

# STEERING COMMITTEE MINUTES OF THE MEETING

**Mekong Institute Steering Committee Meeting No. 1/2018**  
**August 1, 2018, 14:00 – 17:30**  
**Mekong Institute, Khon Kaen, Thailand**

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## **LIST OF DELEGATES**

### **Steering Committee Members**

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| Steering Committee Chairman   | Dr. Narongchai Akrasanee<br>Chairman<br>MFC Asset Management Plc.<br>Bangkok, Thailand  |
| Representative of the Royal<br>Government of Cambodia                 | H.E. Mr. Chea Chantum<br>Secretary-General<br>General Secretariat for Population and Development<br>Ministry of Planning<br>Phnom Penh, Cambodia  |
| Representative of the Government of<br>the People's Republic of China | Mr. Li Hong<br>Permanent Representative<br>Permanent Mission of China to UNESCAP<br>Embassy of P. R. China<br>Bangkok, Thailand   |
| Representative of the Government of<br>Lao PDR                        | Mr. Virasac Somphong<br>Deputy Director General<br>Economic Affairs Department<br>Ministry of Foreign Affairs<br>Vientiane, Lao PDR   |
| Representative of the Government of<br>the Union of Myanmar           | Mr. Tun Tun Naing<br>Permanent Secretary/ Director General<br>Foreign Economic Relations Department<br>Ministry of Planning and Finance<br>Nay Pyi Taw, Myanmar<br>(In place of Mr. Htun Zaw) |
| Representative of the Royal Thai<br>Government                        | Ms. Sayan Kongkoe<br>Director of Thai Cooperation Branch I<br>Thailand International Cooperation Agency<br>Ministry of Foreign Affairs<br>Bangkok, Thailand                                   |

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| Representative of the Government of the Socialist Republic of Vietnam | Mr. Duong Hung Cuong<br>Director and Secretary of GMS Program<br>Foreign Economic Relations Department<br>Ministry of Planning and Investment<br>Hanoi, Vietnam                         |
| Mekong Institute  | Dr. Watcharas Leelawath<br>Executive Director<br>Mekong Institute<br>Khon Kaen, Thailand  |
| <b><u>Observers</u></b>   |   |
| Cambodia  | Mr. Try Socheat<br>Director, Training and Development Department<br>General Secretariat for Population and Development<br>Ministry of Planning<br>Phnom Penh, Cambodia                  |
| P.R. China  | Ms. Yu Miao<br>Assistant to Permanent Representative<br>Permanent Mission of China to UNESCAP<br>Embassy of P. R. China<br>Bangkok, Thailand  |
| Lao PDR   | Mr. Phoummachanh Bodhisane<br>Deputy Director of Division<br>Economic Affairs Department<br>Ministry of Foreign Affairs<br>Vientiane, Lao PDR   |
| Lao PDR   | Mr. Bomba Phapmexay<br>Official<br>Economic Affairs Department<br>Ministry of Foreign Affairs<br>Vientiane, Lao PDR   |
| Myanmar   | Ms. Tin Theint Theint Thaw<br>Assistant Director<br>Foreign Economic Relations Department<br>Ministry of Planning and Finance<br>Nay Pyi Taw, Myanmar                                   |
| Thailand  | Ms. Pin Sridurongkatum<br>Development Cooperation Officer<br>Thai Cooperation Branch I<br>Thailand International Cooperation Agency<br>Ministry of Foreign Affairs<br>Bangkok, Thailand |
| MI Staff  | Ms. Maria Theresa Medialdia<br>Director<br>Agricultural Development and Commercialization Department<br>Mekong Institute  |

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| MI Staff | Mr. Madhurjya Kumar Dutta<br>Director<br>Trade and Investment Facilitation Department<br>Mekong Institute |
| MI Staff | Mr. Sudam Pawar<br>Director<br>Innovation and Technological Connectivity Department<br>Mekong Institute   |
| MI Staff | Mr. Nguyen Hung Cuong<br>Director<br>RLED-EWEC Project<br>Mekong Institute                                |
| MI Staff | Ms. Phinyada Foytong<br>Director<br>Finance and Operations Department<br>Mekong Institute                 |

### **Meeting Secretariat**

|          |   |
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| MI Staff | Ms. Jutamas Thongcharoen<br>Program Manager<br>Agricultural Development and Commercialization Department<br>Mekong Institute  |
| MI Staff | Ms. Jocularisse Albia<br>Communications Coordinator<br>Communications and Knowledge Management Department<br>Mekong Institute |
| MI Staff | Mr. Le Ngoc Quang<br>Knowledge Management Officer<br>Communications and Knowledge Management Department<br>Mekong Institute   |

The first Governing Board Meeting for 2018 was called to order at 14:30. Dr. Watcharas Leelawath, MI Executive Director, welcomed the members of the Steering Committee and other guests to the meeting. He then invited Dr. Narongchai Akrasanee, Chairman of the MI Steering Committee, for the Welcome Remarks and to formally open the meeting.

### **ITEM 1: WELCOME REMARKS BY MI STEERING COMMITTEE CHAIRMAN – DR. NARONGCHAI AKRASANEE**

Dr. Narongchai welcomed and acknowledged the members of the MI Steering Committee in attendance. He remarked that in this first Steering Committee Meeting for this year, there is much to be done in order to facilitate the Governing Board Meeting scheduled the next day, August 2. The meeting for the day will discuss the updates and progress of MI activities for the first half of the year, the work plan for the remaining part of the year, as well as progress on the mid-term review of the MI Strategic Plan 2016-2020. Dr. Narongchai also noted that as the first Steering and Council meetings also coincide with the Mekong Forum, the mid-year meetings are also the hardest, and he thanked the MI Secretariat for their work in organizing the gathering.

***The Chairman then formally declared the meeting open.***

## **ITEM 2: ADOPTION OF THE AGENDA**

Dr. Narongchai explained that the meeting agenda has been circulated in advance, and requested everyone to raise their comments and suggestions before proceeding with the discussions.

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

## **ITEM 3: BUSINESS ARRANGEMENTS**

Dr. Leelawath announced that the meeting is expected to finish by 17:30. A car will depart from MI at 17:45 to bring guests to the restaurant for dinner. The adoption of the Minutes of the Steering Committee Meeting will be the next day, August 2 at 13:30 to be followed by the Council Meeting.

## **ITEM 4: REVIEW KEY POINTS OF THE MINUTES OF THE STEERING COMMITTEE MEETING NO. 2/2018, December 18, 2017**

Dr. Narongchai then asked the members of the Steering Committee to review and raise any comments, if they have any, regarding the Minutes of the 2<sup>nd</sup> Steering Committee Meeting held last December 18, 2017. He clarified that the minutes has been conditionally adopted on December 19, 2017 and approval will be confirmed today.

At the invitation of the Chairman, Dr. Leelawath also briefly recapped some of the key points discussed in the last meeting, including MI's updates on its projects, operation plan and budget for 2018, and the creation of a sub-committee for the performance evaluation of the MI Executive Director. He further explained that the draft of the minutes was adopted in December 19, 2017 and the revised draft was then subsequently provided for further comments and review.

A few minor corrections were raised by Mr. Li Hong and Ms. Sayan Kongkoey, Steering Committee members from P.R. China and Thailand, respectively.

Referring to page 20, item 5.1.2 (Administration and Finance Report), Mr. Li Hong asked to change the statement "participation from other countries" to "participation from **all GMS** countries." Likewise on page 20 paragraph 8, Ms. Kongkoey asked to change the statement "between TICA and other development partners" to "between TICA and **counterpart countries.**"

On page 27, the item on country report for P.R. China, Mr. Li Hong suggested to use "**Belt and Road Initiative**" instead of One Belt, One Road Initiative.

***The minutes was changed and adopted following requested revisions.***

## **ITEM 5: MATTERS FOR ACKNOWLEDGEMENT**

Proceeding on to agenda item 5, Dr. Narongchai asked Dr. Leelawath to report on the MI Operations for the period of January-June 2018.

## 5.1. MI Operations (January-June 2018)

### 5.1.1 Project Reports

Beginning with MI's project with New Zealand Aid Programme (NZAP), Dr. Leelawath explained that the second phase of the food safety project has been rebranded as PROSAFE Project. He explained that the project has been delayed and implementation started only in July, but for the first half of the year, the work has focused on the activities organized by participants including the conduct of localized trainings and support to action plan implementation.

For MI's project with China Southern Power Grid Co., Ltd. (CSG), a synthesis and evaluation workshop was organized in March 2018. A notable accomplishment for this period is the collaboration established through the project between Thailand's Metropolitan Electricity Authority (MEA) and YNPG.

The 2<sup>nd</sup> phase of the RLED-EWEC Project funded by the Swiss Agency for Development and Cooperation (SDC) has been focusing on agricultural value chain development and cross-border trade facilitation. For the reporting period, the project has conducted an in-depth study on CBTF in the EWEC and prepared for the organization of the first Business to Government Dialogue in August 2018.

The Green Freight and Logistics Development Project, supported by the Mekong-ROK Cooperation Fund (MKCF), has completed a baseline study and currently working on the development of Green Logistics Service Quality Standards.

MI also just completed its project with the Japan-ASEAN Integration Fund (JAIF) in February and has been advised by the development partner to develop a new proposal linked to its recently-concluded project.

MI as the fund manager of the MKCF has also awarded 13 projects so far in the first two calls.

Finally, a major addition to MI's roster of long-term projects are the four projects supported by the Lancang-Mekong Cooperation (LMC) Special Fund, with the signing of the Memorandum of Understanding with the Ministry of Commerce, Thailand held in April 18. The first Project Steering Committee also took place in May.

Additionally, Dr. Narongchai invited the MI program directors to share a story of their work and project activities in the past six months.

Ms. Maria Theresa Medialdia, Director of the Agricultural Development and Commercialization (ADC) Department explained that ADC had been busy in the first six months of the year ensuring that the project extension is approved. ADC had hoped to get the approval by late February but the signed proposal was only received on June 20. In the meantime, the department submitted proposals to other development partners to secure other sources of funds, while also preparing for the implementation of the project Phase 2.

As NZAP has expressed a desire to see demonstrable change in the region's food safety space, preparatory work has focused on ensuring implementation with reasonable success including developing training courses and searching for regional experts. When the funding was approved, ADC was ready to implement the project, organizing three training programs in July and one inception workshop in Cambodia, with several more training programs lined up in August until October.

Mr. Madhurjya Kumar Dutta, Director of the Trade and Investment Facilitation (TIF) Department, explained that the department will be implementing seven long-term and three short-term projects as well as two one-off activities for the year. While TIF completed the JAIF project, five new projects were launched in the first half of 2018 including the ROK-funded Green Logistics

Project, the LMC-supported projects, a project supported by the International Development Research Centre (IDRC) together with the Trade Promotion Office of Canada, and a project with the Asian Development Bank on the Monitoring of Early Harvest Implementation of the GMS Cross-Border Transport Agreement. The department also has a new project supported by P.R. China on the Development of GMS Transport Information Connectivity System.

Two projects supported by the MKCF were completed this year, while five new projects were launched in the Mekong countries. Mr. Dutta also added that a justification note has been prepared for the Republic of Korea requesting for an increase in the fund although there is no official confirmation received yet. The department has increased its staff base with the hiring of three additional staff members, and has also requested the Cambodian government through the Ministry of Transport for a staff member to be part of MI's secondment program.

Mr. Sudam Pawar, Director of the Innovation and Technological Connectivity (ITC) Department, remarked that ITC, as the youngest department established in 2016, has a small team. One of the department's long-term projects is with CSG, which is designed to help the technical staff in the GMS develop their expertise in power connectivity. Following the synthesis and evaluation workshop in March this year, another workshop is planned for August as well as a professional training in Kunming, China in September. In terms of short-term projects, ITC is coordinating the MIYS Program, which offers GMS government officials and staff hands-on practical experience on regional cooperation work at MI.

Likewise, from January to June, ITC has been connecting with partners and securing feedback on their requirements so MI can better work with them in the projects and deliver desired impacts. The Thailand International Cooperation Agency (TICA), for instance, has expressed a move from regular training programs to problem-to-solution based programs. To this effect, the department has suggested a rapid assessment to better understand basic issues and to be coupled with coaching and mentoring to better see the impact and surface best practices. In addition to emphasis in capacity areas in gender and labor migration, TICA is also putting emphasis on Thailand 4.0, and the department has suggested the identification of sector areas and related skills to be developed through training. A long-term project related to this is currently at proposal stage. ITC is also exploring a possible project on innovation for funding of P.R. China. The envisioned project seeks to explore how to introduce innovation to drive economic sustainability.

Lastly, Mr. Nguyen Hung Cuong reported on the progress of the second phase of the RLED-EWEC Project. Overall, the second phase of the project has set targets higher than the previous phase (e.g., number of farmer beneficiaries from 980 to 5,500 and profits for small and medium enterprises increase by 257 percent). In terms of program activities, the focus is on two areas – agricultural value chain development and cross-border trade facilitation.

Mr. Cuong also noted that while the first component is on track in terms of implementation and spending, there still is much to be done, such as increasing the progress on the first two indicators of the project both of which are only within around the 30 percent mark (number of farmer household beneficiaries and increased income for farmer households). The second component on cross-border trade facilitation is likewise challenging as MI alone cannot work on changing policies and regulations, which should emanate from the government. The project is trying different methodologies and right now has conducted roundtable discussions among the business community, and business to government (B2G) dialogues. One has been scheduled for August in Mukdahan where MI will serve as the facilitator. Furthermore, the delay in the study on cross-border trade facilitation in the first half of the year has also resulted in the delay in the project spending, therefore accounting also for the shortfall in the budget.

Following the reports of the program directors, Dr. Narongchai opened the floor for comments and questions from the Steering Committee members.

Ms. Kongkoey raised the concern that the EWEC project has only one year to its end until July 2019 and the achievement percentage is quite low (around 32 percentage). She asked for clarification whether the goal can be realized and the number of activities to be conducted to achieve the target.

In response, Mr. Cuong explained that in 2017, MI and SDC have agreed that the Phase 2 of the project is for the consolidation of the best practices and working towards upscaling and ensuring sustainability. The Phase 2 therefore focuses only on the practices that were successful in the first phase. However, not all the practices functioned well as forecasted at the project beginning. For example, the case of Myanmar where the Project has worked with the maize sector by bringing in more domestic actors as partnership alternatives for farmers rather than only Thai traders as before, targeting at improvement of competitiveness. However, while such a strategy worked, it did not yield results as expected since Thai traders also raised their farm-gate buying price. As a whole farmers earned more income, but the project initiative could not extend to a large outreach as expected.

Dr. Narongchai then clarified whether the low achievement rate for the first two indicators will prove to be a problem should the Project is unable to meet 100 percent target by year 2. Mr. Nguyen admitted that the Project may be unable to meet its target by end of year 2 but also noted that SDC is well aware that the targets for the second phase are ambitious.

Mr. Tun Tun Naing, representative of Steering Committee member from Myanmar, shared his observation that the increase in farmer income and SME profit for Myanmar is the lowest compared with Lao PDR and Vietnam and asked for suggestions on how these figures can be increased.

Mr. Cuong explained that the value of maize vis-à-vis coffee and rice is really low. Likewise, the SME development level in the maize sector at the project site is at the early stage of development compared with rice and coffee. There are now seven trading companies involved in the project activity implementation compared to the only two local and small maize brokers at the time the project started. These SMEs however are not from Kayin State.

As the program directors have already discussed the short-term projects and customized activities, Dr. Leelawath proceeded to discuss the next agenda item.

***The Steering Committee acknowledged the report on MI's projects for January-June 2018.***

### **5.1.2 Administration and Finance Report**

Dr. Leelawath reported that as of June 2018, MI has 69 staff members, both regular and special contract. He also presented the turnover rate of MI staff, noting that turnover rate for 2017 was at 16 percent, lower than 2016.

Following this, he called on Ms. Phinyada Foytong, Director of Finance and Operations Department to present the financial report. Ms. Foytong presented the revenue and expenses from January-June 2018, totaling to 952,520 USD. Recorded expenses was 1,312,432 USD, and deficit as of June 2018 was at 361,270 USD, which is less than expected. In terms of department spending, EWEC and TIF recorded the highest in terms of progress in achievement of department target at 354,497 USD and 292,196 USD, respectively. Finally, total assets was 6,800,163, which is a 21 percent increase from December 30, 2017 results.

Dr. Narongchai then invited members of the Committee for their comments and questions.

Regarding the staff report, Mr. Tun Tun Naing observed that while the turn-over rate is better in 2017 than 2016, the staff turn-over also includes other positions such as drivers, and asked how staff members can be retained.

Dr. Leelawath explained that the salary scale and benefit package has been adjusted in 2013, with the salary increasing by 20 percent on average. At the moment, as it is difficult for MI to create a new salary scale, efforts have focused on creating a good working environment. Consultants are also hired to take on some of the work and help ease the workload of staff members.

Mr. Li Hong, Steering Committee member from P.R. China, suggested the addition of more detailed information in the table on MI staff members (Table 3), such as the number of staff from GMS member countries and those from non-member countries, including in terms of the managerial, professional and general support staff in order to better to identify staff composition when it comes to member and non-member countries.

Mr. Virasac Somphong, representative of MI Steering Committee member from Lao PDR, asked to clarify whether the staff on secondment and the MIYS are categorized as general support. Dr. Leelawath explained that the staff on secondment is classified as professional staff. The MIYS are not regular staff members as their stay in MI is only for six months.

Concerning the financial report, Mr. Li Hong raised the observation that the distribution of funding for different departments is quite different. He asked to clarify the mechanism for organizing such funding approach, pointing to the case of SDC where it deals with agriculture and trade.

Dr. Leelawath explained that the EWEC Project has two components, and therefore work with the two departments, ADC and TIF for the respective components. As for the NZAP Project, the delay has meant that there was no funding for the first six months of the year and implementation started only in July. He also added that the three departments – ADC, EWEC and TIF – have secured long-term funding but not ITC. Therefore, he would greatly appreciate if some long-term support from P.R. China is secured for ITC.

Dr. Narongchai added that there are overlapping sectors and functions, hence the projects also utilize expertise from the other departments.

Mr. Duong Hung Cuong, Steering Committee member from Vietnam, expressed his worries over the financial report, and said that he hoped the project activities will proceed smoothly in the remaining half of the year in order to meet the targets.

***The Steering Committee acknowledged MI's Operations Report for July – December 2018.***

## **5.2 Relationship with Development Partners**

Dr. Leelawath reported on new proposals and projects with other development partners, such as the Asia Foundation, Asia Pacific Foundation of Canada, German International Cooperation, JAIF, the People's Government of Yunnan Province, TICA, Canada Fund for Local Initiative, and OSMEP in collaboration with MASHAV. There is also a new project with the Ministry of Natural Resources and Environment, Thailand supported by the LMC Special Fund, as well as another project submitted to the Ministry of Foreign Affairs.

Dr. Narongchai remarked that MI's relationship with development partners is growing, with LMC the biggest and major one to date.

Mr. Li Hong inquired about MI's partnership with Asia Foundation on water resources, specifically which department will handle the project and how the project fits into the MI Strategic Plan. Citing also the proposed project on climate change with the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany, he asked whether MI has the expertise on these areas.



Dr. Leelawath responded that ADC will handle the project on water resources as it is related to rural and agricultural development. MI will not be involved in the technical component but rather will be providing training on the soft diplomacy issues such as water data sharing and conflict resolution. For the project on climate change, ITC will be coordinator, and the project fits into MI's cross-cutting theme on environmental sustainability. At the moment, there is no expertise at MI but part of the funding will be utilized to secure the needed experts.

***The Steering Committee acknowledged MI's Report on its Relationship with Development Partners.***

### **5.3 Report on the Results of the CAs meeting held on August 1, 2018**

Ms. Medialdia presented the results of the Coordinating Agencies Meeting held in the morning of August 1, 2018. Coordination protocols with the CAs were discussed and some concerns were addressed, including providing country demand-driven programs (Vietnam); adopting a problem-to-solution approach in training programs (Thailand); providing more detailed participant criteria (Myanmar); sharing of output reports to CAs and the invitation to MI to join the Lancang-Mekong Innovation Think Tank (P.R. China); providing contact details of all Cambodian alumni (Cambodia); and the request to send all letters to designated agency (Ministry of Foreign Affairs) for official acknowledgement (Lao PDR). MI in turn committed to developing proposals and exploring other forms of partnerships with the GMS member countries.

Mr. Tun Tun Naing also added that for Myanmar, MI may address all letters to the Foreign Economic Relations Department, Ministry of Planning and Finance for official acknowledgement and coordination with other line agencies.

***The Steering Committee acknowledged the report on the Results of the CAs meeting on August 1, 2018.***

### **5.4 Monitoring and Evaluation Midterm Report (January-June 2018)**

Dr. Leelawath reported that for the first half of 2018, MI organized 16 human capacity building events that directly engaged 443 participants. After-events evaluation among 280 respondents revealed that more than 90 percent found the events to be relevant to their work and helpful in improving their knowledge and skills. Targets-wise, MI has achieved about 50 percent of its mid-year targets for most of its output level indicators, while four of seven outcome indicators have been achieved for the reporting period. At the outcome level especially, the achievement of the number of indirect participants has very much exceeded the target.

***The Steering Committee acknowledged the Monitoring and Evaluation Midterm Report for January-June 2018.***

### **5.5 Review of Steering Committee and Council Meeting 2/2017 Recommendations**

Dr. Leelawath then presented the progress and actions undertaken on the recommendations forwarded in the Governing Board Meetings 2/2017. Most items recommended are either completed or ongoing.

| <b>SUBJECT</b>                  | <b>PERSON</b> | <b>SUGGESTION</b>  | <b>STATUS</b> |
|---------------------------------|---------------|--|---------------|
| Setting project target outcomes | Mr. Li Hong   | <ul style="list-style-type: none"> <li>Emphasized the need to set realistic project expectations</li> <li>Reiterated the importance of setting concrete and practical targets that will</li> </ul> | C/O           |

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|                                      |  | promote more pragmatic cooperation in the region   |            |
|                                      | Mr. Brent Rapson   | <ul style="list-style-type: none"> <li>Asked MI to consider increasing the identified targets for indirect participants in the M&amp;E framework</li> </ul>  | C          |
|                                      | Ms. Barbara Jäggi Hasler   | <ul style="list-style-type: none"> <li>Suggested for targets to be linked to the M&amp;E indicators of the MI Strategic Plan</li> </ul>  | C          |
| Reporting of project outcomes        | Ms. Barbara Jäggi Hasler   | <ul style="list-style-type: none"> <li>Suggested MI to also show in the project reports the policy revisions, changes or influences as a result of the project interventions</li> </ul>  | NC         |
|                                      | Mrs. Suphatra Srimaitreephithak, Ms. Barbara Jäggi Hasler and Mr. Brent Rapson | <ul style="list-style-type: none"> <li>Reiterated the suggestion of beefing up MI's public relations strategy through the development of a communications plan and utilizing online and social media to communicate MI impact stories and project results</li> </ul>   | C/O        |
|                                      | Mrs. Suphatra Srimaitreephithak  | <ul style="list-style-type: none"> <li>Added that MI can connect with the UN Office of South-South Cooperation in Bangkok to broaden reach and publication of MI success stories</li> </ul>  | C          |
| Project monitoring                   | Ms. Barbara Jäggi Hasler   | <ul style="list-style-type: none"> <li>Recommended for the MEL Department to work more closely with program departments in monitoring and tracking the achievement of institutional projects</li> </ul>  | O          |
| Strengthening MI internal expertise  | Ms. Sayan Kongkoey   | <ul style="list-style-type: none"> <li>Expressed hope that MI will be able to offer more in-house expertise rather than rely on external experts</li> </ul>  | C          |
| MI training programs                 | Mr. Duong Hung Cuong and Mr. Le Viet Anh                                       | <ul style="list-style-type: none"> <li>Suggested for MI to review the scope of its training subjects to ensure that they are suitable and fit the needs of the GMS countries</li> </ul>  | C/O        |
|                                      | Mme. Yang Mu   | <ul style="list-style-type: none"> <li>Stressed the need to continuously improve the quality of training programs to better amplify project impacts</li> <li>Re-echoed the suggestion for MI to make more effort to adapt to the development of member-countries and meet their new demands</li> </ul>         | C/O<br>C/O |
| Furthering cooperation with partners | Mr. Li Hong  | <ul style="list-style-type: none"> <li>Suggested to MI to strengthen its work with communities and grassroots level</li> </ul>   | C/O        |
|                                      | Dr. Jean Pierre Verbiest   | <ul style="list-style-type: none"> <li>Suggested for MI to explore possible collaboration with the French Development Agency</li> <li>Also suggested that MI consider partnering with organizations with similar activities and goals, such as the GMS Business Forum (based in Vientiane, Lao PDR)</li> </ul> | NC<br>C/O  |
|                                      | Dr. Jean Pierre Verbiest and Mr. Hideaki Iwasaki                               | <ul style="list-style-type: none"> <li>Recommended that MI hold annual systematic dialogues or consultations with the GMS country directors of ADB to better introduce MI and its work</li> </ul>  | NC         |
|                                      | Mrs. Suphatra Srimaitreephithak  | <ul style="list-style-type: none"> <li>Suggested for MI to also meet with new GIZ director to discuss potential collaboration</li> </ul>   | O          |

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|  | Mme. Yang Mu             | <ul style="list-style-type: none"> <li>Urged MI to be an active player in the Lancang-Mekong Cooperation and apply for the LMC Special Fund</li> </ul>   | C/O        |
| Labor migration issue in GMS                     | Mr. Try Socheat          | <ul style="list-style-type: none"> <li>Requested for MI to hold more activities (e.g., training programs and seminars) that will raise awareness on the issue of cross-border work</li> </ul>  | C/O        |
| Secondment program and MI Young Scholars Program | Dr. Narongchai Akrasanee | <ul style="list-style-type: none"> <li>Reiterated that the MI Secondment program should disregard age limitations and include even senior government officials</li> <li>Emphasized that the prospective staff should have expertise in the MI areas of interest</li> </ul> | C/O<br>C/O |
|  | Mr. Li Hong              | <ul style="list-style-type: none"> <li>Recommended that the application be channeled through the point of contact (Coordinating Agencies)</li> </ul>   | C/O        |
| MI staff distribution                            | Mr. Li Hong              | <ul style="list-style-type: none"> <li>Reiterated the need to ensure equal and increased participation of all GMS member-states when it comes to work opportunities in MI</li> </ul>   | C/O        |
| MI's financial report                            | Dr. Narongchai Akrasanee | <ul style="list-style-type: none"> <li>Requested that MI's financial report present a comparison between the current year and next year's budget, as well as an item breakdown</li> </ul>  | C/O        |
|  | Ms. Barbara Jäggi Hasler | <ul style="list-style-type: none"> <li>Recommended for MI to also include in the reporting an overall budget for the entire duration of the long-term project and preferably spanning several years to provide broader picture of donor support</li> </ul>                 | C/O        |
| Workload of MI departments                       | Dr. Jean Pierre Verbiest | <ul style="list-style-type: none"> <li>Suggested for MI to explore ways to spread the work for related projects across departments to address heavy workload</li> </ul>  | O          |
| External auditor                                 | Ms. Barbara Jäggi Hasler | <ul style="list-style-type: none"> <li>Asked MI to reconsider hiring international audit companies as external auditor in keeping with its status as an international organization</li> </ul>  | C/O        |
|  | Dr. Narongchai Akrasanee | <ul style="list-style-type: none"> <li>Suggested that MI open the bidding earlier in the year to allow for more reasonable quotations</li> </ul>   | C/O        |
| Governing Board Meetings                         | Mr. Try Socheat          | <ul style="list-style-type: none"> <li>Suggested to have future Governing Board meetings held in other countries like China to provide a different experience and exposure</li> </ul>  | NC         |

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

***The Steering Committee acknowledged the Review of Steering Committee and Council Meeting 2/2017 Recommendations.***

## **5.6 Work Plan for July-December 2018**

For the second half of the year, Dr. Leelawath explained that MI intends to carry out over 40 capacity building events, including trainings, workshops and consultation meetings as well as research and studies. He also added that since there were fewer activities in the first half of the

year, he is confident that all program departments can deliver the training and research activities in the second half of 2018.

Ms. Medialdia further explained that the work plan presents not only training programs and workshops to be conducted by MI but also the action plan implementation and localized trainings to be organized by the participants themselves. Ordinarily, each training program will involve several action plans. Mr. Dutta also seconded, noting that for TIF they have more than 50 activities planned for this year, with the baseline activities for the projects already ongoing.

***The Steering Committee acknowledged the report on the Work Plan for July-December 2018.***

#### **5.7 Progress on the Midterm Review of MI Strategic Plan 2016-2020**

Dr. Leelawath explained that the review of the MI Strategic Plan is underway. An independent consultant was hired to undertake the review. The consultant, Dr. Chris Turner, who is an expert on organization development, was selected because of his previous experience working with MI and the reasonable consultancy budget offered.

***The Steering Committee acknowledged the report on the Midterm Review of MI Strategic Plan 2016-2020.***

#### **5.8 Report on the Renovation of the MI Building (office space)**

Dr. Leelawath reported that the renovation of the MI office space was completed in May 2018 as planned. The total expense was 7,413,842 THB (231,683 USD).

***The Steering Committee acknowledged the report on the Renovation of the MI Building (office space).***

#### **5.9 Report on the Quarterly Executive Meeting 1/2018**

Dr. Narongchai briefly explained that the quarterly meetings were held to discuss primarily the shortfall in the budget. He reminded that the meeting document was already sent to the members in advance.

***The Steering Committee acknowledged the report on the Quarterly Executive Meeting 1/2018.***

#### ***Coffee Break***

### **ITEM 6: MATTERS FOR CONSIDERATION**

#### **6.1 Audited Financial Report 2017**

Proceeding to the first item for consideration, Dr. Leelawath explained that the audited financial report to be presented in the meeting is the revised, updated one and is different from the initial audited financial report presented in the December 2017 meeting.

Ms. Foytong first presented the auditor's opinion forwarded after the completion of the audit in March 2018. The findings and recommendations included the following: the residual value of

fixed assets on land rental from Khon Kaen University shall be zero; the delay on the clearing advance from staff resulted into expenses being recorded in the incorrect period; and account did not separate records on gain/loss from exchange rate and gain/loss from investment. MI has prepared corresponding actions and response to these recommendations and findings.

The total revenue for 2017 was 3,509,642 USD, which increased by 419,012 USD from 2016 recorded revenue. Expenses was 3,415,903 USD, comprised of 26 percent operating expenses and 74 percent project and program expenses. Total earnings for 2017 was 93,739 USD, about 96,001 USD less than indicated in the actual budget.

Dr. Narongchai clarified about the difference in the figures from the December 2017 report. Dr. Leelawath and Ms. Foytong explained that the December report presented the net earnings at around 120,000 USD but the auditor adjusted the depreciation up. This is why the revised earning is less than the amount reported in December 2017 by 30,000 USD.

***The Steering Committee agreed to endorse the Audited Financial Report 2017 for submission to the Council .***

## **6.2 Budget Revision 2018**

Dr. Leelawath explained that in 2017, MI indicated a proposed revenue of 4,273,365 USD in the 2018 original budget. However as some projects were not approved, the Finance Department has revised the budget taking into consideration changes in projects with secured funding.

Ms. Foytong then further explained that the proposed revised budget for 2018 indicates a revenue of 4,042,574 USD and expenses of 3,839,919 USD, both of which are lower than indicated in the original approved budget. The total earning would be 202,656 USD, about 5,174 USD less than the indicated 207,830 USD in the original approved budget.

Dr. Narongchai then invited the program directors to offer their opinion and comments.

Ms. Medialdia explained that ADC is confident that it can complete all activities in the second half of the year. The remaining amount they expect to generate will be coming from the LMC-supported project. They are waiting for the MoU signing before implementation of the activities.

Mr. Dutta of TIF also expressed the same confidence, noting that while there have been some delays in projects with the LMC and ADB, they have also submitted proposals to organizations like JAIF and GIZ.

Mr. Pawar agreed that the revised budget is more realistic and manageable especially as the EPPO proposals were not approved.

For the RLED-EWEC Project, Mr. Cuong is confident that they can achieve the target in the remaining second half of the year.

Ms. Kongkoey asked how the budget is normally transferred to MI's bank accounts. Responding to this, Ms. Foytong explained that for long-term projects, the donor typically transfers most of the money as in the case of SDC and NZAP. Dr. Leelawath added that for the long-term projects, the funding is not typically the problem but rather the implementation.

Regarding the project implementation in the second half of the year, Dr. Leelawath mentioned that MI would implement activities according to the July plan. This is good evidence. He added that after the four commitments from all four program directors, he would like to make a fifth commitment that MI is confident it can deliver, hence the revision of the original budget.

Mr, Tun Tun Naing commented that what is also crucial is to be able to effectively utilize the budget. Dr. Narongchai added that it is important to realize the revenue and therefore essential to support the work of the program directors. With money given to MI, development partners also expect that their money will be properly utilized as this is also an indicator of their performance.

MI Executive Director and the program directors are committed and agree to deliver the targets.

***The Steering Committee agreed to endorse the Budget Revision 2018.***

## **ITEM 7: COUNTRY REPORTS OF STEERING COMMITTEE MEMBERS**

Dr. Narongchai invited the members of the Steering Committee to present their country reports and feedback and recommendations to MI.

### **Cambodia: H.E. Mr. Chea Chantum**

Mr. Chea Chantum first conveyed on behalf of the Cambodian government, his sympathies for the loss and damage caused by the flood in Lao PDR. He then explained that the GMS governments are working hard to address the needs of the countries, and for Cambodia the subject of labor migration is an important issue. The work between the Cambodian and Thai government to address this concern has been successful, and he would like to congratulate the two governments for their efforts.

Finally he recommended that MI should provide trainings and seminars on problem-based approach rather than the traditional training programs. He added that Cambodia will continue to support and work closely with MI. In closing, he congratulated MI for the successful implementation of its activities.

### **P.R. China: Mr. Li Hong**

Mr. Li Hong similarly conveyed his condolences to the people of Lao PDR especially the families of the victims of the flood. Expressing his appreciation for the hard work of the MI Secretariat, he noted that the Steering Committee Meeting is an opportunity for him to have a better understanding of MI.

He remarked that MI has a wide role to play in the region especially with the rest of the world facing issues such as anti-globalization and protectionism. Sub-regional cooperation is therefore important, and MI should ensure that it remains committed to its strategic plan.

He also expressed that he is pleased to see that MI has fostered greater cooperation with the Lancang-Mekong Cooperation, which they have long been pushing for. At the same time, he is happy that MI has built relationships with other partners as this is very important for the Institute.

He raised four points for MI to consider:

- Focus on demand-driven rather than money-driven approach
- Relatively parallel or balanced promotion of the three pillars or themes set in the MI Strategic Plan as these are MI's priority areas.
- He also added that he fully agrees with Dr. Narongchai's point about paying more attention to the high quality and timely implementation of the projects as it is on this that MI's credibility rests.
- Equal participation of all member countries in terms of staff employment is important. He urged the program directors to give more preferential consideration to applicants from the member countries.

Finally, he assured that he and the Government of P.R. China will continue to cooperate and give MI due support.

#### **Lao PDR: Mr. Virasac Somphong**

Mr. Virasac Somphong expressed his gratitude to all the GMS member countries and MI for their kind support and emergency relief assistance to the flood victims in Attapue, Lao PDR. He also thanked the Secretariat for their arrangement of the meeting and their generous and kind hospitality to the delegation.

He commented that he is very pleased and satisfied with the projects and programs of MI for the year especially the work of the RLED-EWEC Project in Khammouane Province, which has been very beneficial to the farmers and the private sector.

He also would like to thank MI for the secondment program, which has allowed Lao government officers to enhance their regional cooperation skills. Such an initiative, he added, is a reflection of MI's good relationship with the GMS countries. He expressed his wish to have more Lao nationals working at MI beyond the secondment program.

#### **Myanmar: Mr. Tun Tun Naing (in place of Mr. Htun Zaw)**

Mr. Tun Tun Naing offered his condolences and sympathies to the families of the flood victims in Lao PDR, remarking that Myanmar has also suffered terribly from flooding in the past recent weeks. He also congratulated the Cambodian delegates on their successful election.

He noted that this is his first time to attend the Steering Committee Meeting. As he is poised for retirement next year, the Myanmar representative to the Steering Committee is joining a two-month staff college training in Myanmar and therefore cannot attend.

Mr. Tun Tun Naing remarked that MI continues to implement initiatives to promote regional integration and cooperation and capacity building to promote human resource development. He would therefore like to thank MI for its capacity building work in the member countries and especially in Myanmar, as well as for its efforts to enhance the cooperation and exchange of professional skills in the GMS as HRD is crucial to regional integration.

Finally, he thanked the MI Secretariat for their organization of the meeting, and would like to pass the regards and greetings of their Deputy Minister, H.E. Winston Set Aung to Dr. Narongchai, Dr. Leelawath and the program directors of MI.

#### **Thailand: Ms. Sayan Kongkoey**

Ms. Sayan Kongkoey conveyed her sympathies to the Lao and Myanmar people. She echoed the other members' thanks and appreciation to the Secretariat for arranging the meeting.

She expressed that she is delighted to see the progress of MI over the years, but is also worried that its progress with some targets may be quite behind schedule. However, MI has continued its hard effort to yield more adaptive and relevant sub-regional solutions with its focus on the three pillars and three cross-cutting areas. The Institute has also been able to address challenges and opportunities through the capable chairmanship of Dr. Narongchai. Echoing Mr. Li Hong and Dr. Narongchai's points, she stressed the importance of achieving the goals of the projects as this very much influences the credibility of MI.

She added that MI's expertise and resources can contribute to TICA's cooperation framework. TICA and MI have been exploring the problem-based approach for the project on labor migration, which aims to build the capacity of the institutions working for skill labor development so they can deliver appropriate skills training in line with the development agenda.

She further added that members and stakeholders have been contacted by the evaluation team for the midterm review of the Strategic Plan, and on this note, Thailand hopes to see an adaptive and up-to-date MI Strategic Plan that can catch up with the needs of the various cooperation frameworks in the sub-region. Such strategy, she added, should be adjusted in order to provide for a good guiding principle but at the same time leave room for other development framework demands.

In closing, she thanked Dr. Narongchai for his excellent chairmanship of the Committee, and for extending good recommendations to MI.

### **Vietnam: Mr. Duong Hung Cuong**

Mr. Duong Hung Cuong expressed his sympathies and condolences to the government and people of Lao PDR for the damage caused by the flooding. He also thanked the MI Secretariat for their arrangement of the meeting.

Pointing to the earlier discussions in the CA meeting, he reiterated that HRD plays an important role in the GMS countries. MI's vision should then be adjusted to adopt to the changing needs of the GMS countries, focusing not just on the number of trainings but more importantly on the quality of training programs offered.

He also pointed out that the GMS Strategic Framework has already been revised at the last 6<sup>th</sup> GMS Summit and the GMS leaders have also endorsed the Hanoi Action Plan, which means that the GMS countries already know what to do in the next five years to make the GMS program better and more successful. He suggested that MI take into consideration the GMS Strategic Framework and the Hanoi Action Plan especially as it undergoes the review of its own Strategic Plan.

He also expressed his wish for MI to achieve the goals it has set for 2018. Finally, he expressed his gratitude to the Chinese government for their new initiative under the LMC. Vietnam has received funding for five projects, and as a member of the MI Steering Committee, he promised to also try to introduce MI to the other three Vietnamese agencies working on these projects.

## **ITEM 8: DATE AND VENUE OF NEXT MEETING**

Dr. Narongchai proposed to have the second Steering Committee Meeting after December 15, 2018. Confirmed date will be announced later.

## **ITEM 9: OTHER MATTERS**

### **9.1 Criteria for New Members of the MI Governing Board**

Dr. Leelawath explained the suggestion to invite other development partners to be honorary advisor at the MI Council. The criteria for selection are: relevance of work to MI's priority areas; working relationship with MI of at least three years; and contributions through MI of at least 750,000 USD per year.

Mr. Li Hong remarked that it is important to follow the MI charter and ensure the ownership of the member countries in the Council. Dr. Leelawath clarified that the number of council members will not change and the member countries will always have a seat, but that the suggestion pertains to the addition of possible new honorary advisors such as in the case of Dr. Tej Bunnag and Dr. Jean Pierre Verbiest.

Dr. Narongchai also added that the criteria for the new development partner that will be part of the MI Council apply to both selection and retention. If the development partner is unable to meet



the three criteria set, they lose the seat. Member countries will always have an ensured place in the Council however.

Mr. Li Hong clarified about the term, and responding to this, Dr. Leelawath answered that the new honorary advisor may serve for three years.

### **9.2 MI Executive Director Invited to be a Member of the Advisory Board for the GCMS**

Dr. Leelawath announced that he has been invited to be a member of the Advisory Board of the Global Center for Mekong Studies (GCMS). The Center provides support to the government think tanks in GMS countries. For Thailand, the GCMS was established in June 2018 under the Devawongse Varopakarn Institute of Foreign Affairs (DVIFA), Ministry of Foreign Affairs.

### **9.3. Sub-committee to Undertake Performance Evaluation of MI Executive Director**

Dr. Narongchai suggested that the formation of the sub-committee that undertakes the performance evaluation of the Executive Director should be done early in the year and not in December to avoid late release of results. Traditionally the sub-committee is comprised of three members – the country chair (in this case, Thailand), a representative from China and another member from NZAP.

Dr. Narongchai has suggested Mr. Li Hong to be a part of the committee, and Mr. Li Hong has agreed. However, as Mr. Brent Rapson, the former NZAP Council member has left his post in Bangkok, there is a need to identify a new non-GMS committee member to provide impartial inputs. The committee then propose Dr. Jean Pierre Verbiest to be the third member of the sub-committee.

***No other matters were discussed, and the meeting adjourned at 5:53pm.***