data collecting and analysis system on both the mainstream and tributaries. The reporting system included 244 gauging and 277 meteorological stations on stream. The analytic capability was characterized by both riparian and MC/S capability to routinely collect and analyze the resulting data. Since 1962 an Annual Hydrologic Yearbook has been published as well as numerous related works. In addition, extensive investigations were begun on a large mainstream dam complex, Pa Mong, primarily through AIP-funded efforts of the United States' Bureau of Reclamation (USBR).

b. Period 1965-73: Purposes: i) To alleviate institutional constraints, attributable to the lack of expert Mekong Secretariat riparian staff, that inhibited water resource project planning essential for socio-economic development in the Lower Mekong Basin; and ii) to deliver municipal, agricultural, and river navigation services to the populations of the riparian countries in the areas of transportation, health, water control, fisheries, and power generation. Once the basic hydrologic and meteorologic system was in place and functioning properly, generation of a broad range of activities became a possibility. Thus, in accordance with the aforementioned dual purpose, additional U.S. support was provided for both training, advisory services and investigations in many fields and for capital project studies/construction. Examples of work completed and/or initiated included additional, more detailed Pa Mong studies. Among other noteworthy achievements were socio-economic surveys, ground

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water and mineral studies, completion of an Indicative Basin Plan, studies on fisheries, schistosomiasis and other waterborne diseases, soil fertility, and flood forecasting, computerized technology for use in remote sensing in tropical areas, navigational improvements, a major tributary project (Nam Ngum I), and Pioneer Agricultural Projects. These noteworthy accomplishments, in terms of both clearly demonstrated indigenous technical competence and major construction, permitted yet another change in U.S. policy.

c. Period 1973-78: Purpose: To facilitate implementation of jointly planned and selected capital projects. The planned projects were listed in the REI FY 1976 FBS. Concurrently, the USG programmed continued support for a limited number of planning efforts. Due to the cessation of hostilities in Indochina, April 1975, and a subsequent Congressional prohibition on further U.S. assistance to the Indochina countries, U.S. participation in activities were sharply curtailed after that date. Nevertheless, prior to mid-1975, a number of new obligations were initiated with FY 1974 funds, some of which only continued USG funding for on-going projects in accordance with existing agreements. Among them were continuing studies on fisheries, resettlement, schistosomiasis control, Mekong Cadre Development, and technical, advisory, and legal services. Importantly, the USG made a \$5.0 million loan (subsequently withdrawn) for Nam Ngum II, in concert with eight other donor countries and the ADB. In addition, a number of new activities were begun. These included potash exploration, kenaf for paper pulp, computerized agricultural system simulation, computer processing of satellite imagery tapes and heavy clay delta soils studies. During the period only one project was completed, that is, the Smithsonian Schistosomiasis contract in late 1974.

d. Period 1975-77: Purpose: To close out U.S.G. support to Mekong activities in accordance with Section 109, 1961 F.A.A. as amended in June 1975, within established legal commitments and management practices and to maximize returns from previous U.S. investments. Despite the Indochina wars, which seriously disrupted MC/S activities and U.S. support therefore, diligent and resourceful MC/S reprogramming facilitated almost full completion of the large number of active projects and activities that were in-process during the period. Only two activities, Heavy Clay Delta Soils, that was 10% complete, and one sub-activity designed to measure the prevalence of schistosomiasis on Khong Island, Laos, failed to produce adequate returns on U.S. funds. Completed either as originally designed, or very close thereto, were several large and multi-faceted projects: Pa Mong Optimization and Downstream Effects Study, Mekong Ports and Cargo Ramps and Keng Kabao Channel Clearing. Among the other activities completed were the following: Agro-industrial Studies, University of Lowell Schistosomiasis Control, Mekong Agricultural System Simulation, Stung Treng Mapping, Delta Water Control Rehabilitation Reconnaissance Study, legal assistance (Declaration of Principles for the Use of Waters of the Lower Mekong Basin and draft Pa Mong Authority), Computer Processing of Satellite Imagery Tapes, Procurement of Hydrologic Spare Parts, Nam Ngum Post-Impoundment Study, Basinwide Fisheries, Pa Mong Resettlement Study, Potash Exploration, Pioneer

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Agricultural Projects, Navigational aids, Evapotranspiration Losses due to Water Hyacinth, Mekong Cadre Development and supporting technical and advisory services. As of this date only minor actions remain outstanding, e.g., distribution of reports and MC/S receipt minor USG-shipped hydrographic Spare Parts. Only two activities remain to be financially concluded viz., the payment for the Pa Mong Resettlement Report's Final Printing, and the resolution of a small claim on the schistosomiasis project in Laos.

6. Review of Current Status of MC/S: Undoubtedly, the proven administrative capability, financial responsibility and technical competence of the MC/S, easily traced to the long-term conscientious and systematic approach to the establishment of the MC/S and the program, and its basic apolitical approach, have permitted the MC/S to survive and function after the events of 1975 when all other like activities in Southeast Asia were virtually terminated. Indeed, we have witnessed an extraordinary institutional resilience on the part of the MC/S. Further, there is considerable evidence that Thailand, Laos and perhaps Vietnam (as host countries) and at least a respectable number of donors still view the MC/S as a desirable and viable institution. The MC/S continues to serve as an excellent channel for future development assistance to Southeast Asian countries (Ref. Bangkok 25968, 5113, 10444, 11632, 34833, 2065, 2174 and 5214).

At the same time, and as of this writing, however, most present and potential donors are maintaining a cautious wait-and-see attitude. Bothersome are the following issues: a) no indication from Cambodia of interest in the activity, thus currently preventing a meeting of the full four-member Committee and the initiation of many new activities; b) spurious restrictions on travel of foreign technicians and experts in Laos and Vietnam; c) localized and intermittent problems on Thai borders; and d) the continuing flow of refugees into Thailand from Laos, Vietnam and Cambodia. Taken together, these issues tend to cloud the Southeast Asian scene. In spite of continuing efforts by the MC/S to remain, to the extent possible, apolitical, it and the program are not entirely immune to the effects of these disquieting factors.

Thus, in summary, it may be said that the MC/S still remains a viable, functioning institution, albeit currently operating at approximately half its desired strength, and probably capable of recouping previous host country and donor support should future relations between at least three of its members (Thailand, Laos and Vietnam) flourish. This also assumes gradual betterment of travel and working arrangements for expatriot advisors. The MC/S is still capable of adequate project design and implementation, but incapable, at the moment, of implementing any very large regional program without additional staff. This is not to say that related bilateral type activities or inter-regional projects the size of Nam Ngum are beyond present MC/S ability to design and sponsor. It is rather to say that a much better indigenous political climate, more forthcoming donor support (including UNDP) and significant increases in Secretariat staff are prerequisites to an MC/S program approximating

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the 1973-74 or previously proposed 1975-76 levels.

The MC/S has assured funds for its operational budget for calendar year 1977: UNDP is contributing three-quarters of the total and other donors are contributing the remainder (See Bangkok's 2177, 3315 and 33802). This budget enables the Secretariat to continue a respectable program and to assist Laos and Thailand on a bilateral basis on projects long since approved in the Committee's work plans (see Bangkok's 2065, 3223 and 34833). Expectations are fairly high that a Committee meeting may be in the offing for this year, even without Cambodian participation. In such event, any expansion of Secretariat activities, e.g., in Vietnam, would require a gradual build-up of Secretariat staff. Resources for such a build-up would have to come from other donors, given the tightness of the UNDP budget.

In the wake of a relaxation of current legislative constraints on US assistance to Indochina, a renewal of U.S. support for the Secretariat could have certain advantages. The Secretariat's proven record as a development administration and implementation agent would undoubtedly assure wise use of any such assistance, while eliminating the necessity for any direct US entanglements on a bilateral basis. Even a token manifestation of U.S. assistance could be a source of reassurance to Southeast Asian countries looking for evidence of continuing U.S. interest in this region. By working through the Secretariat, the U.S. could be assured of a balance in the allocation of funds for projects among the riparian countries, thereby alleviating any concern by individual member countries that other members were receiving a disproportionate share of development resources available to the organization as a whole.

In a different vein, the history and experience of the Mekong Committee holds considerable value as a model on which to pattern multilateral river basin development programs, e.g., in Africa, particularly as such programs address the problems of the Sahel. While the attached PAR and its appendices do not pretend to be comprehensive on this subject, they do serve as a starting point; between the archives of the Secretariat and considerable reference material still held by R.E.D. more detailed information can be developed in response to appropriate inquiries.

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