

MINUTES OF MEETING

STEERING COMMITTEE MEETING 1/2019
JULY 22, 2019

Mekong Institute Steering Committee Meeting No. 1/2019
July 22, 2019, 14:00 – 17:30
Mekong Institute, Khon Kaen, Thailand

LIST OF DELEGATES

Steering Committee Members

Steering Committee Chairman	Dr. Narongchai Akrasanee Chairman MFC Asset Management Plc. Bangkok, Thailand
Representative of the Royal Government of Cambodia	H.E. Mr. Chea Chantum Secretary-General General Secretariat for Population and Development Ministry of Planning Phnom Penh, Cambodia
Representative of the Government of the People's Republic of China	Mr. Li Hong Permanent Representative Permanent Mission of China to UNESCAP Embassy of P. R. China Bangkok, Thailand
Representative of the Government of Lao PDR	Ms. Dalylack Keobanhthith Deputy Director General Department of Economic Affairs Ministry of Foreign Affairs Vientiane, Lao PDR
Representative of the Government of the Union of Myanmar	Ms. Moh Moh Naing Director Foreign Economic Relations Department Ministry of Investment and Foreign Economic Relations Nay Pyi Taw, Myanmar
Representative of the Royal Thai Government	Ms. Sayan Kongkoeay Director of Thai Cooperation Branch I Thailand International Cooperation Agency Ministry of Foreign Affairs Bangkok, Thailand

Representative of the Government of the Socialist Republic of Vietnam Mr. Duong Hung Cuong
Director
Secretary of GMS Program
Ministry of Planning and Investment
Hanoi, Vietnam

Mekong Institute Dr. Watcharas Leelawath
Executive Director
Mekong Institute
Khon Kaen, Thailand

Observers

The People's Republic of China Mr. Geng Cong
Assistant to Permanent Representative
Permanent Mission of China to UNESCAP
Embassy of P. R. China
Bangkok, Thailand

Lao PDR Mr. Bomba Phapmexay
Desk Officer
Department of Economic Affairs
Ministry of Foreign Affairs
Vientiane, Lao PDR

Myanmar Ms. Pann Ei Phyu
Staff Officer
Foreign Economic Relations Department
Ministry of Investment and Foreign Economic Relations
Nay Pyi Taw, Myanmar

Thailand Ms. Pin Sridurongkatum
Development Cooperation Officer
Thai Cooperation Branch I
Thailand International Cooperation Agency
Ministry of Foreign Affairs
Bangkok, Thailand

MI Staff Ms. Maria Theresa Medialdia
Director
Agricultural Development and Commercialization Department
Mekong Institute

MI Staff Mr. Madhurjya Kumar Dutta
Director
Trade and Investment Facilitation Department
Mekong Institute

MI Staff Mr. Sudam Pawar
Director
Innovation and Technological Connectivity Department
Mekong Institute

MI Staff	Ms. Jutamas Thongcharoen Director RLED-EWEC Project Mekong Institute
MI Staff	Mr. Rithy Buth Director Finance and Operations Department Mekong Institute
MI Staff	Ms. Phinyada Foytong Finance Manager Finance and Operations Department Mekong Institute
MI Staff	Mr. Mohammad Halimur Rahman Monitoring, Evaluation and Learning (MEL) Specialist Monitoring, Evaluation and Learning Department Mekong Institute

Meeting Secretariat

MI Staff	Ms. Jian Wang Program Coordinator Innovation and Technological Connectivity Department Mekong Institute
MI Staff	Ms. Joclarisse Albia Communications Coordinator Communications and Knowledge Management Department Mekong Institute
MI Staff	Mr. Le Ngoc Quang Knowledge Management Officer Communications and Knowledge Management Department Mekong Institute

The MI Steering Committee meeting 1/2019 was called to order at 14:00. Dr. Watcharas Leelawath, MI Executive Director, briefly greeted the members of the Steering Committee before turning the floor over to Dr. Narongchai Akrasanee, MI Steering Committee Chairman, for the Welcome Remarks.

ITEM 1: WELCOME REMARKS BY MI STEERING COMMITTEE CHAIRMAN - DR. NARONGCHAI AKRASANEE

Dr. Narongchai welcomed the members of the MI Steering Committee and other guests. The first Steering Committee meeting for the year will discuss the mid-year updates and progress of MI's project activities as well as present the planned activities for the second half of the year. Thanking the MI Secretariat for their arrangement of the meeting, he then formally opened the meeting.

ITEM 2: ADOPTION OF THE AGENDA

The Steering Committee Chairman invited the members of the Committee to review the meeting agenda before proceeding with the presentations.

No comments or changes were raised, and the meeting agenda was adopted as proposed.

ITEM 3: BUSINESS ARRANGEMENTS

Dr. Watcharas announced that the adoption of the minutes of the Steering Committee will begin at 13:30 the next day, July 23 at MI to be followed by the Council meeting at 14:00 at the MI Mekong River Conference Room.

ITEM 4: REVIEW KEY POINTS OF THE MINUTES OF THE STEERING COMMITTEE MEETING NO. 2/2018, December 17, 2018

Dr. Narongchai invited the members of the Steering Committee to review the minutes of the second meeting held in Bangkok on December 17, 2018. He explained that the minutes were conditionally adopted on December 18 but approval will be confirmed today.

No comments were raised, and the minutes were approved.

ITEM 5: MATTERS FOR ACKNOWLEDGEMENT

Proceeding with the presentations, the Steering Committee Chairman requested Dr. Watcharas to proceed with the report on the MI Operations for January to June 2019.

5.1. MI Operations (January-June 2019)

5.1.1 Project Reports

Dr. Watcharas reported that MI's activities for the first half of the year covered 10 long-term projects, 9 short-term projects and 2 customized programs. He then proceeded to discuss the highlights and activities under the long-term projects namely, the MI PROSAFE (Promoting Safe Food for Everyone) Project supported by the New Zealand Aid Programme (NZAP), the five projects under the Lancang-Mekong Cooperation Special Fund (LMCSF), the RLED-EWEC Project supported by the Swiss Agency for Development and Cooperation (SDC), and the activities carried out as part of projects under the Mekong-Republic of Korea Cooperation Fund (MKCF).

Following his report, Dr. Narongchai invited the members of the Steering Committee to offer their feedback and asked for their opinion on the appropriateness of the projects.

Ms. Sayan Kongkoey, Steering Committee member from Thailand, inquired about the online portal on special economic zones (SEZs) as part of the project on Joint Development of Cross-Border Economic Zones and what investors can gain out of the platform.

Responding to this, Mr. Madhurjya Kumar Dutta, Director of Trade and Investment Facilitation (TIF) Department, explained that the portal intends to put together general information such as the type of facilities, incentives and regulations that SEZs in the region offer. It is also designed to promote value chain linkages as there are some SEZs with specialized services and needs and can be linked with SEZs in other countries. He explained that while there are over 1,000 SEZs in the region, the platform will focus only on cross-border SEZs in the six countries. He added that data collection is already underway and a consultant has been hired to design the system, with the target date of release by the end of 2019 although approval will still be secured from the concerned ministries of the countries on the information to be shared.

To this, Ms. Sayan further commented that the platform can be more helpful if it can offer more specific information to the investors since general information such as regulations and incentives are readily accessible in other sources.

Mr. Duong Hung Cuong, Steering Committee member from Vietnam, also pointed out that in the framework of the Greater Mekong Sub-region (GMS), the definition of CBSEZs is quite sensitive, hence the reluctance of some countries to share information. He explained the case of Vietnam and China wherein there are differences in the extent of support in the border areas. Vietnam for its part does not have a CBSEZ model (only SEZ for the moment), which provides more freedom in their side to do more things.

Ms. Dalylack Keobanhthith, Steering Committee member from Lao PDR, thanked MI for its arrangement of the meeting and its hospitality. She commented that in the case of the RLED-EWEC Project, its initiatives have significantly contributed to local government and private sector development including the sector of farmers. With the project ending in October, she raised the possibility of extension and/or seeking funding for the project from other possible partners.

She also clarified about the sequence of presentation of the projects in the meeting report (i.e., whether they were arranged according to outcomes or relationship with development partners).

Dr. Watcharas briefly explained that the projects are grouped into long-term, short-term and customized (in terms of duration of conduct), with projects for each department arranged successively for each category.

Ms. Moh Moh Naing, Steering Committee member from Myanmar, conveyed that they have greatly benefited from MI's NZAP-supported project as well as its project on cross-border SEZs. Likewise, according to her, they have received positive feedback from the Kayin Provincial Government on MI's work with maize farmers in terms of supporting high quality production and providing access to loans and technical assistance.

However, challenges such as the lack of appropriate infrastructure, lack of stable market and low price and low postharvest technology, remain. In this regard, they would like to request MI's support in further developing infrastructure such as storage warehouses and food processing structures in the project areas, as well as in enabling market access to the farmers. She also advised that any challenges in implementation be conveyed to their department so they can coordinate accordingly with the regional government and the project stakeholders.

Mr. Li Hong, Steering Committee member from P.R. China, remarked that these projects have been implemented for a number of years, with some of them supported by different countries sometimes. He clarified the case of the project on Upgrading Border Facilitation for Trade and Logistics Development supported by LMCSF and with Korea supporting a similar project.

Responding to this, Mr. Dutta explained that the LMC project is focused on trade facilitation while the MKCF project targets logistics service providers.

Mr. Li Hong further raised the need for a more comprehensive briefing of the outcomes of these projects, specifically the tangible achievements reached after a number of years of implementation and the areas for improvements. Dr. Narongchai seconded said suggestion.

In response, Mr. Dutta explained that training accounts for 20-25% of the activities carried out by the projects while others are in terms of policy dialogue/change. In this case, the department has started to move from a training orientation to other interventions such as policy change.

Mr. Li Hong relayed that in his talks with Chinese officials, the observation is that there is less interest in foreign workshops and they are more concerned with tangible outcomes. In the case of the project on CBSEZs, one of MI's advantages is that it can work directly with cross-border

officials, and such advantage should be fully tapped to promote trade facilitation rather than policy discussion only. MI's on-the-ground advantage can be used to address a number of issues between one or two SEZs, which can better reflect the Institute's value.

Building on Mr. Li Hong's suggestion, Ms. Sayan commented that the indicators must therefore be placed at the very beginning during project planning and should be consistent with the project's objectives. MI can utilize the expertise of its Monitoring, Evaluation and Learning (MEL) Department to review whether outcomes are in line with the indicators.

Moving on with the report, Dr. Watcharas also presented the activities for the reporting period under the short-term projects and customized programs. These include highlights under the Mekong Institute Young Scholars Program, the Early Harvest Monitoring of Cross-Border Transport Agreement for the Asian Development Bank (ADB), the project with the Thailand International Cooperation Agency (TICA) on Strategic Management to Labor Migration, the EU-GIZ project on freight transport, and the new project under the LMCSF on Capacity Building for National Coordinator of MLC.

Dr. Narongchai asked whether the EU-GIZ project is similar to the MKCF project on logistics. Mr. Dutta explained that like the MKCF project, it focuses on logistics but the EU-GIZ project specifically supports logistics companies in green freight certification. He added that the Korean government has encouraged the triangulation of similar works.

Ms. Sayan pointed out that the TICA project on labor migration is for three years and therefore should be classified as a long-term project. She further explained that the project is designed as a problem-based activity and therefore comprises of a series of activities (i.e., training, diagnosis, problem solution).

Mr. Sudam Pawar, Director of Innovation and Technological Connectivity (ITC) Department, elaborated that the project is classified short-term as the work implementation covers a period of 3-6 months. While TICA has approved support for this for 3 years, the first year covered the preliminary training program, second year was the assessment and coaching and monitoring.

5.1.2 Administration and Finance Report

Dr. Watcharas invited Mr. Rithy Buth, Director of Finance and Operations Department, to present the administration and finance report. For the reporting period, MI employs 72 staff members from within and outside the GMS. Mr. Rithy also listed the internal and external staff capacity building activities that MI staff members joined.

In terms of financial performance, total revenue for the reporting period is US\$1,598,647 and total expenses amounted to US\$1,634,428, resulting to a deficit of US\$35,781. Among the departments, only ITC recorded a loss of US\$37,370 for January-June 2019. Comparing the financial performance of MI for the same reporting period in 2018, this year's deficit for the first half of the year is considerably lower than last year's, accounted for by a 65% increase in the total revenue for the period and a 90% decrease in the deficit.

Mr. Rithy also elaborated on the strategies and approaches being explored to further address the current financial standing of the organization. Among these include developing a cost structure for budget proposals; increasing internal local income through rent of meeting rooms and accommodation rooms; implementing better staff resource mobilization; reducing unnecessary costs in administration expenses; and producing monthly financial reports for project departments to review and monitor project performance.

Dr. Narongchai remarked that the deficit issue has been a regular yearly concern and should be monitored carefully. He commended the proposed actions to address the issue and added that these must be reported to the Council.

Regarding the subject of GMS country contributions, Ms. Moh Moh Naing reiterated the request for the official letter from MI requesting for the increase in the contribution. The letter will be the basis for the Parliament/Cabinet Committee to approve the request for increase. Ms. Keobanhdith from Lao PDR seconded the request.

H.E. Mr. Chea Chantum also explained that Cambodia strongly supports the plan but as the budget for 2019 has already been approved, the increase in the contribution will take effect in 2020. He also asked for further clarification on the proposed strategy on staff resource mobilization to address the deficit.

Dr. Narongchai explained that this pertains to flexibility in project planning and participation. In some instances, some staff members may be busier than others so allocating a staff member to other project departments can ensure better project delivery.

Ms. Sayan pointed out two observations, the first being that the increasing number of staff members over the years adds to the cost and therefore a ceiling in staffing may be considered to reduce expenditure. The second point concerns the annual revenue targets of the departments and how these targets can be realized in the next six months.

5.2 Relationship with Development Partners

Dr. Watcharas reported that between January and June 2019, MI has submitted and/or has ongoing 19 proposals for funding consideration of development partners such as TICA, Japan-ASEAN Integration Fund, LMCSF, European Union and the Government of P.R. China.

He also elaborated on the proposed inter-departmental project on Innovation and Technologies for Agriculture Commercialization in CLMV Countries, which was conceptualized in response to the recommendation during the midterm review of the MI Strategic Plan to develop an integrated project that will involve all the program departments. MI has had initial discussions with Korea, NZAP and the Swedish International Development Cooperation Agency (SIDA). In the discussions, NZAP has suggested that MI present the project to other development partners after which NZAP can organize a development partners' meeting for the proposed initiative.

5.3 Monitoring and Evaluation Mid-term Report

Dr. Watcharas presented MI's mid-year performance based on targets and indicators. For January to June 2019, the Institute organized 56 human capacity building events that engaged 1,224 direct participants. During this period, 54 events were led by MI training participants in their respective countries, engaging 3,164 indirect participants. Overall, MI achieved mid-year targets of 8 out of 16 program performance indicators.

Mr. Mohammad Halimur Rahman, MEL Specialist, additionally explained that one of the low achievements in terms of the number of grants released by MI has been largely due to the delay in the action plan implementation by the direct participants. The action plans, he clarified, will be carried out in the second half of the year. Another low achievement is the indicator on the number of direct participants reporting an increase in knowledge and skills. He explained that most of the direct participants are comprised of EWEC project beneficiaries and since seasonal assessment will take place only in August, the achievement for the reporting period is still low. This will also be addressed in the second half of the year.

Mr. Li Hong asked for further clarification on the grants provided to participants, further pointing out the discrepancy between the many training programs conducted for the period and the low number of grants released. Dr. Watcharas explained that these are grants to participants to support them in carrying out localized trainings (such as in the case of training of trainer programs) and workshops.

Further responding to Mr. Li Hong's question, Ms. Medialdia explained that in the case of ADC, training programs are conducted from January to June with localized trainings happening from July until December. In some instances, participants submit late their action plan proposals, hence the delay in the release of the grants. In other instances, participants do not request for grants, opting to fund their localized trainings with their own organizational resources, in which case the grants can be reallocated to support other activities in other countries where there are fewer localized trainings being organized.

Mr. Dutta added that procedural issues in organizations in countries such as P.R. China and Vietnam also cause delays and difficulties among participants to implement their action plans. He also pointed out that the model of modular training needs to be further rethought in light of the issues being faced concerning implementation.

The Steering Committee acknowledged MI's Operations Report for January-June 2019.

5.4 Review of Steering Committee and Council Meeting 2/2018 Recommendations

Dr. Watcharas briefly presented the updates on the recommendations from the Steering Committee and Council meetings 2/2018.

SUBJECT	PERSON	SUGGESTION	Status
Disparity in participation of other member countries in projects	Dr. Narongchai Akrasanee H.E. Mr. Chea Chantum	<ul style="list-style-type: none"> Suggested looking into possible sources of funding that will enable the participation of P.R. China and Thailand in the training programs of the MI Food Safety Project 	C/O
Secondment program at MI	Mr. Arthayudh Srisamoot Dr. Jean Pierre Verbiest	<ul style="list-style-type: none"> Forwarded the idea of other nationals from other countries joining MI as part of a secondment program or an on-the-job training program 	C
Project implementation	Mr. Li Hong	<ul style="list-style-type: none"> Recommended strengthening ground-based projects and working with other sectors i.e., economic corridors, scientific parks 	C/O
	Ms. Barbara Jäggi Hasler	<ul style="list-style-type: none"> Suggested for MI to study the pros and cons of the field office model of the EWEC project 	NC
	Dr. Nguyen Quang Linh	<ul style="list-style-type: none"> Recommended the setting up of a field office in the Dong Ha campus of Hue University, Vietnam 	NC
	Dr. Jean Pierre Verbiest Ms. Barbara Jäggi Hasler	<ul style="list-style-type: none"> Recommended that MI discuss with MRC its project on water management, including how existing platforms and mechanisms connect with the new mechanisms of the Lancang-Mekong Cooperation to avoid duplications and enhance synergies 	C
Expanding reach and coverage of MI projects	Mr. Tran Ngoc Lan Dr. Nguyen Quang Linh Dr. Jean Pierre Verbiest	<ul style="list-style-type: none"> Recommended for MI to engage more universities and those from the academe to broaden reach 	C/O
	Dr. Nguyen Quang Linh	<ul style="list-style-type: none"> Suggested tapping into MI alumni network through a survey to identify alumni who can be involved in activities 	C/O
Use of IT and disruptive technologies	Dr. Jean Pierre Verbiest Dr. Nawarat Waraswapati Charoen Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> Recommended the use of IT/ disruptive technologies to broaden reach and participation in MI projects Suggested MI to position itself as a smart organization (Smart MI) 	O

Reporting of project outcomes	Mr. Li Hong	<ul style="list-style-type: none"> • Suggested the presentation of more concrete results of the EWEC project/comprehensive assessment of project outcomes • Suggested the need to deliver more tangible outcomes of all projects • Pointed out timely assessment and evaluation of projects 	C/O
Reporting of project activities in the member countries	H.E. Mr. Chea Chantum Mr. Phoummachanh Bodhisane	<ul style="list-style-type: none"> • Asked MI to inform the ministry/national focal point of any activities being conducted in their country including those in collaboration with other ministries 	C/O
	Ms. Nyein Zin Soe	<ul style="list-style-type: none"> • Requested that their department as national coordinating agency be provided with a report on the status of long-term projects, preferably a month before the Governing Board meeting 	C
Recommendations and findings of the midterm review of the MI Strategic Plan 2016-2020	Ms. Barbara Jäggi Hasler Mr. Arthayudh Srisamoot	<ul style="list-style-type: none"> • Suggested discussing in detail the progress on the recommendations of the midterm review of the Strategic Plan (i.e., which recommendations will be responded to, persons in charge, timeline, gaps and critical points to be pursued, etc.), if possible as an agenda item in the next Governing Board meeting 	C/O
Inter-departmental collaboration	Ms. Barbara Jäggi Hasler	<ul style="list-style-type: none"> • Pointed out looking at knowledge management and information exchange among the three program departments 	O
	Mr. Arthayudh Srisamoot	<ul style="list-style-type: none"> • Recommended the development of cross-cutting projects that will bring together the expertise of MI's program departments 	O
Request to increase the annual contribution of member countries	Ms. Nyein Zin Soe Mr. Virasac Somphong H.E. Mrs. Pen Sophakphea	<ul style="list-style-type: none"> • Requested for MI to prepare the following to facilitate the request for increase in contribution: <ul style="list-style-type: none"> ○ An official letter addressed to the ministry requesting for an increase in annual contribution of at least US\$20,000 ○ A statement from the MI Council expressing that the other member countries have agreed to increase their respective contributions ○ Report presenting the impacts and contributions of MI in the three countries (Cambodia, Lao PDR, and Myanmar) 	C/O
	Mr. Arthayudh Srisamoot	<ul style="list-style-type: none"> • Further suggested that MI also send a letter to the other member countries asking them to consider increasing their contribution, and to include a report of the activities carried out in the countries 	C
Organizational development	Mr. Hideaki Iwasaki Mr. Tran Ngoc Lan	<ul style="list-style-type: none"> • Suggested that MI identify its strengths and develop a line of services that it can provide to communities/governments to attract more partnerships and funding 	C/O
	Dr. Jean Pierre Verbiest Ms. Barbara Jäggi	<ul style="list-style-type: none"> • Suggested looking at mechanisms whereby member countries and development partners can offer funding support in terms 	NC

	Hasler	of organizational development and strengthening	
	Ms. Barbara Jäggi Hasler	<ul style="list-style-type: none"> Reiterated the suggestion for MEL to support the other departments and get charged for its services 	C/O
	Ms. Barbara Jäggi Hasler	<ul style="list-style-type: none"> Recommended that MI leverage on its link to the GMS, technical knowledge from the departments, and its wide range of projects, to bring synergies together and elevate project experiences to strategic and policy levels and contribute to increased policy changes 	O
Financial sustainability	Mr. Arthayudh Srisamoot	<ul style="list-style-type: none"> Recommended further diversifying funding sources and tapping into potential partners like India and other European countries 	O
	Ms. Barbara Jäggi Hasler	<ul style="list-style-type: none"> Recommended that MI should further strengthen its internal control mechanism 	O
Regional cooperation	Mr. Li Hong Ms. Sayan Kongkoey	<ul style="list-style-type: none"> Suggested making use of regional mechanisms and cooperation frameworks/projects to develop new projects and explore potential funding sources 	O
	Mr. Arthayudh Srisamoot	<ul style="list-style-type: none"> Recommended looking into ways MI can collaborate with OECD Development Centre and tap into the proposed ACMECS Fund 	C/O
Governing Board meeting presentation	Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> Recommended exploring reporting project activities according to department rather than categories (i.e., long-term, short-term, customized) 	C/O

C – completed; O – ongoing; NC – not completed

The Steering Committee acknowledged the Review of Steering Committee and Council Meeting 2/2018 Recommendations.

5.5 Work Plan for July – December 2019

Moving on to the planned activities for the second half of the year, Dr. Watcharas reported that MI has planned 90 activities to be conducted including training programs, workshops, knowledge sharing forums and localized trainings, as well as meetings and consultations.

The Steering Committee acknowledged the report on Work Plan for July-December 2019.

5.6 Report on the Quarterly Executive Meeting 1/2019

Dr. Narongchai briefly explained that the quarterly executive meeting discussed updates on the Q2 financial performance of the organization and other financial issues.

The Steering Committee acknowledged the report on the Quarterly Executive Meeting 1/2019.

Coffee Break

ITEM 6: MATTERS FOR CONSIDERATION

6.1 Audited Financial Report 2018

Mr. Rithy explained that as per the auditor report for fiscal year 2018, despite the deficit, total assets amounted to US\$7,368,358, which provides a good opportunity for MI to generate more

revenue from its non-current asset and reserve fund. He also pointed out the recommendation regarding residual value of fixed assets.

Ms. Phinyada Foytong, Finance Manager, elaborated on this second point, explaining that initially US\$46,532 was recorded as depreciation, but the auditor returned this as revenue in 2018 after MI's further discussion with Khon Kaen University regarding the rent of the land. The readjustment of this item has brought down the deficit for 2018 to a total of US\$207,197.

Dr. Narongchai moved that the audited report be reported to the Council for their approval with instructions to remove the additional comments in the report as originally indicated. Additionally, he observed that 2018 recorded the worst deficit in MI history (this opinion is reflected in the minutes at his request).

The Steering Committee agreed to endorse the Audited Financial Report for 2018.

6.2 Budget Revision 2019

Proceeding with the next item agenda, Mr. Rithy presented the proposed revised budget for 2019. The adjustment reflects a revised budget of US\$4,214,176 (compared to US\$4,231,751 in original budget) and a revised expenditure of US\$4,022,485 (compared to US\$4,040,783 original expenditure), with estimated profit of US\$191,692 (5%).

Dr. Watcharas affirmed that, based on the experience in the 2nd half of 2018 wherein MI was able to implement activities and realize the USD\$2.4 million, the Institute can similarly achieve the second half-year target of US\$2.5 million.

Ms. Medialdia assured that the ADC Department has carefully reviewed their activities and indicated in the work plan for July to December only those with secured funding, thus the department is confident it can realize its financial target. Among guaranteed activities are the remaining four training programs for the NZAP Project, set to all be completed by September and with action plans and knowledge sharing forums in October. For its LMCSF-supported project, the second regional consultation workshop will take place in August and key project activities are expected to be finished by September. Details of its one-off training program funded by P.R. China have also been finalized.

For ITC Department, Mr. Pawar explained that 85% of the department's activities are set for the second half of the year. There are 12 activities to be conducted this year, the first three activities are part of the Yunnan Power Grid project and are already in the pipeline so these will be carried out. They are also expecting response on the proposal submitted for consideration of P.R. China, and is ready for implementation before December as soon as approval is received. The activity for its TICA-supported project on gender is also confirmed in August, while the proposal on the project on skills employability has already been principally approved and the first year plan has been submitted. Once final approval is received, the assessment and capacity development plan will also commence. Two remaining activities of the project with TICA on labor migration will also be completed by December. He expressed support to the planned resource staff mobilization as their department will need additional manpower for their activities in the coming months.

In the case of TIF Department, Mr. Dutta explained it has realized nearly US\$500,000 by June 30, 2019 and most projects are still ongoing at different stages. Three large studies are also underway and will be completed in September. For the MKCF project, the website development is almost complete. For MKCF management, the 3rd call has already pre-identified 12 projects and once final approval is received, the money will be disbursed. The LMCSF-supported project on e-commerce is almost finished, as well as the TFO short-term consultancy. New projects and funding were also secured from Thai Beverage Logistics (TBL) and Thailand Convention and Exhibition Bureau (TCEB) with activities also set to be carried out in the second half of the year. He seconded Mr. Pawar's support to the proposed staff resource allocation for delivery of TIF projects.

For the RLED-EWEC Project, Ms. Jutamas Thongcharoen, RLED EWEC Project Director, explained that the program was due to initially finish by July but was granted a no-cost extension until October. In this regard, activities will be carried out by the three country offices in the next months to further institutionalize and upscale interventions for sustainability. The M&E assessment will also take place in August and accounts for the biggest portion of the work plan for the 2nd half of the year.

Following the expressed plans and commitments of the MI program directors, Dr. Narongchai commented the need to control and monitor expenditure dispensing and revenue generation. He inquired if the Finance Director is ready to sign on the proposed revised budget. To this, Mr. Rithy assured that, in further discussions with the MI Executive Director, the Institute will strive to meet at least 80% of the committed revenue.

Dr. Watcharas additionally explained that the loss in the first part of the year was due to project delays (i.e., TICA), unsecured funding from projects (project with Thailand Ministry of Commerce), as well as delays in implementation of activities because of public holidays in the early part of the year. However, the revised budget for the 2nd half of 2019 reflects secure funding from other partners such as TCEB and TBL and these can compensate for the losses. Likewise, if proposals from partners like P.R. China and TICA are approved, the Institute will be able to deliver 100% or even more.

Ms. Sayan reminded the body that the same commitments were also made in the previous meeting yet income was not realized. She also pointed out that the second half of the year covers only five months, excluding already July. She likewise inquired on the mechanism for tracking and monitoring to ensure that activities are carried out and money is recorded accordingly.

Mr. Li Hong explained that there is added burden on the expectation that P.R. China's timely confirmation of the projects will come through. He assured that the contribution will be made this year but due to some changes in the procedure, the money was not released in April or May as per usual practice. He also remarked that should money be confirmed only in the last few months of the year, activities can still be carried out but with short time for implementation.

Dr. Narongchai seconded Ms. Sayan's concern about the Institute's commitment to deliver. For the first half of this year, about one-third of the revenue was only realized and so in order to deliver, certain activities must already have been carried out during the first half but has not reached the point where revenue could be realized. He reiterated again that work should already have been done prior in order for revenue to be realized in the next quarter i.e., Q3. He then asked the program directors if they have done activities in the first half of the year where revenue has not been fully realized.

Mr. Dutta answered that in the case of TIF Department, they have accomplished physical targets but revenue has not been realized i.e., work phase is not yet complete as in the case of ongoing work so the completion will be in Q3. Another observation he offered is that while physical targets are fulfilled, the financial targets remain the difference.

Dr. Narongchai clarified that the bottomline of the revised budget concerns accounting, which is a consideration for endorsement of the revised budget to the Council for their approval.

The Steering Committee agreed to endorse the Budget Revision for 2019.

6.3 Recruitment of New MI Executive Director

Mr. Rithy presented the following proposed options for the recruitment process:

- Recommendation of candidates by Steering Committee and Council members
- Recruitment via MI's own HR with the support of the selection panel
- Using a recruitment agency to do the initial search, shortlist and interviews with the selection panel interviewing only the final candidates

Advertisements for the position can be done via MI website and external websites and job application platforms. The proposed budget for the recruitment process is 200,000 THB, higher than previous 2012 budget of 151,790 THB.

Dr. Narongchai suggested the creation of a three-person committee to be appointed by the Council that will screen and interview recommended candidates for the position. The three-person committee will also decide on the selection process and criteria.

The Steering Committee agreed to endorse the Recruitment of New MI Executive Director.

6.4 Timeframe for the Formulation of MI Strategic Plan 2021-2025

Dr. Watcharas pointed out that since 2020 is the last year of implementation of the current Strategic Plan, the Institute has begun the process of formulating the new Strategic Plan 2021-2025. A consultant will be hired by mid-November 2019 to conduct the final review of the current plan and undertake the necessary procedure for the formulation of the new one. The work will span about six months, with the new Strategic Plan expected to be ready by June 2020.

Dr. Narongchai suggested for the consultation workshop with development partners to be designed as a large-scale workshop.

Ms. Sayan also recommended that the draft of the Strategic Plan be circulated among Steering Committee and Council members for review before approval.

The Steering Committee agreed to endorse the Timeframe for the Formulation of MI Strategic Plan 2021-2025.

ITEM 7: COUNTRY REPORTS OF STEERING COMMITTEE MEMBERS

Dr. Narongchai then invited the members of the Steering Committee to present their country reports and feedback as well as recommendations to MI for its future activities in the second half of the year.

Cambodia: H.E. Mr. Chea Chantum

Mr. Chea Chantum congratulated MI for its achievements of the work carried out in the first half of the year and offered the following three points:

- Budget deficit remains an important issue for the Institute despite its accomplishments for the first half of the year. The commitment from the directors raises the expectation that this issue will be resolved in the future. Cambodia appreciates the strategic approaches offered by the Finance Director to address the financial performance of the Institute.
- Cambodia reconfirms its commitment and approval to increase its annual contribution to MI from US\$10,000 to US\$20,000 by 2020.
- Cambodia would like to request closer coordination with the cooperating agency and other implementing agencies of MI projects to reduce miscommunication. According to

him, the government has proposed a budget for organizing internal meetings to coordinate all related ministries to solicit feedback on the projects being implemented by the agency. In this way, they can identify more impacts of MI projects with implementing agencies and therefore guide MI in the reporting of its outcomes during the Governing Board meetings.

Finally, Cambodia commits to continue to support and work with MI.

P.R. China: Mr. Li Hong

Mr. Li Hong expressed his appreciation to MI and commended the Institute for its achievements in the first half of the year.

According to him, China appreciates and commends MI's work on the Lancang-Mekong Cooperation Special Fund projects and conveys hopes that these projects will be completed and implemented in a timely and high quality manner. This, he stressed, is important to ensure the credibility of MI and to guarantee the continued support from partners.

He reiterated the suggestion to expand partnerships with other agencies and leverage on the sub-regional agencies in the conduct of activities. While implementing these partnerships, he added that it is important for MI to remain grounded and to work with local authorities to which it has special access and connection as this is one of MI's unique advantages.

He also raised the need to continue improving the internal management including the Institute's financial situation and increase ownership of the Institute. Finally, he commended the initiative to start the formulation of the new Strategic Plan under the direction of the current Executive Director since his 6-year experience leading MI can lend a forward-looking vision to the new Strategic Plan.

Lao PDR: Ms. Dalylack Keobanhdith

Ms. Dalylack Keobanhdith congratulated MI on its accomplishments in the last six months especially its efforts to mobilize resources and reduce the deficit.

She added that through MI's various projects, GMS countries including Lao PDR have benefited from capacity building and human resource development programs. In the context of the Mekong region, there are a wide range of development potentials that MI can tap to maintain its existing relationships with development partners while working closely with new partners.

She also thanked China and Thailand for their support to Mekong countries through MI, and also thanked MI for its secondment program to Lao government officers. She added that they look forward to the result of the employee's work performance in order to continue building their capacity in their respective workplace.

Finally, she suggested increasing the structured learning visits and research activities that will support the development of local and remote areas, noting that inequality between rural and urban areas is an important issue that MI can pay attention to through the promotion of local economic development. For its part, Lao PDR commits to continue working with MI in its projects as well as in the formulation of its new Strategic Plan.

Myanmar: Ms. Moh Moh Naing

Ms. Moh Moh Naing explained that their new Ministry was established in November 2018 to enhance the cooperation with international and regional community to increase local and foreign investments and improve the investment image of Myanmar.

As the new Ministry representing Myanmar in the Steering Committee and Council meetings, they acknowledge the progress of MI's performance in the first half of the year including its knowledge sharing and training programs focusing on human resource development. These initiatives are in line with Myanmar's Sustainable Development Plan with its three pillars of peace and stability, prosperity and partnership, and people and planet. These goals are also in line with the UN Sustainable Development Goals. MI's activities in the areas of food safety, trade and economic zone development therefore support the economic growth of Myanmar and respond to the pillars and priorities of the Myanmar Sustainable Development Plan.

She also explained that the increase in annual contribution will take effect next year pending the receipt of official letter from MI. As for the formulation of the new Strategic Plan, she suggested referring to the ADB's GMS Long-term Strategic Framework 2030.

Thailand: Ms. Sayan Kongkoey

Ms. Sayan Kongkoey expressed support to the earlier recommendations offered by other members of the Steering Committee. Similar with the other members, Thailand through TICA also confirms to continue its support to MI and its initiatives as the two organizations are partners in development and share and complement each other's goals.

She shared that MI is not only an institution committed to human resource development but can also be an implementing agency working for other development partners to manage and administer development projects with the belief that capacity building should not be confined to only people but should also address institutions, systems, regulations and regularization. Partnerships with development partners in the sub-region are therefore important.

Additionally, she offered the following suggestions on income generation:

- Serve as implementing agency for development partners – MI has a number of cooperation with partners like LMC. In a similar vein, a possible framework to explore in the future is the ACMECS Fund that builds on bilateral and regional cooperation programs for socio-economic development.
- Tap the service of units such as MEL Department to provide evaluation services to other agencies as part of project cycle management. MI can provide this expertise in project cycle management to other organizations such as TICA.

Vietnam: Mr. Duong Hung Cuong

Mr. Duong Hung Cuong commended MI on its hard work in the first six months of the year. He seconded the suggestion of Ms. Moh Moh Naing to consider the ADB's GMS Long-term Strategic Framework 2030 as guide in the formulation of the new MI Strategic Plan especially as human resource development continues to play an important role in the development of the GMS countries.

He conveyed Vietnam's appreciation of MI's capacity building activities and for creating favorable conditions for Vietnamese staff at MI.

Concerning the request for increase in annual contribution, Vietnam has already submitted and approved its Five-Year Plan hence the new amount for the contribution will take effect beginning only 2021.

Lastly, he conveyed that Vietnam is honoured to assume chairmanship of the MI Council beginning August this year, and while they may not be able to host the second Council meeting in December in Vietnam, they look forward to inviting the members of the Steering Committee and the Council to Vietnam in the next meetings in the next year.

ITEM 8: DATE AND VENUE OF THE NEXT MEETING

Dr. Watcharas mentioned that the second Governing Board meetings are tentatively scheduled for December 18-19, 2019. Dates will later be finalized and relayed to the members of the Committee.

ITEM 9: OTHER MATTERS

No other matters were discussed, and the meeting was adjourned at 17:30.