



**MEKONG
INSTITUTE**



COUNCIL MEETING

NO. 2/2017

DECEMBER 19, 2017 | BANGKOK, THAILAND

INTERNAL MEETING DOCUMENT (NOT FOR GENERAL DISTRIBUTION)

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LIST OF ACRONYMS

ADB	Asian Development Bank
ADC	Agricultural Development and Commercialization Department
AJCEP	ASEAN-Japan Comprehensive Economic Partnership
AQ	AsureQuality, Ltd.
ASEAN	Association of Southeast Asian Nations
BA	Business Associations
BEE	Building Enabling Environment
BDS	Business Development Service
CA	Coordinating Agency
CBT	Cross Border Trade
CKM	Communications and Knowledge Management
CSG	China Southern Power Grid Co., Ltd.
EPPO	Energy Policy and Planning Office
EU	European Union
EWEC	East West Economic Corridor
FTA	Free Trade Agreements
FY	Fiscal Year
GAP	Good Agricultural Practices
GIZ	German International Cooperation
GMP	Good Manufacturing Practices
GMS	Greater Mekong Sub-region
HCB	Human Capacity Building
HR	Human Resource
HRP	Human Resource Planning
IDRC	International Development Research Centre
IGO	Inter-governmental Organization
ITC	Innovation and Technological Connectivity
JAIF	Japan-ASEAN Integration Fund
Lao PDR	Lao People's Democratic Republic
LMC	Lancang-Mekong Cooperation Fund
MEL	Monitoring, Evaluation and Learning
MELA	Mekong Extension Learning Alliance
MFAT	Ministry of Foreign Affairs and Trade
MI	Mekong Institute
MI-FSP	Mekong Institute-Food Safety Project
MOC	Ministry of Commerce
MKCF	Mekong-Republic of Korea (ROK) Cooperation Fund
NZ	New Zealand
NZAP	New Zealand Aid Programme
OTOP	One Tambon One Product
RLED-EWEC	Regional and Local Economic Development-East West Economic Corridor
ROK	Republic of Korea
ROK MOFA	Ministry of Foreign Affairs, Republic of Korea
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SEAP	Safe and Environment-friendly Agriculture Products
SEC	Southern Economic Corridor
SiDA	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
SLV	Structured Learning Visit

TICA	Thailand International Cooperation Agency
TIF	Trade and Investment Facilitation
TPO	Trade Promotion Organizations
TPSO	Trade Policy and Strategy Office
USA	United States of America
USAID	United States Agency for International Development
USD	United States Dollars
WGA	Working Group on Agriculture
YASTD	Yunnan Academy of Science and Technology Development
YGMS	Young Greater Mekong Sub-region (Professional)
YNPG	Yunnan Power Grid Co., Ltd.

PROGRAM AND MEETING AGENDA
Mekong Institute Council Meeting No. 2/2017
December 19, 2017, 09:00 –12:00, Dusit Princess Srinakarin Hotel,
Bangkok, Thailand

09:00 – 09:05	ITEM 1:	Welcome Remarks by MI Council Chairman Mrs. Suphatra Srimaitreephithak
09:05 – 09:10	ITEM 2:	Adoption of the Agenda
09:10 – 09:15	ITEM 3:	Business Arrangements
09:15-09:20	ITEM 4:	Adoption of the Minutes of the Mekong Institute Council Meeting No. 1/2017 on July 13, 2017
09:20 – 10:15	ITEM 5:	Report by Steering Committee Chairman on the Results of the Steering Committee Meeting 2/2017 on December 18, 2017 5.1 MI Operations Report (July – December 2017) 5.1.1 Project Reports 5.1.2 Administration and Finance Report 5.2 Relationship with Development Partners 5.3 Review of Steering Committee and Council Meeting 1/2017 Recommendations 5.4 Vehicle Procurement 5.5 Progress on Renovation of MI Building (Office space) 5.6 Annual Review of MI 2017 Performance against Key Result Indicators
10:15 – 10:25		Coffee Break
10:25 – 10:50	ITEM 6:	Matters for Consideration 6.1 MI Operational Plan and Budget 2018 6.2 Appointment of External Auditor for Year 2018 6.3 Appointment of Sub-committee for 2017 Executive Director Performance Evaluation
10:50 – 11:50	ITEM 7:	Council Member Inputs and Recommendations (Commitment of GMS Governments and Key Development Partners)
11:50 – 11:55	ITEM 8:	Date and Venue of the Next Meeting
11:55	ITEM 9:	Other Matters (if any)

LIST OF DELEGATES

Council Members

MI Council Chairman and Representative of the Royal Thai Government	Mrs. Suphatra Srimaitreephithak Director General Thailand International Cooperation Agency Ministry of Foreign Affairs Bangkok, Thailand
Representative of the Royal Government of Cambodia	H .E. Mrs. Pen Sopakphea Secretary of State Ministry of Planning Phnom Penh, Cambodia
Representative of the Government of the People's Republic of China	Mme. Yang Mu Deputy Director-General Foreign Affairs Office The People's Government of Yunnan Province Kunming, Yunnan Province, P.R. China (In place of Mr. Chen Shun)
Representative of the Government of Lao PDR	Mr. Virasac Somphong Deputy Director-General Economic Affairs Department Ministry of Foreign Affairs Vientiane, Lao PDR (In place of Mr. Songkane Luangmuninthone)
Representative of the Union of Myanmar	Mr. Kyaw Thura Counsellor/Economic Attache Embassy of the Republic of the Union of Myanmar Bangkok, Thailand (In place of Mr. Tun Tun Naing)
Representative of the Government of the Socialist Republic of Vietnam	Mr. Le Viet Anh Deputy Director-General Foreign Economic Relations Department Ministry of Planning and Investment Hanoi, Vietnam
Representative from New Zealand Aid Programme	Mr. Brent Rapson First Secretary for Development Representative of New Zealand Aid Programme to Cambodia, Lao PDR., and Thailand New Zealand Embassy Bangkok, Thailand
Representative from Asian Development Bank (ADB)	Mr. Hideaki Iwasaki Country Director Thailand Resident Mission Asian Development Bank Bangkok, Thailand (In place of Mr. Ramesh Subramaniam)

Representative from Swiss Agency for Development and Cooperation (SDC)	Ms. Barbara Jäggi Hasler Deputy Director of Cooperation Head of Domain Employment and Skills Swiss Agency for Development and Cooperation (SDC) Vientiane, Lao PDR (In place of Mr. Tim Enderlin)
Representative from the Academe Khon Kaen University	Dr. Kittichai Triratanasirichai President Khon Kaen University Khon Kaen, Thailand
Representative from the Academe Hue University	Dr. Nguyen Quang Linh President Hue University Hue City, Vietnam
Business Representative	Dr. Narongchai Akrasanee Chairman MFC Asset Management Plc. Bangkok, Thailand
Honorary Advisor	Dr. Tej Bunnag Assistant Secretary-General for Administration The Thai Red Cross Society Bangkok, Thailand
Honorary Advisor	Dr. Jean Pierre A. Verbiest Policy Advisor Mekong Institute Bangkok, Thailand
Mekong Institute	Dr. Watcharas Leelawath Executive Director Mekong Institute Khon Kaen, Thailand

Steering Committee Members

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 Royal Thai Government	Ms. Sayan Kongkoey Director 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, and Secretary of GMS program
Foreign Economic Relations Department
Ministry of Planning and Investment
Hanoi, Vietnam

Observers

Cambodia Mr. Try Socheat
Director, Training and Development Department
General Secretariat for Population and Development
Ministry of Planning
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P.R. China Ms. Yu Miao
Assistant to Permanent Representative
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P.R. China Mr. Zhang Jiapeng
Deputy Director
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The People's Government of Yunnan Province
Kunming, Yunnan Province, P.R. China

P.R. China Mr. Zhu Yong
Staff Member
Foreign Affairs Office
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Lao PDR Mr. Alounmixay Keoboualapha
Official
Economic Affairs Department
Ministry of Foreign Affairs
Vientiane, Lao PDR

New Zealand Aid Programme Ms. Natthanun Patcharapunchai
Development Programme Coordinator
New Zealand Aid Programme
New Zealand Embassy
Bangkok, Thailand

Hue University Dr. Dung Do Thi Xuan
Vice-President, Hue University
Hue City, Vietnam

Hue University Dr. Hoang Kim Toan
Director, Student Affairs Department
Hue University, Hue City, Vietnam

MI Staff	Ms. Maria Theresa Medialdia Director Agricultural Development and Commercialization Department Mekong Institute
MI Staff	Mr. Madhuriya Kumar Dutta Director Trade and Investment Facilitation Department Mekong Institute
MI Staff	Mr. Nguyen Hung Cuong Director RLED-EWEC Project Mekong Institute
MI Staff	Ms. Phinyada Foytong Director Finance and Operations Department Mekong Institute

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MI Staff	Ms. Pornwilai Pumira External Relations Manager Office of Director Mekong Institute
MI Staff	Ms. Wang Jian 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	Ms. Patranuch Saksawang Finance Officer Finance and Administration Department Mekong Institute
MI Staff	Mr. Anan Ussanawarong Program Assistant Innovation and Technological Connectivity Department Mekong Institute

ITEM 4

**ADOPTION OF THE MINUTES OF THE MEKONG INSTITUTE
COUNCIL MEETING NO. 1/2017 (JULY 13, 2017)**

Mekong Institute Council Meeting No. 1/2017

July 13, 2017, Khon Kaen, Thailand

LIST OF DELEGATES

Council Members

MI Council Chairman and Representative of the Government of the Union of Myanmar	Mr. Tun Tun Naing Permanent Secretary Ministry of Planning and Finance Nay Pyi Taw, Myanmar
Representative of the Royal Government of Cambodia	H.E. Mr. Chea Chantum Secretary General Ministry of Planning Phnom Penh, Cambodia (In place of H.E. Mrs. Pen Sopakphea)
Representative of the Government of the People's Republic of China	Mr. Chen Shun Vice Governor The People's Government of Yunnan Province Kunming, Yunnan Province, P.R. China
Representative of Government of Lao PDR	Mr. Songkane Luangmuninthone Director-General Economic Affairs Department Ministry of Foreign Affairs Vientiane, Lao PDR
Representative of the Royal Thai Government	Mrs. Suphatra Srimaitreephithak Director-General 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 International Financial Institution Division Foreign Economic Relations Department Ministry of Planning and Investment Hanoi, Vietnam (in place of Mr. Tran Quoc Phuong)
Representative from New Zealand Aid Programme	Mr. Brent Rapson First Secretary for International Development New Zealand Aid Programme New Zealand Embassy Bangkok, Thailand

Representative from Asian Development Bank (ADB)	Mr. Hideaki Iwasaki Country Director Thailand Resident Mission Asian Development Bank Bangkok, Thailand (In place of Mr. James Nugent)
Representative from Swiss Agency for Development and Cooperation (SDC)	No representative
Representative from the Academe KhonKaen University	Dr. Nawarat Wara-aswapati Charoen Vice President for International Affairs Khon Kaen University Khon Kaen, Thailand (In place of Dr. Kittichai Triratanasirichai)
Representative from the Academe Hue University	Dr. Nguyen Quang Linh President Hue University Hue City, Vietnam
Business Representative	Dr. Narongchai Akrasanee Chairman MFC Asset Management Plc. Bangkok, Thailand
Honorary Advisor	Dr. Tej Bunnag Assistant Secretary-General for Administration The Thai Red Cross Society Bangkok, Thailand
Honorary Advisor	Dr. Jean Pierre A. Verbiest Policy Advisor Mekong Institute Bangkok, Thailand
Mekong Institute	Dr. Watcharas Leelawath Executive Director Mekong Institute Khon Kaen, Thailand

Steering Committee Members

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	Mr. Virasac Somphong Deputy Director-General Economic Affairs Department Ministry of Foreign Affairs Vientiane, Lao PDR

Representative of Government of
the Union of Myanmar

Mrs. Moh Moh Naing
Director
Foreign Economic Relations Department Ministry of
Planning and Finance
(In place of Mr. Htun Zaw)

Representative of the Royal Thai
Government

Ms. Sayan Kongkoey
Director
Thai Cooperation Branch I
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Observers

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Mr. He Ligui
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Deputy Director General of Foreign Affairs Office
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New Zealand Aid Programme	Ms. Natthanun Patcharapunchai Development Programme Coordinator New Zealand Aid Programme New Zealand Embassy Bangkok, Thailand
Swiss Agency for Development and Cooperation (SDC)	Mr. Tingthong Phetsavong National Program Officer Employment & Skills Swiss Cooperation Office for the Mekong Region – Lao PDR, Swiss Agency for Development and Cooperation (SDC) Vientiane, Lao PDR
MI Staff	Ms. Maria Theresa Medialdia Director Agricultural Development and Commercialization Mekong Institute
MI Staff	Mr. Madhurjya Kumar Dutta Director Trade and Investment Facilitation Mekong Institute
MI Staff	Mr. Sudam Pawar Director Innovation & Technological Connectivity Mekong Institute
MI Staff	Mr. Nguyen Hung Cuong Director RLED-EWEC Project Mekong Institute
MI Staff	Mrs. Phinyada Foytong Finance Manager / Acting Director Finance and Operations Dept. Mekong Institute

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MI Staff	Mr. Qinfei Zhu MEL Specialist Monitoring, Evaluation, and Learning Department Mekong Institute
MI Staff	Ms. Wang Jian Program Coordinator Innovation and Technological Connectivity Department Mekong Institute
MI Staff	Mr. Paoloregel Samonte Program and Communications Officer Agricultural Development and Commercialization Department Mekong Institute
MI Staff	Ms. Mara Katrina Escurel Communications Officer Communications and Knowledge Management Department Mekong Institute

The meeting commenced at 14.00 hours. Dr. Watcharas Leelawath, MI Executive Director, welcomed everyone and expressed his appreciation for everyone's support to MI. He then invited Mr. Tun Tun Naing, MI Council Chairman, to preside over the meeting.

ITEM 1: WELCOME REMARKS BY MI COUNCIL CHAIRMAN – MR. TUN TUN NAING

The Chairman welcomed the members of the MI Council, development partners, and all MI staff present in the first MI Council Meeting for 2017. He then thanked Mekong Institute for hosting the meeting, as well as the hard work they have put in to make the event possible. He likewise expressed his appreciation to all Council members for taking the time to attend the meeting.

Following this, he gave a quick overview of the issues that should be discussed in the gathering. He then acknowledged all the council members one by one, and expressed his anticipation for the 5th Mekong Forum to be held the next day.

He then expressed his hope that this meeting garners the same informed suggestions and feedback like that of last time.

The Chairman formally declared the meeting open.

ITEM 2: ADOPTION OF THE AGENDA

The Chairman requested the members to go over the proposed agenda and to give suggestions, if any.

No comments were received and the meeting agenda was adopted as proposed.

ITEM 3: BUSINESS ARRANGEMENTS

The Chairman requested Dr. Watcharas to provide details of the day's arrangements particularly for the Mekong Forum Reception Dinner.

No other business arrangements were discussed.

ITEM 4: ADOPTION OF THE MINUTES OF THE MEKONG INSTITUTE COUNCIL MEETING NO. 2/2016 on December 18, 2016

The Chairman invited the Council members to review and provide revision comments to the minutes of the previous Council Meeting held last December 18, 2016.

No comments were received and the Chairman declared the adoption of the minutes.

ITEM 5: REPORT BY THE STEERING COMMITTEE CHAIRMAN ON THE RESULTS OF THE STEERING COMMITTEE MEETING NO. 1/2017 on July 12, 2017

The Chairman invited Dr. Narongchai to report on the results of the Steering Committee Meeting held the day before, July 12, 2017.

Dr. Narongchai briefly went through the topics discussed at the Steering Committee meeting. He highlighted the matters that have been discussed the previous day particularly citing points that need to be approved by the Council members. The agenda points have been discussed in order as indicated below.

5.1 MI Operations Report (January - June 2017)

5.1.1 Project Reports

Dr. Narongchai elaborated on the MI programs and their respective activities. He then confirmed that the activities of the programs have been accomplished as planned albeit with some delay. He continued with the sponsors of the program departments mentioning the New Zealand Aid Programme (NZAP) assisting ADC Department's activities while the TIF Department works closely with Japan through the Japan-ASEAN Integration Fund as well as with the Republic of Korea – partnerships that aim to further assist MI in reaching out to small and medium-sized enterprises in the fields of trade and investment, and logistics in the GMS countries.

He then proceeded to the EWEC Project adding its commendable achievements. Last but not the least, Dr. Narongchai complimented MI's efforts this year in carrying out numerous activities underlining information and technological connectivity.

5.1.2 Administration and Finance Report

Dr. Narongchai provided updates regarding MI's administration commencing with the organization and implementation of additional activities in order to minimize the shortfall in revenue. This was followed with the elaboration on staff distribution of MI.

He then proceeded to discuss the revenue of MI, which is 1,523,213 USD, while the expenditure totals to 1,452,176 USD. This gives MI a revenue of 70,755 USD, which translates to 5% of the total revenue.

In terms of assets and liability in fund, MI has a total asset and liability and equity amounting to 5,097,386 USD.

Dr. Narongchai reiterated that during the first half of the year, MI has achieved 35% of the yearly financial target. He added that implementation of additional activities should minimize the financial shortfall.

5.2 Relationship with Development Partners

Dr. Narongchai noted MI's good relationships with the development partners, citing the recent partnership with the Swedish International Development Cooperation Agency (SiDA) in the implementation of some of MI's activities.

5.3 Monitoring and Evaluation Midterm Report

Dr. Narongchai expounded on the midterm report citing the satisfactory evaluation and that the recommendations for the projects have been already accomplished or are in the process of being accomplished.

5.4 Review of Steering Committee and Council Meeting 2/2016 Recommendations

Dr. Narongchai briefly explained some of the recommendations received from the previous Governing Board meetings as well as their status.

The table below was shown during the presentation but the points were not explained in detail.

Subject	Person	Recommendation	Status
Fund Management and Spending	Mr. Songkane Luangmuninthon	<ul style="list-style-type: none"> Suggested for project spending to be monitored and evaluated in relation to the effects and benefits it delivers to the beneficiaries 	O
Political Sensibility and Partnerships with Other Country	Mr. Li Hong	<ul style="list-style-type: none"> Suggested for MI to halt any partnership with Taiwan, China 	C
		<ul style="list-style-type: none"> Suggested for MI to consult with all GMS governments first before getting into any agreement or partnership with other non-GMS countries 	C
		<ul style="list-style-type: none"> Urged MI to always refer to Taiwan as "Taiwan, China" 	C
Study Leave	Ms. Sayan Kongkoey	<ul style="list-style-type: none"> Suggested for MI to have a back-to-work contract for staff member who took study leave, which states that he or she could only be gone for a certain time period, after which MI cannot guarantee a position vacancy for him or her anymore 	C
Secondment	Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> Suggested for MI to organize a Secondment Program quite similar to that of the YGMS 	O
Finance Terminologies	Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> Asserted that the terms "profit and loss" should not be used by an IGO such as MI, and should therefore use "surplus and deficit" instead 	C
Office Renovation	Dr. Narongchai Akrasanee & Mrs. Jitkasem Tantasiri	<ul style="list-style-type: none"> Suggested for MI to conduct another fund-raising activity for the office renovation, as what was done for the MI Annex building 	O
Revision of Operation Manual HRP-014 on Performance Appraisal	Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> Suggested that the three-step salary increase can only be given to directors who generate surplus 	C/O
		<ul style="list-style-type: none"> Further suggested for the directors' KPI to include generating surplus 	C/O

MI's Publicity and Visibility	Mrs. Jitkasem Tantasiri	<ul style="list-style-type: none"> Suggested for MI to advertise via national television 	O
	Mr. Songkane Luangmuninthone	<ul style="list-style-type: none"> Suggested for MI to link its website to the GMS website 	O
M&E indicator for <i>Participants' Knowledge and Skills Gain</i>	Mr. Brent Rapson	<ul style="list-style-type: none"> Suggested for MI to set the target for this indicator higher (62%<) 	C
Country Contributions for Operational Plan and Budget 2017	Mrs. Jitkasem Tantasiri	<ul style="list-style-type: none"> Requested for MI to put the exact amount of country contributions in the document 	C
		<ul style="list-style-type: none"> Further suggested for MI to put as remark the date when the currency exchange was made, for transparency 	C/O
MI's Work in the Region	H .E. Mrs. Pen Sopakphea	<ul style="list-style-type: none"> Suggested for MI to continue working on migration and labor mobility issues 	C/O
	Dr. Kittichai Triratanasirichai	<ul style="list-style-type: none"> Recommended for MI to try and explore relevant new issues such as climate change and renewable energy, as well as those under pharmaceutical sciences 	O
	Dr. Le Van Thuyet	<ul style="list-style-type: none"> Proposed for MI to increase its training participants 	O
		<ul style="list-style-type: none"> Hoped that MI can organize trainings in Quang Tri so that it can reach more beneficiaries in the province 	O
MI's cooperation with KKU	Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> Suggested the forming of a sub-committee under KKU to work with MI 	C/O

The Council acknowledged the Review of Steering Committee and Council Meeting 2/2016 Recommendations

5.5 Work Plan for July – December 2017

Dr. Narongchai briefly presented the work plan for the next six months of each department, as detailed in the proceeding table:

Development Partners & Number of Activities	Planned Activities
NZAP (8)	ADC (8)
YNPG (2)	ITC (2)
JAIF-SEC (5)	TIF (5)
MKCF (2)	TIF (2)
ROK-MOFA (1)	TIF (1)
Canada – IDRC (1)	TIF (1)
TICA (4)	TIF (1)
	ITC (3)
Chinese Government (2)	ITC (2)
TPSO-MOC (1)	TIF (1)
EU Switch Asia Program (1)	TIF (1)
EPPO/ITD/YNPG (1)	ITC (1)
Nakhon Phanom Commercial Affairs Office (1)	TIF (1)
Khon Kaen Commercial Affairs Office (1)	TIF (1)
MASHAV (1)	ITC (1)

5.6 Vehicle Procurement

Dr. Narongchai briefly went through the details of the vehicle procurement as previously approved by the Council members. He explained that MI opted to purchase a Hyundai Starex, but finally purchased the Toyota Vellfire using the money earned from selling its old Toyota Estima. The vehicle procurement expense was 7,574 USD less than the approved budget.

5.7 Progress on the Renovation of MI Building (Office Space)

The last point that Dr. Narongchai explained was the progress of the renovation project. Previously, the Council agreed to approve the renovation of the MI building (office space) but was subject to the availability of the Institute's funds. As he elaborated that MI will be able to achieve the target net surplus budget of 7 million Baht, MI shall proceed with the renovation project in September 2017.

Dr. Narongchai then opened the floor for comments or questions from the Council members.

Mr. Tun Tun Naing commended MI's initiatives in organizing the training courses as well as the development partners' close collaboration with the Institute. He then moved on to indicate a positive perspective that MI will be able to achieve the remaining target budget during the next six months. After which, he welcomed the new collaborations with the new development partners that have been recently formed, stressing that these will enhance the capacities of MI in implementing its efforts.

He reiterated the importance of MI's endeavor in monitoring and evaluating its programs, and he suggested that a mechanism should be developed to respond to each program's needs.

Mr. Tun Tun Naing then recognized MI's efforts in addressing the recommendations from the previous Steering Committee and Council meetings that have been presented but he added that he would be grateful if MI would further consider Myanmar's participation in its capacity building activities for the second half of the year. He expressed his hope that the Institute will hold more local workshops in Myanmar that will introduce the concept of the East-West Economic Corridor to the local stakeholders particularly to government officials and SMEs.

Mr. Tun Tun Naing also acknowledged the reports on the sections of vehicle procurement and the progress on the renovation of the MI building. He then opened the floor for comments and suggestions to the Council members.

Dr. Verbiest pointed out that the programs and activities pertaining to value chains, logistics, as well as creation of clusters should be regarded on a broader perspective rather than on a microeconomic level. He suggested looking at the importance of looking at the urban areas in the value chain system since there are huge capacity gaps that need to be addressed in terms of area planning as well as urban strategic management that should provide plans on how to better manage linking of value chains in anchor cities as well as its surroundings since Asia is dramatically moving forward to urbanization.

Dr. Watcharas acknowledged Dr. Verbiest's suggestion and mentioned that this will help MI in improving the implementation of the Southern Economic Corridor project.

Mr. Rapson asked for further details regarding the policy changes that have been made as mentioned in the monitoring and evaluation midterm report. He also requested more information regarding the indicators for the outputs and outcomes parallel to achieving the target numbers at the end of the year.

Dr. Watcharas expounded on the initiatives on cross-border trade entry location in Quang Tri, Vietnam and in Savannakhet, Lao PDR – an effort in collaboration with the Swiss Agency for Development and Cooperation (SDC). Upon identifying the challenges on checking points, MI organized high-level consultation meetings to come up with solutions. This set of initiatives resulted to a Memorandum of Understanding to reduce the trade barriers between the two provinces. This agreement also reduces the infrastructure-use fee as well as the additional checking point when crossing the border.

Additionally, he explained the survey method applied to achieve the output level. However, he mentioned that the response rate of the participants is low hence MI continuously follows up to address this concern. Moreover, MI provides grants to those who have attended the training programs at MI in order that they can replicate the programs that they have done in their respective countries. However, this has changed this year as grants are no longer provided and the MI program staff go to the local sites to hold the trainings with the local government officers.

There were no further comments from the Council members and the Chairman formally acknowledged the reports.

ITEM 6: MATTERS FOR CONSIDERATION

The Chairman requested Dr. Watcharas and the MI Secretariat to present the items under matters for consideration.

6.1 MI Audited Financial Report 2017

The Chairman requested Dr. Narongchai and the MI Secretariat to present the Audited Financial Report for 2017.

Dr. Narongchai elaborated that MI received the KPMG Independent Auditors' Report particularly citing the audited revenue of 2.1 million USD, which was significantly lower than the previous income. Expenditure totaled to 3.1 million USD, which resulted to a deficit of 57,000 USD. The deficit has been attributed to (1) projects not being implemented or targets not being achieved, and (2) the high cost of the auditing services.

Dr. Narongchai then pointed the attention of the delegates to the Statement of Financial Position of MI. He emphasized that this was verified by an auditor, and reiterated that MI made a deficit last year, citing the hiring of an external auditor as reason for such.

He also emphasized the section on Events after the Reporting Period – as indicated on the Financial Report–KPMG reported that there were no significant events after the reporting period that may require adjustment to, or disclosure in, the financial statements.

Dr. Narongchai highlighted that these points have been brought to the Council's attention, requesting for the members' authorization for Dr. Watcharas to sign on behalf of MI in order that KMPG could sign the audited financial report.

Mr. Tun Tun Naing acknowledged the work that KPMG has done and the Council members have authorized Dr. Watcharas Leelawath to sign on behalf of Mekong Institute.

6.2 Budget Revision 2017

Dr. Watcharas afterward proceeded to elaborate on the proposed budget revision for 2017. Last December, the Council approved 4,395,247 USD but it has been revised to 4,196,863 USD, which is lower than the budget proposed earlier. Meanwhile, expenses would also go

down from 4,115,150 USD to 3,957,106 USD, giving MI a total surplus of 189,739 USD, which is still 5% of the total revenue.

Dr. Narongchai reiterated whether or not it is acceptable for them to attain a surplus of 189,739 USD, instead of the earlier proposed 240,097 USD. He also furthered that there were technical reasons why some programs have not been implemented.

Mrs. Srimaitreephithak explained that TICA's collaboration with MI has resulted in delays because of lack of response in nominating participants who will join the training courses. Despite rescheduling, nominations are not made which results to delays or even cancellation of the courses. She encouraged the partner countries to follow up with the nominations to avoid such challenges.

Mr. Tun Tun Naing requested the timeframe observed to prepare for arrangements. Mrs. Srimaitreephithak responded that it usually takes about one month for such preparations. However, she reiterated that the minimum number of participants needs to be achieved in order for a course to be cost-effective and expressed her hope that the member-countries would manage the nomination and nominating time frame more effectively.

The Chairman announced that the Council endorsed the 2017 Budget Revision.

6.3 Executive Director Performance Evaluation and Term of Office

Mr. Tun Tun Naing mentioned that the Council will proceed with this agenda at the end of the meeting observing a closed door policy.

Coffee break

Moving on to the next part of the meeting, Mr. Tun Tun Naing invited the Council members to present their inputs and recommendations.

ITEM 7: COUNCIL MEMBERS INPUTS AND RECOMMENDATIONS

1. Cambodia - H.E. Mr. Chea Chantum

H.E. Mr. Chea Chantum expressed the Cambodian Government's strong support to MI's initiatives and activities, and that they appreciate the results of MI's efforts. He also raised the issue of labor mobility, which had already been previously raised. Their government would like MI to integrate this issue into its efforts through action plans or research to assist GMS member-countries especially Cambodia in addressing this issue through involved stakeholders.

He also mentioned how TICA could address this issue by providing capacity building activities for the government officials. He expressed his hope that the collaboration between Cambodia and Thailand will improve through the years.

2. P. R. China - Mr. Chen Shun

Mr. Chen Shun thanked MI for being able to develop its capacity as a human resource center platform for the Lancang-Mekong Region. He congratulated the country members for fostering stable economic development, citing that human resources development is a key driver to boost economic development. He shared four points for everyone to consider:

- MI should consider the selection of the training programs and should work closely with the development partners in order to provide courses that meet regional development concerns and generate greater impacts. Important projects should reflect common concerns of the member-countries.

- The Institute should attach more importance to the management of the projects. As an example, their government provides more efforts in monitoring and evaluating projects supported by their government. He reassured China's continuous collaboration with MI to improve the quality of the projects and to increase the efficiency of their financial support during the whole scientific planning, implementation, monitoring and evaluation process.
- MI should be actively engaged and should deepen their collaborations with more organizations in the region. Both parties will be able to establish their training networks and take the leading role in human resource development.
- MI should explore more channels to collect funds by encouraging stakeholders in the region, which should allow the Institute to bid for more support. As an example, he mentioned the Mekong-Lancang Cooperation Fund worth 300 million USD following that they encourage and support MI in maintaining close relationships with Chinese representatives to UNESCAP in order that the Institute could obtain more information and facilitate application to this fund. Yunnan Province is willing to support MI in this regard.

He also stressed Yunnan Province's commitment to further assist MI by mobilizing more resources to strengthen the cooperation with the Institute and promote the region's common prosperity and development.

3. Lao PDR – Mr. Songkane Luangmuninthone

Mr. Songkane Luangmuninthone congratulated MI's efforts for the past six months particularly its financial mobilization. He expressed his appreciation to Dr. Narongchai for guiding the efforts of MI. He reiterated that members of the private as well as public sectors in Lao PDR have improved their knowledge on cross-border trade, value chains, agriculture, and logistics through their participation in the MI training courses. He also expressed his anticipation for the MoU signing between MI, the Province of Savannakhet, and Vietnam for the agreement that the three parties have reached. He reiterated that Lao PDR will continue to support and cooperate with MI. He also commended that MI has taken into consideration his recommendation that project spending is monitored and evaluated in relation to the effects and impacts.

He also mentioned the possibility of linking the GMS member-countries to the website of MI and is waiting for the action on this recommendation. Additionally, he indicated the prospect of government officials from the member countries to work at the MI headquarters and that an implementation of this suggestion will be made possible in the foreseeable future.

4. Thailand –Mrs. Suphatra Srimaitrephithak

Mrs. Suphatra Srimaitrephithak thanked H.E. Mr. Chea Chantum for commending TICA on their collaboration. She stressed the importance of labor mobility as a cross-cutting theme indicated in the MI Strategic Plan 2016-2020. She shared that TICA is in a position to share further information on TICA-implemented activities linked to the design of MI Programs. In order to avoid being micro-oriented in terms of addressing the major issues, programs should be reconsidered in terms of its scope on addressing cross-cutting issues such as the one mentioned above.

5. Vietnam - Mr. Duong Hung Cuong

Mr. Duong Hung Cuong recognized the financial challenge that MI is facing to sustain its initiatives in helping the GMS countries. He proposed that the Strategic Plan be reviewed once again next year and focus on how to get additional financial resources from the partners and the member-countries.

6. New Zealand Aid Programme - Mr. Brent Rapson

Mr. Rapson commended the collaborative work between the GMS countries to support MI's activities. He commented briefly on the current collaborative project between MI and New Zealand focusing on food safety, which will conclude by the end of 2017. Hence, future collaboration and support are being discussed between MI and New Zealand, which will more likely focus on the agriculture sector. Additionally, he expressed the intention to continue with long-term projects covering 3-4 years.

The second point that he raised is on reporting results, suggesting that the Council should regard high-level and strategic issues to obtain a broader picture of the outcomes (i.e., policy changes). He did commend the results that have been reported during the meeting and expressed further improvements that could be made in terms of monitoring and evaluation.

7. Asian Development Bank - Mr. Hideaki Iwasaki

Mr. Hideaki expressed his sincere appreciation and reiterated the longstanding collaboration between ADB and MI. He mentioned ADB's active engagement in the area of agricultural development and commercialization and stressed that ADB sees to expand the scope for further collaboration on the two other thematic areas that MI focuses on. He also mentioned that he is interested in expanding collaboration in the sector of transport and trade facilitation.

Additionally, he shared that ADB Bangkok now has specialists in charge of various development projects that address the needs of the region – in particular, private sector experts who are considering PPP investments among other sectors. Hence, he reiterated that this set of changes from ADB Bangkok will further enhance its collaborative efforts with MI.

8. Khon Kaen University - Dr. Nawarat Wara-aswapati Charoen

Dr. Nawarat Wara-aswapati Charoen thanked MI and stressed that KCU shares MI's efforts in addressing the needs of the GMS countries. She proposed the sharing of resources between the two parties – in particular, research and professors to assist the development of other GMS organizations. She also expressed future collaborative efforts in social sciences and humanities which should benefit the GMS members.

9. Hue University - Dr. Nguyen Quang Linh

Dr. Nguyen Quang Linh expressed three points on where Hue University could provide assistance to MI. The first would be on the aspect of education and training by further strengthening the partnerships between universities in the region. He also cited particularly how to increase the knowledge and skills through academic institutions to enhance relationships in the GMS community. This should also address the cross-cutting issue of labor mobility. The third point was addressing the East-West Economic Corridor so that the local communities can benefit from the improved cross-border trade system to facilitate more exchange. He also added that language facilitation should be one of the aspects that should be enhanced in order to facilitate labor mobility within the region.

10. Business Representative - Dr. Narongchai Akrasanee

Dr. Narongchai Akrasanee shared that he has encouraged MI to focus on commercialization and the activities linked to this area and now that the GMS has adopted this evolution and has shown immense interest in the field, he would like to encourage everyone to focus on socialization as interaction is constantly part of the progressive evolution of the region. The initiative to link the GMS members through the various thematic areas could create problems – one example is the issue of labor mobility – and that there

should be more activities related to social issues and problems. TICA could assist in providing such activities. These, in turn, should improve the living quality of the GMS people.

11. Honorary Advisor - Dr. Tej Bunnag

Dr. Tej Bunnag congratulated Mr. Tun Tun Naing for his service as the MI Council Chairperson and then proceeded to commend the invaluable work of the MI Steering Committee. He mentioned the significance of the council members' recommendations and inputs, particularly citing the intervention provided by Mr. Chen Shun.

Dr. Bunnag then congratulated Dr. Watcharas for his efforts, mentioning afterward the MI 2016 Annual Report. Specifically, he mentioned the Highlights elaborates MI's efforts in addressing some of Mr. Shun's recommendations as stated above.

He also highlighted Dr. Watcharas' and Dr. Narongchai's messages on the publication - their messages focusing on steadfast growth and adaptation to further develop human resources in the GMS.

He then continued that subsequent to the initiatives of Dr. Narongchai as Chairman of KKU's Council, KKU would like to continue working very closely with MI to provide a hub in the GMS that will promote strengthened collaborations with its member-countries.

12. Honorary Advisor - Dr. Jean Pierre A. Verbiest

Dr. Jean Pierre Verbiest pointed out initiatives on creating border zones in economic areas. He added that MI should also work on this area and that the cross-cutting themes, being interconnected, should also be considered.

He also indicated that the food safety project could potentially expand to other matters and should be regarded on a broader perspective since it involves all the GMS countries.

13. Myanmar – H.E. Mr. Tun Tun Naing

Mr. Tun Tun Naing thanked everyone for the fruitful discussion. He acknowledged the achievements of MI for the first half of the year and also pointed out the need to be more financially sustainable.

He cited networking initiatives such as the Mekong Forum, which should, in turn, provide actions for future improvement. The Myanmar Government has identified a program for development assistance which addresses job creation, education, rural development, agriculture, and health. He then encouraged MI to further explore the area of value chains and agriculture in the future, as well as strengthen capacity building for government officials. He recognized MI's help in leveraging the integration of the GMS countries in the ASEAN and beyond.

ITEM 8: APPOINTMENTS

8.1 Thailand assumes MI Chairmanship from August 5, 2017 – August 4, 2018

Mr. Tun Tun Naing explained the MI Charter regarding the rotation of the MI Council Chairmanship. He then requested everyone to warmly welcome Mrs. Suphatra Srimaitreephithak as the new Chairwoman of the MI Council whose term will start on August 5, 2017.

Mrs. Suphatra Srimaitreephithak then expressed the goal of making sure that the Strategic Plan will be achieved and that MI will perform better. She expressed her confidence that the Council members will continuously support MI in its undertakings.

8.1 Appointment of Steering Committee members for August 5, 2017 – August 4, 2019

Mr. Tun Tun Naing explained the MI Charter regarding the appointment of new Steering Committee members effective August 5, 2017. He then invited Dr. Watcharas to announce the new Steering Committee members.

Dr. Watcharas' announcement of appointment is as follows:

Royal Government of Cambodia

H.E. Mr. Chea Chantum
Secretary General
Ministry of Planning
Phnom Penh, Cambodia

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

Government of Lao PDR

Mr. Virasac Somphong
Deputy Director-General
Economic Affairs Department
Ministry of Foreign Affairs
Vientiane, Lao PDR

Government of the Union of Myanmar

Mr. Htun Zaw
Director
Foreign Economic Relations Department
Ministry of National Planning and Economic Development
Nay Pyi Taw, Myanmar

Royal Government of Thailand

Ms. Sayan Kongkoeay
Director
Thai Cooperation Branch I
Thailand International Cooperation Agency
Ministry of Foreign Affairs
Bangkok, Thailand

Government of the Socialist Republic of Vietnam

Mr. Duong Hung Cuong
Director, Secretary of GMS program
International Financial Institution Division
Foreign Economic Relations Department
Ministry of Planning and Investment
Hanoi, Vietnam

The Council approved the appointment of the new members of the Steering Committee.

ITEM 9: DATE AND VENUE OF NEXT MEETING

Mr. Tun Tun Naing called on the members to propose the date and venue of the next meeting.

Dr. Watcharas proposed that the next Governing Board Meetings be held in Thailand between December 12-15, 2017. The venue will be further discussed.

Dr. Narongchai indicated that consultation with the MI Secretariat will be organized to identify possible venues for the next Governing Board Meetings. He suggested holding the meetings in Bangkok to facilitate the logistic arrangements.

No comments were received and the Council approved the arrangements of the next meeting.

ITEM 10: OTHER MATTERS

No other matters were discussed and the Council members requested for a closed door policy for Agenda 6.3.

The meeting finished at 17:00.

ITEM 5

REPORT BY THE STEERING COMMITTEE CHAIRMAN ON THE RESULTS OF THE STEERING COMMITTEE MEETING 2/2017 ON DECEMBER 18, 2017

- 5.1 MI Operations Report (July – December 2017)
 - 5.1.1 Project Reports
 - 5.1.2 Administration and Finance Reports
- 5.2 Relationship with Development Partners
- 5.3 Review of Steering Committee and Council Meeting 1/2017 Recommendations
- 5.4 Vehicle Procurement
- 5.5 Progress on Renovation of MI Building
- 5.6 Annual Review of MI 2017 Performance against Key Result Indicators

ITEM 5: MATTERS FOR ACKNOWLEDGEMENT

5.1. MI OPERATIONS REPORT (July – December 2017)

5.1.1 PROJECT REPORTS

I. Long-terms Projects

1. NZAP: MI-Food Safety Project (MI-FSP)

In an effort to showcase New Zealand's (NZ) food safety expertise, the MI-FSP team started working with AsureQuality, Ltd. (AQ) to develop training curricula for safe food courses to CLMV participants. Since July 2017, four regional training programs were delivered covering the following topics:

- Mainstreaming food safety risk analysis (July 10–20, 2017)
- Raising public awareness for safe food consumption (July 24–28, 2017)
- Food safety management tools in food manufacturing (August 14–18, 2017)
- Communicating food safety (August 28 – September 1, 2017).

A total of 117 participants from both public and private sectors attended these courses, which were jointly delivered by NZ and regional experts who provided different perspectives and experiences in addressing key food safety issues.

The MI-FSP team also continued monitoring the progress of participants' action plans developed during the training courses. Aside from regular online engagement, some members of the team also conducted in-country outreach visits and networking events.

MI Country Coordinators visited their respective country assignments a number of times to meet with participants and monitor their progress in action plan implementation. National Knowledge Sharing Forums on Food Safety were also organized in each country, serving as platform for participants to share experiences and lessons learned in developing and implementing their action plans. More importantly, the forum provided an opportunity for participants to better understand the food safety situation in their respective countries and allow discussions on future areas of collaboration between MI, relevant government agencies, and private sector actors.

As of mid-October, the outcomes of the project are as follows:

- Transferred knowledge to farmers and SMEs through 47 localized training courses in CLMV;
- Improved food safety system of 20 SME facilities;
- Strengthened the curriculum of five academic institutions through the incorporation of food safety courses;
- Developed and improved nine local food safety-related regulations and guidelines;
- Raised awareness on food safety through 24 communication materials published in different media platforms;
- Created six safe food networks and built up private sector linkages; and
- Strengthened the local expertise in the region.

Contribution to the Sustainable Development Goals (SDGs):



2. SDC: Regional and Local Economic Development in East West Economic Corridor Project (RLED-EWEC)

The RLED-EWEC project ended its pilot phase in June 2017. The report covers the overall phase results against set targets in the project log framework from its start in March 2013 with a one-year preparation to the phase end. Overall, the project has achieved results exceeding all the outcome targets; however, the magnitude of achievement differs in the countries and selected value chains.

MI and Swiss Agency for Development and Cooperation (SDC) agreed to extend the cooperation to a two-year phasing out phase in August 2017 – July 2019 to consolidate good project practices in the pilot phase; upscale to an ambitiously larger outreach of beneficiaries and; ensure sustainability of the project results and impact.

2.1 Value Chain Development

By the project phase end, the number of beneficiaries is 1,066 households, exceeding the target of 980. Accordingly, the additional net income of the beneficiaries totaled 401,755 USD (overall pilot phase) as contribution from the project's interventions, which is over the target of 347,711 USD. Project achievement in Myanmar was modest. Only 74 households could benefit from the project interventions on the maize sector. Their aggregated net income was about 25,000 USD. Area conflicts between and among armed groups in Myawaddy District, Kayin State had hampered the project from access to the major maize producing area and majority of maize farmers.

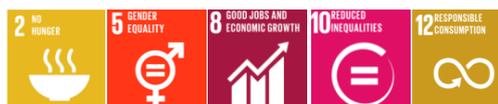
With support from the project, participating enterprises could increase their trade volume (combined rice in Laos, maize in Myanmar, and coffee in Vietnam) up to 13,141 tons, which is far beyond the project target of only 2,013 tons. Consequently, those enterprises could obtain a total addition profit of 612,280 USD, which is more than double the project target of 279,887 USD.

2.2 Cross-border trade facilitation

Aiming at improving effective coordination and joint implementation at the sub-national level along the EWEC, the Project has made some significant achievements in its efforts to facilitate cross-border trade. Through the support and facilitation of the project, Quang Tri and Savannakhet Provinces had inked a Memorandum of Understanding on joint implementation of cross-border trade facilitation at the border post of Lao Bao – Densavan.

The joint implementation had resulted in some significant achievements. In January 2017, Quang Tri Province had reduced its border infrastructure use fees of all types of vehicles. The reduction rates range from 30% to 60% including transport vehicles of agricultural products. In addition, both provinces of Quang Tri and Savannakhet announced to remove all regular and irregular check points along the road (from and to the border). A second check point in Quang Tri, known as gate B and physical barrier with Lao Bao duty-free zone, was also removed to avoid second customs check. However, a recent report by Vietnamese Enterprises in Laos Association indicated that there remain five and nine check points in Quang Tri and Savannakhet, respectively.

Contribution to the SDGs:



3. CSG: Capacity Building on GMS Power Grid Interconnection

MI is implementing a six-year project from January 2015 to December 2020 in collaboration with Yunnan Power Grid Co., Ltd. (YNPG). As part of the project, two training programs/workshops have been organized since July 2017:

- *GMS Power Equipment Operation and Maintenance and Safety Management Standard and Code (July 20-21, 2017)* with 30 participants from GMS countries. The training imparted lessons on the development of power equipment operation and safety management standards and codes for GMS power interconnection.
- *GMS Power Equipment Operation & Maintenance and Safety Management (September 11-22, 2017)* organized in Kunming, China with 33 technicians or middle management working in power grid equipment operation & maintenance or safety management.

A Project Synthesis and Evaluation and Project Planning for 2018 will be conducted in January 2018.

Contribution to the SDGs:



4. AJCEP-JAIF: Enhancing Competitiveness of Small and Medium-sized Enterprises (SMEs) in the Southern Economic Corridor (SEC) of ASEAN Mekong Sub-region (AMS)

The project, which started in 2016, has undertaken the following activities from July – December 2017:

- *Project Mid-term Review (July – August 2017)*: The mid-term review monitored the project implementation, addressed issues and challenges and recommended inputs for new project development. Consultative meetings were conducted with project stakeholders including CCIs, Business Associations, provincial trade and industry-related departments and SME product clusters from 19 project provinces in the SEC.
- *Technical Assistance and Monitoring Visit for Action Plan Implementation on Cross-border Trade Events (October – November 2017)*: Participants of the Regional Training on Trade Events Promotion in June developed and implemented their actions plans in the border provinces in the SEC. Four trade events were organized as follows:
 - Cambodia – Vietnam Business Matching 2017 (October 5, 2017) (Cambodia's Preah Sihanouk Province)
 - Thailand - Cambodia Buyer – Seller Meet (October 7, 2017) (Cambodia's Battambang Province)

- Cambodia – Vietnam Business Matching (October 25, 2017) (Cambodia’s Svay Rieng Province)
- Dawei – Thailand Trade Mission (November 5 - 8, 2017) (Thailand’s Kanchanaburi province and Myanmar’s Dawei district)
- *Structured Learning Visit (SLV) cum Business Matching in Thailand (August 15-21, 2017 and September 10-16, 2017)*: Two SLV cum Business Matching events were organized for the pisciculture group and the agribusiness group, respectively. A total of 34 participants who are mostly SME owners and Business Development Service (BDS) providers in the SEC in Cambodia, Myanmar, Thailand and Vietnam, joined the events.
- *Investor Forum and Business Matching 2017 (November 13, 2017)*: Selected SME clusters from the 18 SEC provinces participated in the Investor Forum and Business Matching, which served as a venue to promote the business linkage of the SME clusters with prospective investors and support their integration into regional and global value chains.
- *Research and Dissemination Workshop (November 13, 2017)*: The Dissemination Workshop in November 13 aimed to share the results of the research on cross-border value chain bottlenecks in the SEC as well as the project mid-term evaluation report to members of the Project Steering Committee. It also shared the lessons and experiences gained and inputs for further implementation for the Project’s Phase 2.
- *Synthesis and Evaluation Workshop on Trade Events Promotion (November 28-29, 2017)*: The workshop reviewed the results of the action plan implementation of the participants in the Regional Training on Trade Promotion specifically: share outcomes, experiences and best practices; evaluate the modular training approach; and provide recommendations for future project interventions.



5. MKCF: Certified Logistics Master

Following the conduct of the Training of Trainers (ToT) Training on Certified Logistics Master on May 1-5, 2017, the 20 participants developed and implemented their respective country action plans as follows:

- Cambodia: National Workshop on Logistics Update and Green Freight
- Lao PDR: National Workshop on E-logistics and Green Freight
- Myanmar: Workshop on Cross-border Transport Challenges and Issues in GMS countries
- Vietnam: National Workshop on Green Freight and Logistics in GMS; and National Workshop on Cross Border Transport in Greater Mekong Sub-region
- Thailand: Workshop on Logistics Business Management for Thailand SMEs Logistics Service Providers

These workshops served to facilitate the transfer of knowledge and experiences to related beneficiaries and stakeholders on a range of issues concerning the logistics and freight industry, including green logistics and the function of the GMS Logistics Database.



Contribution to the SDGs:

6. EU-GIZ: Sustainable Freight Transport and Logistics in the Mekong Countries

Funded by the EU-German International Cooperation (GIZ), the one-year project aims to advance sustainable freight and logistics in the Mekong Region through the promotion of fuel-efficiency mechanisms in 500 SMEs; promote safe handling and transport of dangerous goods among 80 SMEs; increase SMEs' access to finance in the logistics sector; and promote labeling, green freight action plans and reduced carbon footprint.

The first activity under the project is a research study on "Access to Finance," which runs from November 2017-March 2018 and seeks to identify financing gaps in investment particularly in environmentally safe and sound technologies for SMEs in freight transport; identify challenges and barriers to their access to finance; and map possible financial models and instruments.

The study covers CLMVT and will include desk study, field survey, and stakeholder consultation workshops. The desk study is expected to be completed in November 2017, after which the more detailed assessment using surveys and consultation workshops will follow.



Contribution to the SDGs:

7. ADB: Development of the Strategy and Action Plan for Promoting Safe and Environment-friendly Agro-based Values in the Greater Mekong Sub-region (GMS)

A policy paper on "Increasing the Safety and Quality of Food Products from the GMS" was drafted and consequently presented in the 2nd GMS Agriculture Ministers' Meeting in Siem Reap, Cambodia on September 6-8, 2017. This supported the Strategy and Action Plan for promoting safe and environment-friendly agro based value chains in the GMS, which was endorsed by the GMS agriculture ministers.

The Strategy and Action Plan has four pillars: (1) develop common policies in the production, trade and investments for safe and environment-friendly agro-based food products; (2) regional value chain infrastructure; (3) knowledge sharing and dissemination of innovations; and (4) regional branding and marketing for increased awareness-raising and advocacy and outreach.

MI plays an important role in implementing Pillar 3 of the strategy. According to the action plans proposed by MI, the Institute, together with national and other regional centers, will be strengthened to provide better services to regional trainees, particularly for short-term training courses on technical and managerial skills enhancement. MI also has some role to play in establishing a research

and extension network, and developing an information sharing platform related to Safe and Environment-friendly Agriculture Products (SEAP), business opportunities, and identification of investment partners.

Contribution to the SDGs: 

8. USAID: The Lower Mekong Initiative Food Security Donor Mapping Project

Supported by the United States Agency for International Development (USAID), this project was completed in July 2015, but the ADC Department continues its work in maintaining the database by adding new projects and partners; reposting feature stories and news articles related to agriculture and food security in the region; managing its social media sites and sending out monthly alerts to the database subscribers to keep interested parties up-to-date with the latest projects, development partners, and stories related to agriculture and food security in the region. As of September 26, 2017, the website has a total of 10,044 page visits since January 2017 based on Google Analytics report.

Contribution to the SDGs: 

II. Short-term Project

1. IDRC: Making Trade Work for Small Producers in Southeast Asia's Least Developed Countries

Under this project, a Regional Training on Promoting Women Entrepreneurship for Export Business was organized on July 3-14, 2017 with the aim of helping existing and prospective women entrepreneurs from CLMV to develop and strengthen their entrepreneurial qualities and motivation, and thereby encourage them to expand their business to the regional and global markets. A total of 26 participants joined the training, 20 of whom were women entrepreneurs and six were from BDS providers.

Following this, four national workshops were carried out in Myanmar (Yangon - August 24-26, 2017); Lao PDR (Vientiane – September 5-6, 2017), Vietnam (Ho Chi Minh – September 20-21, 2017) and Cambodia (Phnom Penh – September 29 – October 1) as part of the participants' action plan implementation.

A Synthesis and Evaluation Workshop was conducted on November 14-16, 2017, with participants reporting on their action plan implementation. The workshop also uncovered actions and changes that the women entrepreneurs have undertaken in terms of products and production, and organizational, financial and marketing management.

In addition, the MI project team has also conducted an action research to record and analyze the basic situation, best practices and challenges and opportunities that women-led enterprises especially those in the export business face. Selected participants from the training as well as other local female entrepreneurs and representatives of local women-related business associations were interviewed.

Trade promotion opportunities were also organized for the project participants. From July to November, the participants were invited to attend the Mekong Forum (July), Khon Kaen Business Forum (August), and Investor Forum and Business Matching (November) to expand their business networks and connect them with investors and foreign trade promotion agencies.



III. Customized Programs

During the second half of the year, MI has organized 10 customized activities supported by six development partners. Table 1 shows the list of customized programs from July to December 2017, their respective highlights and contributions to the SDGs.

Table 1. List of customized activities (July-December 2017).

Activities	Development Partners	Status	Highlights of Accomplishments	Contribution to the SDGs
Training Programs				
1. Energy Cooperation in the Greater Mekong Subregion (August 7-18, 2017)	Energy Policy and Planning Office (EPPO); Yunnan Power Grid Co., Ltd. (YNPG)	C	<ul style="list-style-type: none"> Developed the professional capacity of 33 government officials and other relevant stakeholders in energy cooperation of the GMS countries. 	
2. Green Freight and Logistics Development (August 21 – September 1, 2017)	Thailand International Cooperation Agency (TICA)	C	<ul style="list-style-type: none"> Informed 20 senior and mid-level government officers from 18 various countries in and outside the GMS on the importance of green practices in the transport and logistics sector. 	
3. Effective and Coordinated Information Management System to Facilitate Investment and Business in the Greater Mekong Sub-region (August 21-September 1, 2017)	Thailand International Cooperation Agency (TICA)	C	<ul style="list-style-type: none"> Enhanced the capacity of 18 Lao PDR government officials in information management systems to facilitate investment and business in the region. 	
4. Gender Equality and Women Empowerment (September 11-22, 2017)	Thailand International Cooperation Agency (TICA)	C	<ul style="list-style-type: none"> Strengthened the capacity of 18 participants including government officials and NGO staff from 	

			18 countries in and outside of the GMS on gender equality and women empowerment with specific practices and lessons from Thailand.	
5. Sustainable Transport and Logistics Planning and Management (with business networking) (September 25 – October 6, 2017)	Trade Policy and Strategy Office, Ministry of Commerce	C	<ul style="list-style-type: none"> Developed the capacity of 55 mid-level, senior and management level logistics operators and high level officials from key government agencies on the implementation of logistics procedures and services and the significance of sustainable transport and logistics management. 	
6. Comprehensive Labor Migration Management in GMS (October 16-27, 2017)	Thailand International Cooperation Agency (TICA)	C	<ul style="list-style-type: none"> Developed the capacity of 18 government officials from CLMVT in dealing with labor migration management issues related to facilitating labor migration. 	
7. Enhancing the Utilization of Free Trade Agreements (FTAs) by SMEs (December 4-8, 2017)	Thailand International Cooperation Agency (TICA)	C	<ul style="list-style-type: none"> About 29 participants from relevant government agencies, Chambers of Commerce and Industry, business associations, SME exporters and BDS providers were trained on the importance of utilization of FTAs in business and trading in the regional and global markets. 	
8. Enhancing Trade Competitiveness for Regional Competitiveness (December 11-15, 2017)	Thailand International Cooperation Agency (TICA)	C	<ul style="list-style-type: none"> 35 government officers from the ASEAN countries and Timor Leste were introduced to the Singapore customs model and procedures and requirements for the utilization of FTAs with emphasis on ASEAN trade. 	

Forums				
9. 1 st Khon Kaen Business Forum (September 26, 2017)	Khon Kaen Commercial Affairs Office	C	<ul style="list-style-type: none"> Brought together about 199 SMEs, business owners, OTOP stores and business experts to discuss initiatives to promote innovation, technology and competitiveness of SMEs under the Thailand 4.0 policy. 	  
10. 5 th Mekong-ROK Business Forum on Tourism (October 19-20, 2017)	Ministry of Foreign Affairs, Republic of Korea (ROK)	C	<ul style="list-style-type: none"> About 136 delegates, mostly business owners in the hotel and tourism industry, agriculture, logistics, construction and ICT, as well as government agencies, were linked up with Korean businesses and investors to expand linkages for long-term sustainability. 18 Korean companies and 27 companies from Lao PDR were also introduced to each other in the business matching. 	  

5.1.2 ADMINISTRATION AND FINANCE REPORT

I. Human Resource

1. Staffing

As of November 2017, a total of 64 staff members, consisting of regular staff and special contract staff, work in MI. Table 2 indicates the staff distribution based on different analytical groupings.

Table 2. Staff distribution.

Grouping	Distribution Detail	Number
Country Representation	Cambodia	1
	China	3
	India	2
	Indonesia	1
	Japan	1
	Lao PDR	2
	Myanmar	5
	Pakistan	1
	Philippines	5
	Thailand	35
	Vietnam	8

Gender	Male	32
	Female	32
Position Classification	Management	5
	Professional	32
	General Support	27
Employment Status	Regular employees	59
	Special Service/Temporary	5

Note: Three staff members have been on temporary contracts for six months.

Since the last reporting to the Steering Committee in July, seven regular staff and two temporary staff members have resigned. The table below presents the regular staff resignations (as of November 3, 2017) and their respective reasons.

Table 3. Regular staff resignation.

Name	Position	Date of Resignation	Reason for Resignation	Country
Ms. Im Mi Jung	Program Officer	16 June 2017	End of contract	Republic of Korea
Mr. Bhakta Karki	Knowledge Management Officer	16 June 2017	Health Condition	Nepal
Ms. Nguyen Thi Quynh Trang	Project Assistant	7 July 2017	Further study	Vietnam
Ms. Sikanya Thongchuen	Communications Assistant	14 July 2017	Got a new job	Thailand
Mr. Sopheak Seang	Program Coordinator	31 July 2017	Got a new job	Cambodia
Ms. Jianping Song	Director of CKM	23 August 2017	Got a new job	P.R. China
Ms. Soobin You	Program Officer	24 August 2017	Got a new job	Republic of Korea
Ms. Mara Escurel	Communications Officer	31 August 2017	Moving back home	Philippines

Table 4 presents the temporary staff resignations.

Table 4. Temporary staff resignation.

Name	Position	Date of Resignation	Reason for Resignation	Country
Mr. Paoloregel Samonte	Program Officer	4 August 2017	Further study	Philippines
Mr. Edward McDonagh	Program Officer	30 November 2017	Move back home	United Kingdom

On the other hand, six regular and two temporary staff members were hired in the last six months. Table 5 indicates the hiring of new regular staff.

Table 5. Regular staff hiring.

Name	Position	Date of Joining	Country
Dr. Nem Nei Lhing	Project Coordinator in Myanmar	15 August 2017	Myanmar
Mr. Robby Rosandi	Program Officer	15 September 2017	Indonesia
Mr. Le Ngoc Quang	Knowledge Management Officer	18 September 2017	Vietnam
Ms. Joclariisse Albia	Communications Coordinator	26 September 2017	Philippines
Ms. Doan Thi Thanh Thanh	Project Assistant	2 October 2017	Vietnam
Mr. Mahn Htet Zaw Tun	Project Assistant	1 November 2017	Myanmar

2. Staff Capacity Building

Staff capacity building activities have been carried out based on the three-year capacity building plan developed as part of the HR plan. Implemented since January 2014, the plan is based on the organizational direction, function requirements and staff's skills development needs.

From July-December 2017, MI staff members have participated in the following trainings as part of staff capacity building:

- A Program Coordinator from the Agricultural Development and Commercialization (ADC) Department attended the 6th Biennial Agriculture and Community Development Conference organized by ECHO Asia Foundation in Chiang Mai from October 3-6, 2017.
- A Program Officer from the Trade and Investment Facilitation Department (TIF) attended a one-day training on "Video Marketing" organized by the Department of International Trade Promotion, Ministry of Commerce, Thailand on November 8, 2017.
- A Project Team Leader in Myanmar for the East West Economic Corridor (EWEC) Project attended a four-day training on "Leadership Skills" organized by the Civil Society Academy in Phnom Penh, Cambodia on December 5-8, 2017.

Technical trainings related to specific function can be requested for Executive Director's approval via HR with the supervisor's endorsement along with an evidence/justification of linkage to professional development plan mentioned in the Performance Appraisal. The HR Officer and Director of Finance and Operations are responsible for the implementation of the capacity building plan in collaboration with all Department Directors.

II. Financial Report (as of October 31, 2017)

The financial report as of November 30, 2017 will be presented in the meeting.

Consolidated Statement of Financial Position

Total assets as of October 31, 2017 have amounted to 4,769,165 USD. Cash and cash equivalent in this report is 3,170,583 USD, while other current assets are at 318,159 USD, with the net value of the fixed assets being 1,280,152 USD.

Total liabilities as of October 31, 2017 have amounted to 2,468,144 USD, including unearned revenue from the GMS countries' contribution. Meanwhile, total equity is at 2,352,355 USD, which has increased by 8% compared to FY 2016 (as of December 31, 2016).

**Summary of Statement of Financial Position
As of October 31, 2017**

Asset	Amount	Percentage
Cash and cash equivalents	3,170,853	66%
Other current asset	318,159	7%
Fixed asset	1,280,152	27%
Total of Assets	4,769,165	100%
Liability and Equity		
Current liability	115,789	2%
Unearned revenue: GMS Contribution	73,689	2%
Grant advance received	2,278,666	47%
Total Liability	2,468,144	51%
Equity	2,301,020	49%
Total of Liability and Equity	4,796,165	100%

Consolidated Statement of Revenue and Expenses

Total revenue as of October 31, 2017 is 3,006,828 USD, achieving 72% of the target approved budget. This report includes the following: total revenue from long-term projects amounting to 1,886,279 USD; short-term activities amounting to 24,253 USD; one-off activities amounting to 591,808 USD, the GMS countries' contribution amounting to 451,374 USD, (with 508,396 USD received as of October 2017); and other revenue at 53,114 USD.

Total expenses amounted to 2,837,206 USD. This includes: expenses from project/MI program delivery and program administration expenses, totaling to 2,101,211 USD (74% of total expenses); and total operating expenses of 735,995 USD (26% of total expenses). MI recorded net earnings is 172,075 USD as of October 31, 2017.

**Summary of Statement of Revenue and Expenses
for the ten-month period ending in October 31, 2017**

Revenue	Amount	Percentage
Long term projects	1,886,279	63%
Short term programs	24,253	1%
One-off activities	591,808	20%
GMS countries' contribution	451,374	15%
Other revenue	53,114	2%
Total revenue	3,006,828	100%
Expenses		
Project / Program delivery	1,431,258	50%
Program administration	632,760	22%
New program / Organization development	37,192	1%
Total project expenses	2,101,211	74%

Operation Expenses		735,995	26%
	Total expenses	2,837,206	100%
(Gain) and Loss of FX		(2,453)	
	Revenue over (under) expenses	172,075	6.0% (of total revenue)

Country Annual Contribution

The sense of ownership and commitment of the six GMS countries are critical to sustain the operations of MI. As of November 30, 2017, MI has received the annual contributions from Cambodia, Lao PDR, Myanmar, P.R. China, Thailand and Vietnam, which totals to 563,786 USD. Other country contributions are expected to be transferred to MI in Fiscal Year 2017.

Table 6. GMS countries' annual contribution.

Country	Contribution (in USD)	Status
Cambodia	10,000	Received in May 2017
P.R. China	200,000	Received in Mar 2017
Lao PDR	10,000	Received in Mar 2017
Myanmar	10,000	Received in Jun 2017
Thailand	278,396	Received in Dec.2016
Vietnam	20,000	Received in Nov.2017

5.2 RELATIONSHIP WITH DEVELOPMENT PARTNERS

- New Zealand Aid Programme (NZAP)** - The NZAP 18-month project on MI Food Safety Capability Activity, which was designed to assist policy makers in CLMV in developing and implementing food safety regulations for a conducive environment that facilitates access of agri-food producers and traders to market, has ended in September 2017. The new phase will commence with the proposal development in November 2017.
- Asian Development Bank (ADB)** – MI is part of a committee designated by the GMS Working Group on Agriculture (WGA) to develop a Strategy and Action Plan for promoting safe and environment-friendly agro based value chains in the GMS, which was endorsed during the Agriculture Ministers Meeting in Siem Reap, Cambodia in September 2017.
- Thailand International Cooperation Agency (TICA)** – From July-December 2017, TICA has continuously worked with MI in the delivery of six training programs, namely:
 - Green Freight and Logistics Development
 - Effective and Coordinated Information Management System to Facilitate Investment and Business in the Greater Mekong Sub-region
 - Gender Equality and Women Empowerment
 - Comprehensive Labor Migration Management in GMS
 - Enhancing the Utilization of FTAs by SME
 - Enhancing Trade Competitiveness for Regional Competitiveness

4. **Swiss Agency for Development and Cooperation (SDC)** - SDC has been cooperating with MI in implementing the Regional and Local Economic Development – East West Economic Corridor Project for inclusive and equitable growth towards poverty reduction and effective regional integration and cooperation. The pilot project ended in June 2017. MI and SDC agreed to extend the cooperation for a two-year phasing out phase from August 2017 to July 2019 to consolidate good project practices and upscale to a much larger outreach of beneficiaries.
5. **China Southern Grid (CSG)/Yunnan Power Grid Co., Ltd. (YNPG)** – MI signed a partnership with CSG for a six-year project from January 2015 to December 2020 with Yunnan Power Grid Co., Ltd. as the implementing partner. The workshop on GMS Power Equipment Operation and Maintenance and Safety Management Standard and Code; and the professional training on GMS Power Equipment Operation & Maintenance and Safety Management were organized in July and September 2017, respectively. In addition, YNPG supported the training program on Energy Cooperation in The Greater Mekong Sub-region in collaboration with EPPO.
6. **Japan-ASEAN Integration Fund (JAIF)** – MI has organized an Investor Forum and two Structured Learning Visit cum Business Matching events under its banner project with JAIF, “*Enhancing Competitiveness of Small and Medium-sized Enterprises in the Southern Economic Corridor of the ASEAN Mekong Sub-region.*” It has also supported the action plan implementation of the training participants.
7. **EU-German International Cooperation (GIZ)** – MI is currently undertaking a study on Access to Finance of SMEs in the freight and logistics sector as part of its project with GIZ.
8. **Ministry of Commerce (MOC), Thailand** – The MOC of Thailand has worked with MI in the conduct of the training program on Sustainable Transport and Logistics Planning and Management on September 25 – October 6, 2017.
9. **Ministry of Foreign Affairs, Republic of Korea** – As part of its cooperation with the Korean Government, MI and the Ministry of Foreign Affairs co-organized the 5th Mekong-ROK Business Forum in Vientiane, Lao PDR on October 19-20, 2017 to expand trade relations between CLMV and Korean businesses.
10. **Swedish International Development Cooperation Agency (SiDA)** – MI has already revised the two proposals submitted to SiDA in the first half of the year based on comments provided. The proposals are for a project entitled, “Mekong Climate Adaptation Program for Integrated Transboundary/ AgriFood System and Livelihood Sustainability” (Mekong CAPITALS); and for a GMS symposium on “Sustainable Development of Transboundary/AgriFood Chains: Climate, Gender & Private Sector Challenges.”
11. **Lancang-Mekong Cooperation (LMC) Special Fund** – Following the Chinese Government’s call for development project proposals from the Lower Mekong Countries, MI has submitted four proposals through the Thai Ministry of Commerce:
 - Cross-border Special Economic Zones (focus on technical exchanges, personnel training, joint research and platform building seminars)
 - Mekong-Lancang Business Forums (emphasis on platform building seminars)
 - Rural E-commerce Development (emphasis on platform building and personnel training)
 - Upgrading Border Facilitation for Trade and Logistics Development (focus on platform building, technical exchange and personnel training).

The four proposals have already passed preliminary approval of the Chinese Government and currently waiting for final approval of China's Ministry of Finance. Furthermore, the Ministry of Foreign Affairs, Thailand has recommended that MI serve as the main agency to manage the Special Fund, and to request permission from the Chinese Government through the Embassy of the People's Republic of China in Thailand. Dr. Watcharas Leelawath has initiated talks with Mr. Li Hong, Representative of the People's Republic of China in the MI Steering Committee, on this matter.

12. **Mekong Extension Learning Alliance (MELA)** - MELA is a regional network that seeks to serve rural households in the Mekong Region in overcoming poverty and improving livelihoods through agricultural extension and advisory services. MI is part of the Executive Board that organized the 3rd MELA Meeting in Siem Reap, Cambodia on October 30-November 1, 2017, with funding from the Global Forum for Rural Advisory Services (GFRAS) and SDC. MI also presented a paper on Agri-Food Safety Extension Strategy and Outcomes in GMS.
13. **Thailand Convention and Exhibition Bureau (TCEB)** - Leveraging on the objective of TCEB to promote Khon Kaen as a Meeting, Incentives, Conferences and Exhibitions (MICE) city, MI partnered with TCEB during the Mekong Forum 2017 in July. TCEB provided generous support in the amount of 500,000 THB and was duly acknowledged as major partner in all promotional materials of the event.

The Council is requested to acknowledge the Report of MI's Activities from July – December 2017.

5.3 REVIEW OF STEERING COMMITTEE AND COUNCIL MEETING 1/2017 RECOMMENDATIONS

Table 7 presents the key recommendations raised during the Steering Committee and Council Meetings held on July 12-13, 2017 in Khon Kaen.

Table 7. Steering Committee and Council Meetings 1/2017 recommendations.

Subject	Person	Suggestion	Status
MI's work in the region and beyond	Dr. Narongchai Akrasanee	<ul style="list-style-type: none"> • Urged TICA to continue providing assistance to improve the efficiency of Cambodia's passport application process • Asked H.E. Mr. Chea Chantum to seek assistance from TICA to work on this 	O
	H.E. Mr. Chea Chantum	<ul style="list-style-type: none"> • Suggested for MI to review not just the activities accomplished for the year, but also look at critical issues happening in the GMS countries and ways on how MI can help address them 	O
	Dr. Nguyen Quang Linh	<ul style="list-style-type: none"> • Suggested that MI should address the issue of labor mobility – specifically through action plans or research 	C/O
	Mr. Li Hong	<ul style="list-style-type: none"> • Requested for MI to make good use of the opportunity to work under the Belt and Road Initiative 	O

	Mr. Virasac Somphong	<ul style="list-style-type: none"> Proposed for MI to organize more in-country trainings in order to increase the number of participants 	○
	Mrs. Moh Moh Naing	<ul style="list-style-type: none"> Suggested for MI to continue its work on human capacity development in the concerned sectors of the member countries 	○
	Ms. Sayan Kongkoeay	<ul style="list-style-type: none"> Suggested for MI to expand its activities on development cooperation across the region, including other ASEAN member countries 	○
		<ul style="list-style-type: none"> Suggested for MI to incorporate various important development issues in its activities that would truly contribute to long-term sustainable development in the GMS member countries and around the world 	○
	Mr. Duong Hung Cuong	<ul style="list-style-type: none"> Suggested for MI to more carefully review the needs of each GMS country, before proposing projects with the development partners; proposed for MI to also convey these needs to the CAs in order for the latter to coordinate better with their ministries 	C/O
	Mr. Chen Shun	<ul style="list-style-type: none"> Suggested MI to consider the selection of training programs, working more closely with stakeholders and development partners 	○
	Mrs. Suphatra Srimaitreephithak	<ul style="list-style-type: none"> Pointed that MI should provide programs that emphasize its cross-cutting issues 	○
	Mr. Brent Rapson	<ul style="list-style-type: none"> Raised the point that MI should look at high-level, strategic issues such as achieving policy changes 	○
	Dr. Jean Pierre Verbiest	<ul style="list-style-type: none"> Suggested MI to expand its food safety project on a broader perspective 	○
	Mr. Tun Tun Naing	<ul style="list-style-type: none"> Encouraged MI to further its work on value chains, agriculture, and strengthening capacities of government officials Mentioned the possibility of further considering Myanmar's participation 	○
Channels for funding	Mr. Chen Shun	<ul style="list-style-type: none"> Suggested MI to explore more channels to collect funds; he suggested that MI seek further assistance from the Mekong-Lancang Cooperation Fund 	C/O
Collaboration with Stakeholders and Development Partners	Mr. Hideaki Iwasaki	<ul style="list-style-type: none"> Stated that ADB will expand its collaborative efforts with MI on the agricultural development and commercialization initiatives He also mentioned possible joint efforts in the sector of transport and trade facilitation 	○

	Dr. Nawarat Wara-aswapati Charoen	<ul style="list-style-type: none"> Proposed that MI and KKU share resources and work on initiatives focusing on social sciences and humanities 	C/O
	Dr. Tej Bunnag	<ul style="list-style-type: none"> Proposed that MI and KKU continue to work very closely to provide a hub in the GMS that will promote strengthened collaborations 	O
Minutes of Governing Board meetings from the last two years	H.E. Mr. Chea Chantum	<ul style="list-style-type: none"> Requested for MI to provide him with the minutes of all the Governing Board meetings for the past two years, so he can inform his Minister about MI's progress 	C
Budget allocation	H.E. Mr. Chea Chantum	<ul style="list-style-type: none"> Suggested for MI to reserve some budget for special cases and issues in the GMS countries 	O
Employment opportunities for GMS nationals	H.E. Mr. Chea Chantum	<ul style="list-style-type: none"> Suggested for MI to be more fair to each GMS country in terms of providing work opportunities 	O
	Mr. Duong Hung Cuong	<ul style="list-style-type: none"> Supported H.E. Mr. Chea Chantum's suggestion on giving more opportunities for government officials to work with MI 	O
Secondment	Mr. Songkane Luangmuninthone	<ul style="list-style-type: none"> Reaffirmed the possibility of permitting government officials to work at the MI Headquarters 	O
	H.E. Mr. Chea Chantum	<ul style="list-style-type: none"> Followed up on the issue of secondment that was discussed during the Governing Board meetings last December 2016 	O
Review of the Strategic Plan	Mr. Duong Hung Cuong	<ul style="list-style-type: none"> Proposed that the Strategic Plan be reviewed in 2018 to address how to obtain additional financial resources from partners and member countries 	O
Communication with the Steering Committee members	Mr. Li Hong	<ul style="list-style-type: none"> Suggested for MI to communicate more with the Steering Committee members so that they can provide guidance especially in addressing challenges the Institute faces 	O
Working Relationship with CAs	Mr. Virasac Somphong & Mr. Chen Shun	<ul style="list-style-type: none"> Suggested for MI to work more closely with its Coordinating Agencies (CAs) for better monitoring 	O
	Mrs. Moh Moh Naing	<ul style="list-style-type: none"> Requested for MI to keep all CAs informed of every activity 	O
	Mr. Songkane Luangmuninthone	<ul style="list-style-type: none"> Reiterated his previous recommendation of linking the GMS countries to the MI website 	O
Mekong Forum	Ms. Sayan Kongkoey	<ul style="list-style-type: none"> Recommended to turn Mekong Forum into a platform for member countries to single out issues of concern in the GMS 	O

**Note: C refers to Completed and O to On-going.*

The Council is requested to acknowledge the Review of Steering Committee and Council Meeting 1/2017 Recommendations.

5.4 VEHICLE PROCUREMENT

With the approval of the Council, the Committee on Vehicle Procurement completed the sale of the old Toyota Estima, and proceeded with the purchase of the new Toyota Vellfire. The new Toyota Vellfire has been imported from Japan to Mekong Institute tax-free at the amount of 45,307.96 USD (using the privilege that Thai Ministry of Foreign Affairs provided to MI as an inter-governmental organization)

The new car has been delivered to MI on November 9, 2017 (See Appendix 1).

The Council is requested to acknowledge the report regarding Vehicle Procurement.

5.5 PROGRESS ON RENOVATION OF MI BUILDING (Office Space)

The renovation of the MI office (4th floor), which was approved by the Council in December 2015, is going as planned. The progress of the renovation is presented as follows:

Design and Estimate Costs

The Renovation Committee has developed and reviewed the design and estimate costs.

Tender Process

The renovation bidding was completed on October 17, 2017. Four tenders submitted proposals. The contract was awarded to the bidder, Khon Kaen Quality Company Limited, with its total bid of 5.80 million THB. The company also conformed with all tender requirements with the highest scoring based on the evaluation criteria mentioned in the tender calls.

Renovation

The renovation started in October and is expected to be completed by the end of March 2018.

The Council is requested to acknowledge the report on the Progress on the Renovation of the MI Building office space (4th floor).

5.6 ANNUAL REVIEW OF MI 2017 PERFORMANCE AGAINST KEY RESULT INDICATORS

From January to September 2017, MI implemented six long-term projects, 13 customized events and one short-term project. As presented in Table 8, under these projects, 45 human capacity building events (HCB1) were organized by MI covering 1,225 direct participants. According to after-event evaluation surveys responded to by 1,084 participants, around 95% participants increased their knowledge and skills and almost the same number of respondents acknowledged that the events were relevant to their works. During this period MI developed 19 new training curricula and revised four existing ones as part of capacity building events.

MI also extended significant financial and technical support to the direct participants for smooth implementation of their action plans and replicating capacity building

events at their local context. In this regard, 37 grants and 172 technical assistance were provided by MI from January to September 2017. According to the follow-up evaluation surveys with 457 direct participants, 97% (445) of them were able to apply their knowledge or skills by developing similar events at local context, using in daily work, making better decisions or sharing with their colleagues.

This year, 150 human capacity building events (HCB2) were organized by direct participants in their local context, participated in by 5,923 indirect participants. According to evaluation surveys with the indirect participants regarding effects and relevance of the secondary level events, responded to by 3,767 and 3,716 participants, respectively, 94% increased their knowledge and skills and around 95% found that the events were relevant to their jobs.

In terms of building enabling environment (BEE), this year MI produced nine research studies and developed three policy papers. The departments of MI were also successful in improving five policies or regulations at national or provincial level. In addition, two collaborative agreements were established between the participants as a result of the opportunities and platform provided by MI.

Table 8. Overview of program progress (January-September) against 2017 annual targets.

Level of Intervention	Objectively Verifiable Indicators	Annual ¹ Targets 2017	Achievements	Annual Progress
Output	HCB 1.1. # of events	57	45	79%
	HCB 1.2. # of participants	1,262	1,225	97%
	HCB 1.3. # of participants reporting increase in knowledge or skills	1,076	1,026 (95%) ²	95%
	HCB 1.4. # of participants reporting relevance of event to work	1,064	1,052 (96%) ³	99%
	HCB 1.5. # of grants provided to participants	28	37	132%
	HCB 1.6. # of technical assistances provided according to action plan	58	172	297%
	HCB 1.7. # of training curriculums developed and implemented [new, revised]	22	23	105%
	BEE 1.1. Number of research/studies/publications	4	9	225%
	BEE 1.2. Number of policy papers developed	1	3	300%

¹ Targets may not be consistent with the figures given in the operational plan because of some adjustments in targets during the year and inclusion of targets for EWEC project which were not included in the operational plan of 2017 at the time of planning.

² 1,084 direct participants responded to the HCB1 events evaluation survey, 1,026 (95%) of them reported increase of knowledge or skill.

³ 1,091 direct participants responded to the HCB1 events evaluation survey, 1,052 (96%) of them reported the relevance of events to their work.

Level of Intervention	Objectively Verifiable Indicators	Annual Targets 2017	Achievements	Annual Progress
Outcome	HCB 2.1. # of direct participants reporting how knowledge/skills were applied	664	445 (97%) ⁴	67%
	HCB 2.2. # of events led by direct participants	117	150	128%
	HCB 2.3. # of participants [Indirect]	2,204	5,923	269%
	HCB 2.4. # of participants reporting increase in knowledge of skills [Indirect]	1,852	3,547 (94%) ⁵	192%
	HC 2.5. # of participants reporting relevance to work [indirect]	1,857	3,543 (95%) ⁶	191%
	BEE 2.1. # of collaborative agreements	5	2	40%
	BEE 2.2. # of policy changes	2	5	250%

Considering the progress of MI against annual targets, as shown in Table 8, out of 16 indicators of programmatic performance, eight indicators have been significantly overachieved, six indicators are at satisfactory level and two indicators are below the benchmarks. In the output level (HCB1), the number of technical assistance is almost three times of the target, which has been mostly contributed by the Food Safety Project implemented by ADC, under which the program staff extended technical assistance to about 155 action plan implementation, much higher than its specified targets. Similarly, the number of grants provided by MI is higher than the targets as TIF provided twice of its targeted number of grants this year.

In the outcome level (HCB2), except for the number of participants reporting application of knowledge and skills, all other indicators have been significantly overachieved. This is because the program departments of MI dedicated considerable effort and time in facilitating secondary level events (HCB2) as reflected in the number of technical assistance extended by MI this year. However, the target for the number of direct participants reporting application of knowledge/skills is partially achieved as the program departments were not able to get enough responses from direct participants through the follow-up survey.

For BEE, achievements for the number of research studies produced, policy papers developed and policy changes are significantly higher than the annual targets because the ADC Department contributed more than its annual targets for these indicators under the Food Safety Project and as part of the drafting committee for ADB's 5-year Strategy and Action Plan for Promoting Safe and Environment-friendly Agro-based Value Chains in the GMS. However, the number of collaborative agreement is 40% of the target as some of the expected agreements among the beneficiaries could not be formalized.

⁴ 457 direct participants responded to the follow-up evaluation survey, 445 (97%) of them reported application of knowledge or skill.

⁵ 3,767 indirect participants responded to the HCB2 events evaluation survey, 3,547 (94%) of them reported increase of knowledge or skill.

⁶ 3,716 indirect participants responded to the HCB2 events evaluation survey, 3,543 (95%) of them reported the relevance of events to their work.

Figures 1 and 2 provide a further illustration of the outputs and outcomes achieved.

OUTPUT SUMMARY (HCB1)

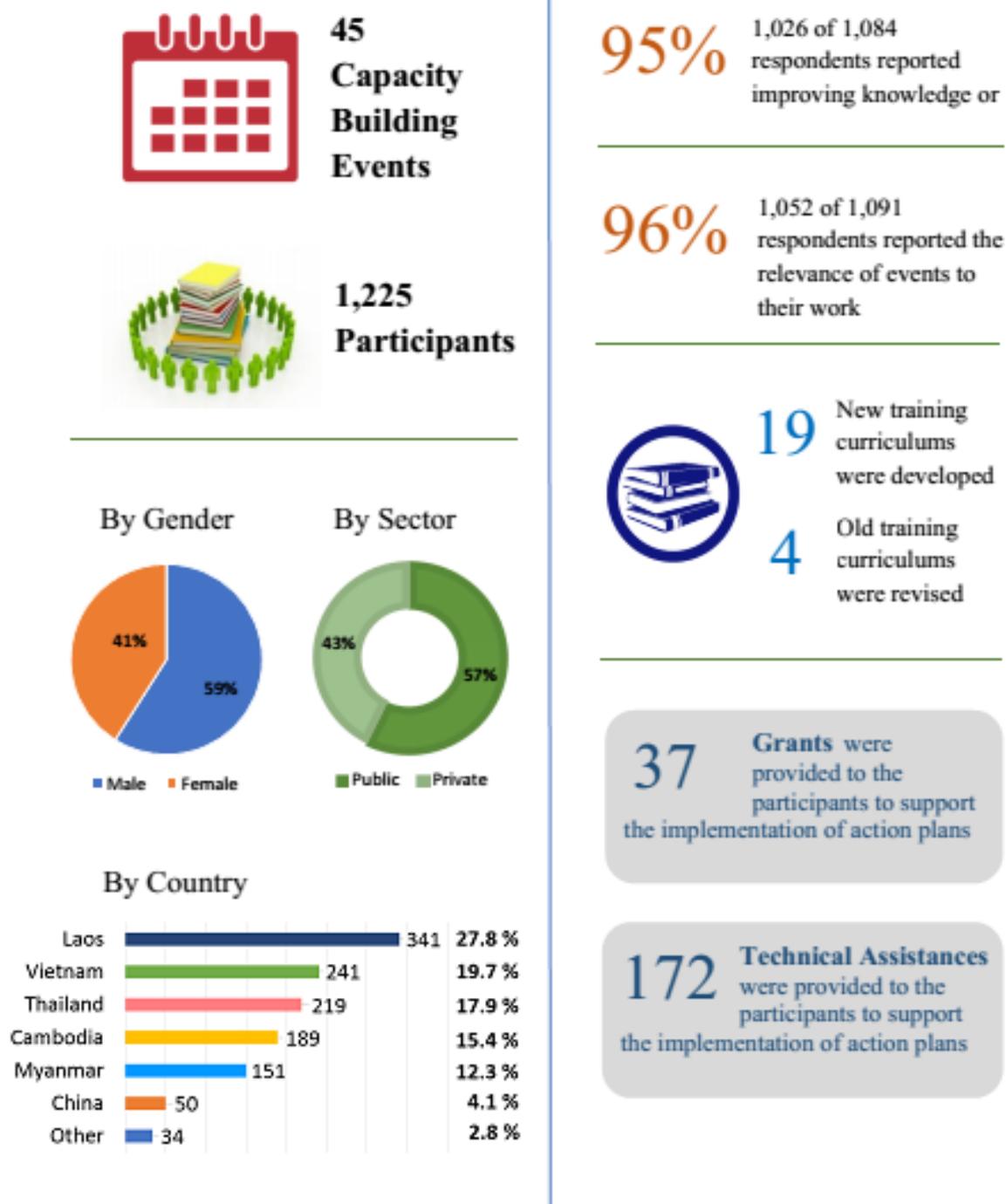


Figure 1. Output summary (HCB1).

OUTCOME SUMMARY (HCB2 & BEE)

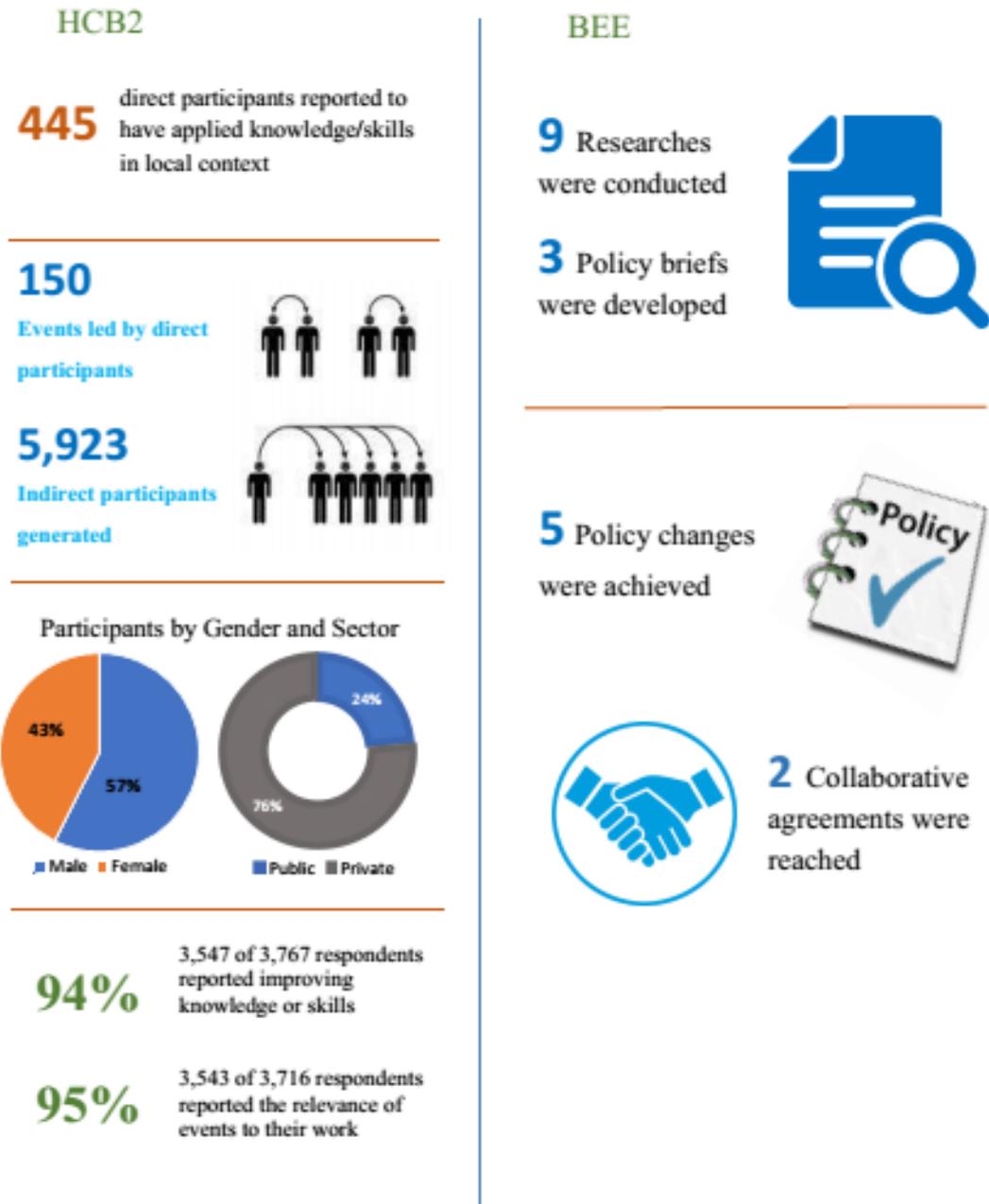


Figure 2. Outcome summary (HCB2 & BEE).

The Council is requested to acknowledge the Annual Review of MI's 2017 Performance against Key Result Indicators.

ITEM 6

MATTERS FOR CONSIDERATION

- 6.1 MI Operational Plan and Budget 2018
- 6.2 Appointment of External Auditor for Year 2018
- 6.3 Appointment of Sub-committee for 2017 Executive Director Performance Evaluation

ITEM 6: MATTERS FOR CONSIDERATION

6.1 MI OPERATIONAL PLAN AND BUDGET 2018

Mekong Institute (MI) is dedicated to accelerating the sustainable development and poverty alleviation in the Greater Mekong Sub-region (GMS) and promoting regional cooperation and integration through its unique human resource development and capacity building approach. In 2018, MI is stepping into the mid-term implementation of its five-year strategy. For the coming year, MI will continue working on issues of importance to the GMS development with a particular focus on the following areas:

- Providing more diversified and high-quality capacity development services to individuals and organizations in the GMS to better address the capacity building needs in the region;
- Continually implementing development projects and using field experience to improve its capacity building projects;
- Increasing the number and scope of networking, coordination and negotiation activities to improve the enabling environment for regional cooperation and development in the GMS;
- Integrating cross-cutting issues of gender equality, environmental sustainability and labor mobility into project design and implementation;
- Improving the communication and collaboration among different departments;
- Strengthening MI's financial and operational management system to maximize the effective use of MI resources; and
- Conducting the mid-term strategic review to point the future development direction for MI aligning with the strategic plan.

The MI 2018 Operational Plan and Budget (Accompanying Document 2) specifically presents the projects and activities to be undertaken in pursuit of the strategic goals of the Institute, and identifies key milestones for the year ahead.

For 2018, MI plans to implement 27 projects. Under these projects, MI will conduct 64 human capacity building events in the first level (HCB1), with the engagement of 1,669 direct participants and development of 19 training curricula. Ninety percent of them are expected to increase their knowledge or skills through these events and 72% of them are expected to apply it in their work.

MI also plans to provide 35 grants and 183 technical assistance to support direct participants in implementing action plans. Consequently, 139 human capacity building events (HCB2) will be held in the local context by HCB1 participants. This will generate another 2,285 indirect participants, with 77% of them increasing their knowledge or skills.

Almost all the HCB targets of 2018 are significantly increased compared to 2017's targets. The number of planned HCB1 events is increased by 12% (7), while the number of expected direct participants (HCB1.2) and knowledge/skill users (HCB2.1) are increased by 407 and 232, respectively, about one-third more than 2017. The increase at HCB2 level is even more remarkable because MI will strengthen its support in helping direct participants implement action plans and increase its efforts on following up the effects of HCB activities. The number of indicated participants (HCB2.3) is doubled for the three program departments (excluding EWEC).

MI will continue to put emphasis on building enabling environment (BEE) in the GMS through activities such as research, policy dialogue, coordination and information exchange. In 2018, MI plans to conduct 12 researches and develop seven policy papers, which will be followed with dissemination workshops and policy dialogues based on the research findings and recommendations. Through this, eight collaborative agreements will be established under MI's facilitation. Moreover, five policy changes are expected to be achieved. All of these targets are much higher than 2017's.

The Institute will continue to pay attention to internal learning and institutional strengthening by building robust management systems in terms of operation, finance, communication and knowledge management (CKM), and monitoring, evaluation and learning (MEL).

- The Human Resource (HR) Unit will continuously retain, cultivate and attract more talents for MI through the implementation of staff progression framework and capacity development plan as well as the improvement of recruitment mechanism.
- The Finance Unit will pay special attention on the revision and promotion of finance policy and financial documentation system while ensuring the good quality of regular finance management work.
- The General Service (GS) Unit plans to develop a more efficient administrative system so as to provide better support services for the implementation of capacity building activities and the daily operation of the organization.
- The Information Technology (IT) Unit will strive to create a stable and advanced technical working environment by upgrading software and hardware equipment.
- The CKM Department's focus for 2018 is to enhance its content strategy in order to produce more impactful messages that are accessible and available to all and thereby allow for increased knowledge sharing, enhanced relationships with development partners and beneficiaries, and improved visibility and reach in the region.
- The MEL Department intends to complete the current MEL system, with a combination of organizational-wide and department-based MEL frameworks, so as to contribute to enhance the performance of MI, its programs, projects and operations; strengthen its transparency and accountability mechanism; support decision making; and generate knowledge and demonstrate its achievements.

Figure 3 presents a summary of the planned human capacity building projects of MI for 2018.

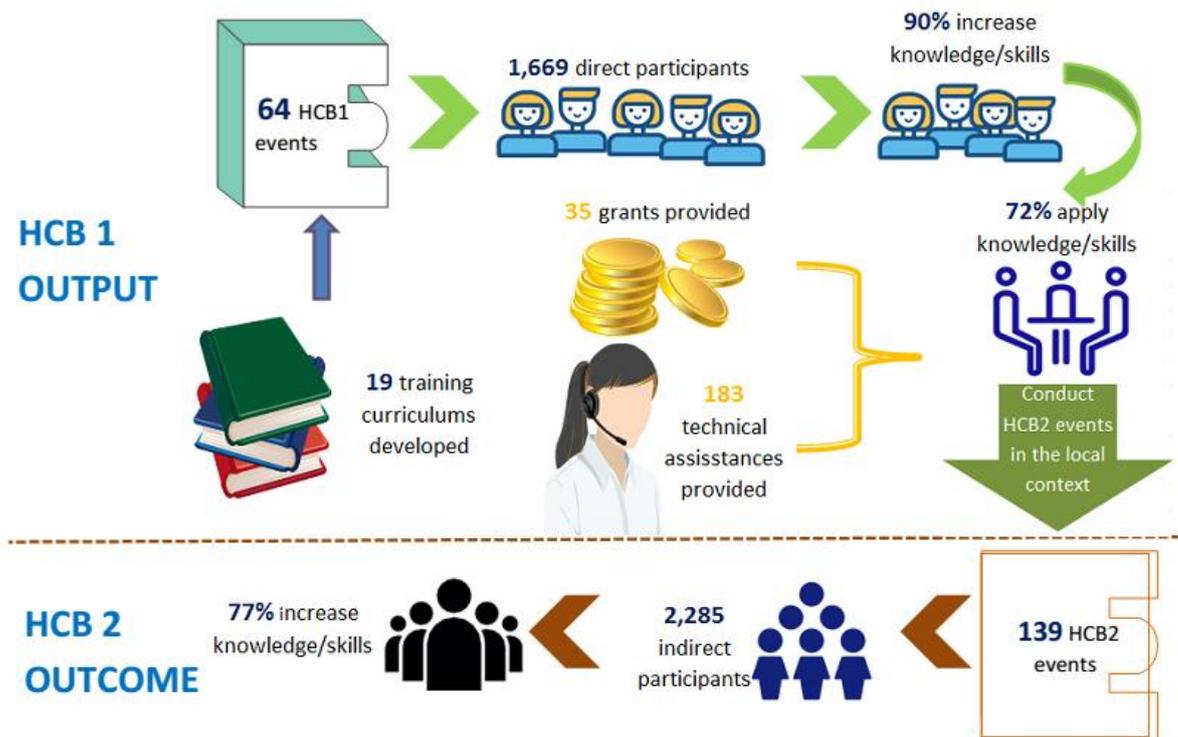


Figure 3. Planned human capacity building projects in 2018.

The Council is requested to review and endorse the MI Operational Plan and Budget for 2018.

6.2 APPOINTMENT OF EXTERNAL AUDITOR FOR YEAR 2018

Following the external auditor appointment approved by the Council on December 18, 2016 for Fiscal Year 2017, MI is proposing to continue hiring Baker Tilly International (Thailand) as external auditor for Fiscal Year 2018. The audit fee is 15,127 USD or 499,200 THB (including 4% inflation increase), which is almost the same as the 2017 quotation (480,000 THB).

Per policy of procurement, long term agreements can be applied for a maximum of two years, maintaining offered prices and other terms (Operation Manual: ADM-009: Procurement (6) LTA, page no. 121).

The external auditor company profile, engagement letter and informal quotation are presented in Appendices 2, 3 and 4, respectively.

The Council is requested to review the proposed Appointment of External Auditor for 2018.

6.3 APPOINTMENT OF SUB-COMMITTEE FOR 2017 EXECUTIVE DIRECTOR PERFORMANCE EVALUATION

Based on the MI Charter, the Steering Committee will annually review the performance of the Executive Director (against preset Key Performance Indicators) and recommend to the Council any appropriate salary adjustment.

The Council is requested to approve the formation of the sub-committee for 2017 Performance Evaluation of Executive Director.

ITEM 7

**COUNCIL MEMBER INPUTS AND RECOMMENDATIONS
(COMMITMENTS OF GMS GOVERNMENTS AND KEY
DEVELOPMENT PARTNERS)**

**ITEM 7: COUNCIL MEMBER INPUTS AND RECOMMENDATIONS
(Commitments of GMS Governments and Key Development
Partners)**

1. Cambodia
2. P.R. China
3. Lao PDR
4. Myanmar
5. Vietnam
6. New Zealand Aid Programme
7. Asian Development Bank
8. Swiss Agency for Development and Cooperation
9. Khon Kaen University
10. Hue University
11. Business Representative
12. Honorary Advisors
13. Thailand

ITEM 8

DATE AND VENUE OF THE NEXT MEETING

ITEM 8: DATE AND VENUE OF THE NEXT MEETING

The date and venue of the next Council Meeting will be discussed during the meeting.

ITEM 9

OTHER MATTERS (if any)

ITEM 9: OTHER MATTERS (if any)

Appendix 1. Toyota Vellfire purchased by MI



Appendix 2. Company Overview and Executive Staff of Baker Tilly Thailand



Baker Tilly Thailand Overview

Mission Statement

Our mission is to ensure our clients improve their company operationally and financially through dedicated and professional service.

Goal

To provide our clients with practical economic solutions in the areas of Audit, Tax, Corporate Advisory and Enterprise Risk Management & Internal Controls Systems, using our local, regional, and global knowledge to address their business issues.

Overview

Our services are very different compared to other international firms present in Thailand. Whilst we also offer a global reach through over 138 independent member firms, our staff focus on local and regional issues that may impact on clients, especially for inbound investment clients. Whilst audit is a statutory requirement in Thailand, we look to provide a risk based audit result that can be used by management to better protect their business. Additionally, maximizing a clients' tax position is best achieved if structured prior to formally investing in Thailand. Our tax advisors will ensure clients take advantage of any tax treaties available to them, as well as ensure the company structure satisfies local and international requirements. Finally, ensuring the effectiveness of our clients' risk management and internal control systems contributes to the profitability, security, and long-term continuity of the companies.

"We ensure clients are well advised and are supplied with solutions tailored to their needs. We understand their needs and service them equally – no matter how big or small the client may be. We value our client relationship."



This is what makes us different to the "Big 4" in Thailand. We ensure our clients are serviced appropriately and timely. Clients value our commitment and that we respond to their needs and requests. The **key ingredient** to our client relationship is the ability to **speak in the same "language"** – we understand their issues, concerns and frustrations.

▼ Member Firm's Commitments

- All firms within the network adhere to consistently high quality standards and share skills, resources and expertise to create best practice.
- All members have to meet strict quality guidelines laid down by the network's technical team.
- Regular Quality Assurance and Peer Review visits are carried out to member firms.
- Sharing good working practices helps to maintain high quality levels and consistency of approach to work carried out by member firms.
- All member firms carry out their own strict reviews before deciding whether or not take on a particular assignment.

▼ Independent Member

We are an independent member of Baker Tilly International. Baker Tilly International is a United Kingdom registered company limited by guarantee. Each of the member firms is a separate and independent legal entity. Baker Tilly, the independent member of Baker Tilly International in the United Kingdom, is the owner of the Baker Tilly trademark. Neither Baker Tilly International nor any of its member firms has any liability for each other's actions or omissions.

▼ Our people

Philosophy

Baker Tilly Thailand employ knowledgeable and competent professional staff. We have extensive experience in various industries ranging from manufacturing, property development, trading to services. With a variety of industry experience, we will continue to succeed in advising clients in diverse transactions.

Our people

A professional service firm is only as good as its people. There are four reasons why our people are the right choice: knowledge, accessibility, enthusiasm and commitment.

Knowledge

We need to be technically knowledgeable and well rounded. It is essential in ensuring that issues are researched and addressed from different perspectives. Our people have served in various positions and fields, offering you more than just statutory auditors.

Accessibility

Accessibility is a key element of quality service, as you should expect from your accounting firm. In discussing accounting issues, it is imperative the each issue is communicated and addressed collectively. You do not have time to communicate back and forth by memo or to observe a sequential channel of communication with your accounting firm. Therefore, you need immediate access to senior professionals empowered to our accounting perspectives.

Enthusiasm

We are sensitive to the needs of our clients. Because our market focus is very specific, we hire strong candidates who choose us because they want to work with the type of businesses we serve. We enjoy the challenge and responsibility we offer and, in turn, face each assignment with a high degree of enthusiasm.

Commitment

We are committed to provide you with high quality service. We are committed to understanding your needs, the Company's accounting, tax and legal issues and meeting your expectations. We will provide you services with our utmost commitment.

Our Core Values

We adhere to the core values listed below. Our employees are expected to honor and follow these values:

- **Integrity and objectivity** – Longevity is vital for any professional firm. Integrity and objectivity are essential for the firm's longevity. It is imperative that we must have integrity and objectivity when conducting our work.
- **Excellent client service** – Clients expect excellence in client service. It is crucial that we respond timely to their requests or queries, provide objective, sound resolutions and offer greater understanding to needs. These will allow us to meet their expectations.
- **Empowering and enriching our people** – Developing professional staff through valuable training will add value to our engagements and clients. Ensure that we empower, develop and train staff assigned under our lead.
- **Effective approach** – Assurance and tax work shall not be mechanical, with the sole purpose of meeting statutory requirements. We must ensure that risks, controls, business objectives and governance are all understood and an effective work plan has been developed and suited for the engagement.

Our Services

- Audit and advisory services
- Corporate advisory services
- Tax consulting services
- Management services

Baker Tilly Audit and Advisory Services

At Baker Tilly Audit and Advisory Services (Thailand) Ltd., we go beyond the traditional statutory audit. We have a risk based audit methodology which focuses on the business and operating environment, viewed in relationship with the strengths and weaknesses of the clients accounting and management staff. In other words, the weaker the company's governance and internal controls the greater the risk of material misstatement.

At Baker Tilly Audit we analyze and assess risks by reviewing the company's accounting processes and controls, as well as environment control. We obtain an understanding the company's business and operations and discussing relevant accounting and operating issues with management before fieldwork begins.

Like most international firms, our approach has been developed to ensure that it meets the International Standards on Auditing. We also follow the International Standards on Quality Control and Code of Ethics for Professional Accountants.

Audit and Advisory Services

- Statutory audits and review of financial statements regulated by regulatory bodies
- IFRS and U.S. GAAP audits and reviews
- Audits and reviews of reporting packages for consolidation purposes
- Audits for other special reports purpose
- Internal control reviews
- Reviews of prospective financial information and budgets

▼ Statutory Audits

Companies incorporated in Thailand are required to submit statutory audited financial statements to the Ministry of Commerce. Statutory audited financial statements are a key component of the company's corporate tax return (submitted to the Thailand Revenue Department) within five months after the company's year-end.

Statutory audits can be performed by any licensed certified public accountant in Thailand, but companies should follow due care when choosing auditors.

Baker Tilly Audit goes beyond the traditional audit by ensuring international standards are met. We do not produce mechanical statutory audits. Baker Tilly audits are performed to ensure the Managing Directors and Board can satisfy **corporate governance requirements** by fully understanding how their accounting staff present the company's records.

▼ IFRS and U.S. GAAP

Our professionals are experienced CPAs in performing audits of financial statements prepared in accordance with **International Financial Reporting Standards (IFRS)** and **Accounting Principles Generally Accepted in the United States (US GAAP)**.

Our audits are carried out with the primary focus of auditing the IFRS and US GAAP prepared financial statements but in conjunction with the statutory requirements. This is so that the company can also provide the Thai authorities with the required statutory financial statements since IFRS and US GAAP financials are not accepted.

When auditing IFRS and US GAAP financial statements are required, we not only have the experience and the depth of knowledge, we also have a resident trained partner.

We have two resident directors with more than 10 years of audit experience in the U.S. at least 5 years in Asia reviewing audits of US GAAP / IFRS financial statements.

Audits and Reviews of Reporting Packages

Whilst our audits are conducted to satisfy Thailand's statutory requirements, we also prepare reporting packages (where required) for the group's auditor to comply with group or parent company requirements.

Reporting packages are often required to fit IFRS or US GAAP plus the country's accounting standards. Most developed countries require additional reporting requirements, especially if the parent or group is a listed company.

Our professionals are trained and have the experience in conducting audits and reviews of reporting packages for consolidation purposes.

Audits for Special Purpose Reports

The most common type of special report purpose is the **Report on Agreed-Upon Procedures (AUP)** under the **International Standard on Related Services**. The primary objective of AUP engagements is for the auditor to carry out procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings.

Typical AUP engagements include:

- Company Inventory Valuation- to ensure compliance with the company's accounting policy on inventory including any related write downs resulting from slow moving or obsolete products.
- Report on Special Purpose Audit (under International Standard on Auditing 800).
- Report on Financial Statements Prepared in Accordance with a Comprehensive Basis of Accounting other than International Accounting Standards or National Standards.
- Reports on a Component of Financial Statements
- Reports on Compliance with Contractual Agreements
- Reports on Summarized Financial Statements

Contacts

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Waleerat Akkararisawad – Executive Director

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Baker Tilly Corporate Advisory Services

Baker Tilly Thailand's specialist corporate restructuring division, voted 'Best Restructuring Adviser' in 2001 and 2002 by IFR ASIA.

The company has undertaken over USD 15 Billion in debt assignments since 1997 and is arguably the most qualified financial advisor in Thailand holding one of only 8 Planner / Plan Administration licenses in the country.

Corporate Advisory Services has expanded its services into other corporate fields including Mergers and Acquisitions; IPO's, Cross Border valuations; etc.

Recently, Corporate Advisory Services has expanded regionally into Cambodia, Laos, Philippines and Singapore.

▼ Cross Border Valuations

One of the growing demands on our [Corporate Advisory Services](#) is Cross Border Valuation, predominately to satisfy Stock Exchange regulations before listing.

CAS was recently engaged to value International Beverage Holding Limited before its listing on the Singapore Stock Exchange.

This work extends to other associated areas where CAS is engaged to audit the underlying financial models supporting fund raising programs such as the 'Trans Thai Malaysian' pipeline (project borrowings USD 500 million).

▼ Pre-IPO Strategic Advisory

Prior to an IPO, corporates require a strategic road map and **financial structuring plan**. We assist clients get ready for listing on the Stock Exchange of Thailand (SET) or provide structured financing with investors pre listing.

▼ Mergers and Acquisitions

Our Corporate Advisory Services arm is active in the Mergers and Acquisitions ("M&A") market. Being a [restructuring specialist](#), M&A is the traditional outcome of most restructurings. Not only do we have a strong M&A depth of knowledge, but also a strong network of global investors. These investors have been sourced through the normal restructuring phase and are keen to fund such clients in their future development.

Whilst the scope of services is broad, we find our clients/investors traditionally require services such as accounting and [financial due diligence](#); [company valuation](#); and transaction structuring. We also tend to become very much involved in the negotiation stage pre tender offer.

▼ Feasibility Studies

In this ever changing hi - tech world new industries are evolving everyday in response to environmental problems, rising fuel cost, etc.

These are generally referred to as 'green field projects', ie where some entrepreneur has an idea but needs [financial experts](#) to prove viability to attract investor or bank finance.

Generally Corporate Advisory Services opt to undertake feasibility studies on a low retainer basis (plus success fee) to assist clients in [raising funds](#).

▼ Restructuring

Corporate Advisory Services is arguable the most active and experienced **debt restructures** in Thailand.

We hold a *Plan and Plan Administrators license* (through National Advisory Company Ltd) and have undertaken many of the higher profile restructurings.

▼ Loan Due Diligence

As a natural progression from our [restructuring](#) past, [Corporate Advisory Services](#) has forged an enviable record in the loan due diligence field.

There are three streams of loan due diligence, i.e.:

1. Reviewing [Non Performing Loan](#) (NPL) portfolios under Central bank regulations
2. Reviewing NPL portfolios for sale on behalf of international banks/hedge funds
3. Reviewing NPL and Performing Loans for investors looking at Bank share [acquisition](#)

▼ Monitoring

Monitoring in Thailand is used for a variety of reasons although generally as a result of [restructure](#) or [equity investment](#).

▼ NPL Portfolio Sales Advisory

In 2007 we naturally progressed into Non-Performing Loan sales advisory. Having acted for buyers on numerous occasions we felt we understood what their unique requirements would be to [acquire Thai portfolios](#).

[Corporate Advisory Services](#) undertook 3 major sales assignments in 2007, culminating in each portfolio being sold at above reserve prices.

In 2008 we undertook the TMB loan portfolio assignment which, at the time, was the largest ever NPL/NPA sale in Thailand. The Thai political upheaval and world economic woes forced the sale into second round bids due February 2009.

Contacts

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Amnaj Mungkornpun – Director

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Baker Tilly Tax Services

Thailand can be an exciting and challenging place to do business. Multinational companies should seek tax and business advices that are appropriately suited to their needs and circumstances. Multinational companies can gain more with having good tax and business advisors with a good understanding of both local and international tax.

At Baker Tilly Tax and Consulting, we offer a range of taxation and business support services in the following key areas:

- Taxation services
 - Tax planning and consulting
 - Cross border transactions
 - Tax compliance
 - Structured tax
 - Tax due diligence
- Business support services
- Accounting services

Taxation services

Baker Tilly Tax assists clients mitigate their tax risks in Thailand with international and local knowledge. It starts with good tax planning to ensure that transactional risks are identified and reduced and comply with international and local tax. For multinational companies, these transactions are referred to as cross-border transactions and include such areas such as:

- Withholding tax
- Value added tax
- Transfer pricing
- Advanced Pricing Arrangement (APA) and
- Double Taxation Agreements

We also provide assistance on tax compliance such as:

- Corporate tax returns
- Monthly VAT (value added tax) and withholding tax returns.
- Personal income tax for expatriates
- Specific business tax and
- Stamp duty.

Additionally, our tax professionals are trained to help prepare tax registrations, applications for withholding tax certification from the authority to apply as tax credit against foreign tax in DTA country and applications for Regional Operating Headquarters (ROH).

We can assist clients seeking answers on domestic tax matters and legislations, such as drafting taxpayer objections, appeals and request for tax rulings. We are also well equipped to represent clients in Thai Revenue Department audits and seek refunds for overpaid value added tax and withholding tax.

Tax Planning and Consulting

Tax planning and consulting involves having a good understanding of international tax, particularly the Double Tax Agreements (DTA) between Thailand and a number of countries, and local tax. Equipped with tax knowledge, our tax professionals can supply clients with tax structures to support their proposed transactions. Tax structures can allow companies reduce their tax exposure.

▼ **Cross Border Transactions**

Multinational companies require cross border transactions, particularly between affiliates. These transactions are subject to tax reviews, such as transfer pricing, and must comply with local Thai tax rules, despite the DTA. While there are no specific Thai tax laws on transfer pricing, the Revenue Officer is empowered to assess additional tax on the transaction if the transaction is deemed to be below market value. With our understanding of Thai tax rules, we can assist companies with their cross border transactions.

International companies doing business in Thailand, but have no formal presence in the country, may be subject to Thai tax as a legal juristic entity. These companies need to ensure that their Thai transactions are not deemed "to have permanent establishment", which attracts Thai tax. We can assist companies with their transactions in Thailand and mitigate their risks of being taxed.

▼ **Structured Tax**

Our structured tax provides tax structures for Thai and foreign companies wishing to enter into joint ventures in Thailand. Our professional service assists you in decision-making to which the legal structure through your business is owned and operated is the optimum structure in your situation and worth with respect to costs and benefits.

We also provide assistance on structured tax in terms of:

- Providing implementations on tax effective structuring options
- Minimizing capital gains and income tax cost through appropriate tax planning
- Minimizing capital gain tax cost for the potential future sale
- Maximizing asset protection for owners and valuable business assets
- Incorporating exit plans into business structure planning
- Advising on stamp duty implications

▼ **Tax Due Diligence**

Our tax due diligence teams provides a wealth of transaction tax experience and independent and objective accounting due diligence to help clients make informed purchasing and sale decisions. In doing so, we analyze historical tax returns and financial statements to highlight tax issues and risks and opportunities associated with a contemplated transaction. We work closely with our clients and their legal advisors to develop a tax efficient deal structure.

Our Tax Due Diligence services include:

- Perform tax due diligence for merger and acquisition or business reorganization
- Highlight potential tax issues and risks and provide our recommendations for resolving tax problems, where any
- Assist in structuring transactions in a tax-efficient manner
- Provide support/compliance for tax needs, when require.

Contacts

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John@bakertillythailand.com

Yundyong Thantiviramanon – Director

yundyong@bakertillythailand.com

Baker Tilly Managing Services

Accounting Services

Accounting Services

Our services include full outsourced bookkeeping and monthly tax compliance services, including preparation of monthly withholding tax and value added tax returns. We maintain accounts for clients, perform data entry, review tax invoices and accounting records and provide monthly management accounts. Using the information provided to us on a monthly basis, we can prepare the necessary monthly tax filings for submissions.

We can also function as the client's accountant. This is where clients call on us for information on a regular basis. We can assist clients for the preparation of documents for submission to the officials and represent clients at the Revenue Department.

We work close with our tax department to ensure that we are current with tax requirements. They are assessable for tax questions.

Project Accounting

Project accounting is specifically for real estate and hospitality projects with multiple special purpose vehicles. In addition to bookkeeping services, we can assist the client prepare the following monthly reports:

- Consolidation or combining statements
- Statement of cash flows
- Schedule of construction in progress, comparing actual with budgets and committed amounts
- Schedule of investments – shareholder loans and accrued interest
- Analysis of significant changes between reporting periods

Business Support Services

We offer business support services such as:

- Company registrations
- Foreign Business License
- Doing business under Treaty of Amity
- Establishment of Branch Office and Representative Office
- Company secretarial
- Work permits and visa

We have trained professionals who can advice on corporate and labor law matters. We also assist clients gain access to Thai investment promotion programs and other investment and industrial incentives under BOI (Board of Investment).

Contacts

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Yundyong Thantiviramanon – Director

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Stuart Monley – Director

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Our audit clients





About Us Home

Baker Tilly International

Executive Management

- **Apichart Sayasit**
- Yundying Thairvaramanon
- Uphon Dinnane
- Annjai Mungkomput
- Stuart Morley
- Sraun Wong
- Waleerat Akkarasriwong
- Wisaiwan Jongudomsombut
- Michael Anastasia
- Kanetha Ropenduang
- Bunharat Punnaratch
- Wisaiwan Budsathath
- Yupaphat Srichanarumit
- Pimponrat Chaisakwanjaree
- Shobha Vongprecha
- Krongkarn Noppavarn

Testimonials



Apichart Sayasit

Managing Partner

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Apichart has over 30 years experience in the [Audit and Advisory Services](#) Division mainly responsible for [financial audit](#) covering the multinational companies, listed companies various businesses, such as real estate, construction, insurance, manufacturing, oil and gas producing, electricity, hospitality and services.

Before joining Baker Tilly Audit and Advisory Services (Thailand) Ltd., Apichart had been promoted and assigned as an international partner of Andersen Worldwide during 2000 to 2003 responsible for audit of multinational companies, major local group of companies as well as responsibilities for Energy and Utility Industry Group. He was also the partner of KPMG Thailand during 2002 to 2003.

During past years, Apichart was a key person assisting the overseas team for the [audit of multinational clients](#) listed in the foreign stock exchange and Thai SET. Apart from his main responsibilities for regular audit, he has also been assigned to take charge in IPO and [merger and acquisition](#) projects on a regular basis.

Apichart has been actively involved in public lectures and presentations for the Federation of Accounting Professions.

Apichart holds a Thai CPA and a license approved by the Office of the Securities and Exchange Commission, and the Office of the Insurance Commission.

In 2008 Apichart was also a Director and Audit Committee of the Airport of Thailand Public Company Limited.

Executive Staff

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Executive Staff profiles



Appendix 3. Engagement Letter to Provide Audit Service to Mekong Institute



Phinyada Chanthao <phinyada@mekonginstitute.org>

Request quotation for service FY 2018

2 messages

Phinyada Chanthao <phinyada@mekonginstitute.org>
To: Pimonporn Chappanarangsee <pimonporn@bakertillythailand.co.th>
Cc: Suwimol Changprung <suwimol@mekonginstitute.org>

Tue, Nov 21, 2017 at 5:10 PM

Dear K.Pimonporn

Regarding to the government board meeting is coming in December 18, 2017. I would like to propose the Baker Tilly Thailand to be an external auditor for FY2018 as your team performe is very professional and good feedback from our finance team.

In order to process direct purchase and continue use the service from current supplier as our policy said the vendor should be maintain the prices and other service to avoide bidding selection

With this regard I would like to ask for your cooperation to provide the quotation of audit fee for FY2018 and hope the prices will be remain the same with current year or a few increasing is acceptable

For your consideration

Best

--

Mrs.Phinyada Foytong
Finance Mananger
Mekong Institute

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Website: www.mekonginstitute.org

Pimonporn Chappanarangsee <pimonporn@bakertillythailand.co.th>
To: Phinyada Chanthao <phinyada@mekonginstitute.org>
Cc: Suwimol Changprung <suwimol@mekonginstitute.org>, Wimolsri Jongudomsombut <Wimolsri@bakertillythailand.co.th>

Tue, Nov 21, 2017 at 6:03 PM

Dear Khun Phinyada,

As discussed with you over the phone, if your business and volume of transactions in 2018 is the same as in 2017, we will propose audit fee based on 2017 audit fee plus inflation rate of 4%.

However, the ethical standard of auditors does not allow us to issue the formal 2018 engagement letter until we finished 2017 audit work.

Kind regards,

Pimonporn Chappanarangsee

Associate Director

Baker Tilly Audit and Advisory Services (Thailand) Ltd.

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Appendix 4. Informal Quotation from Baker Tilly International (Thailand)



July 24, 2017

Dr. Watcharas Leelawath
Executive Director
Mekong Institute
123 Mekong Institute, Khon Kaen University,
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Muang, Khon Kaen

Baker Tilly Audit and Advisory
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Engagement Letter to Provide Audit Service to Mekong Institute

Dear Dr. Watcharas,

The purpose of this letter is to confirm understanding between **Mekong Institute** ("the Institute") and **Baker Tilly Audit and Advisory Services (Thailand) Ltd.** ("Baker Tilly Audit") for the audit on the financial statements of the Institute. This engagement letter sets out our scope of services, management responsibilities, our responsibilities, audit fees and billing arrangement and the others in the following therein.

Scope of Services

Baker Tilly Audit will audit the statement of financial position of the Institute as of December 31, 2017 and the statements of income and changes in equity for the year then ending ("the financial statements") prepared in accordance with the accounting policy of the Institute.

Our audit will be conducted in accordance with International Standards on Auditing ("ISA"), which will include our examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant judgments and estimates made by management, as well as evaluating the overall financial statement presentation.

An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on, or to identify significant deficiencies in, internal control. However, we are responsible for communicating to the management any significant deficiencies or material weaknesses in internal control over financial reporting that come to our attention during the course of our engagement.

When conducting an audit on a test basis, ISA requires the auditor to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement, whether caused by error or fraud. An audit is not a guarantee of the accuracy of the financial statements and is subject to the inherent risk that errors, fraud, or illegal acts, if they exist, might not be detected. Accordingly, a material misstatement may remain undetected. Further, an audit is not a special engagement designed to detect errors or fraud that is immaterial to the financial statements. However, if you wish us to direct special auditing procedures to particular matters, we would be pleased to work with you to develop a separate engagement for that purpose.

Our audit will be utilized for the purposes of determining the amount of work, in certain cases but entirely, reduce the amount of substantive procedures, required for the audit the financial statements of the Institute. Our work on both the Institute's interim period and year-end, collectively and not individually, will be sufficient enough for us to render an opinion of the financial statements of the Institute.

An independent member of Baker Tilly International

Mekong Institute

Engagement letter for audit service for the year ending December 31, 2017

Our overall objective will be the completion of the foregoing audit and, upon its completion and subject to its findings, the rendering of our report, which will express our opinion on the financial statements. However, it is possible that because of unexpected circumstances, we may determine that we are unable to complete the audit engagement or that we are unable to or cannot form an opinion. In those circumstances, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

Management Responsibilities

As you are aware, the financial statements are the responsibility of management or equivalent. Management, or equivalent, is responsible for the data and information set forth therein, as well as for the evaluation of the capability and integrity of the Institute's personnel. Management should discuss with those charged with governance the:

- appointment, compensation, and oversight of our work as independent auditors. Management should ensure that those charged with governance understands its responsibility to periodically review all audit and non-audit services that we perform in order to ensure that these services do not impair our independence with respect to the Institute. In addition, professional standards require that we make certain inquiries of audit committee or another equivalent group regarding its views about the risk of fraud within the Institute and other matters.
- adequacy of the Institute's internal control over financial reporting and the identification of any significant deficiencies, including material weaknesses.
- the Institute's critical accounting policies and, for the initial selection of or changes to significant accounting policies or their application, the reasons for the selection or the change.
- process used by management in formulating particularly sensitive accounting judgments and estimates and whether the possibility exists that future events affecting these estimates may differ markedly from management's current judgments.
- basis used by management in determining that uncorrected misstatements, including disclosures, proposed by us, but not recorded by the Institute, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management should also discuss whether any of these uncorrected misstatements could potentially cause future financial statements to be materially misstated.

Management is also responsible for:

- preparing the financial statements, in English language version, in accordance with the accounting policy of the Institute.
- making all financial records, any documentation of internal control over financial reporting, and related information available to us during our engagement.
- ensuring that the Institute complies with all laws, regulations, contracts, and grants, and for informing us of any known material violations of such laws, regulations, contracts and grants.
- establishing and maintaining effective internal control over financial reporting, which includes adequate accounting records and procedures to safeguard the Institute's assets, and for informing us of all known significant deficiencies in and changes in internal control over financial reporting.
- informing us of its views on the risk of fraud within the Institute and its awareness of any known or suspected fraud and the related corrective action management proposes.
- adjusting the financial statements, including disclosures, to correct material misstatements and for affirming to us in a representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement, including those pertaining to the latest period presented, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- informing us of any subsequent discovery of facts that may have existed at the date of our auditors' report, which may have affected the financial statements or the related disclosures.

Accordingly, we will require management's cooperation to complete the audit services. In addition, ISA requires us to obtain written representations from management concerning such matters, which we will rely upon.

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Because of the importance of Management's representations to the effective performance of our services, the Institute will release Baker Tilly Audit's partners, directors, members, personnel and agents from any claims, liabilities, costs and expenses relating to our services under this letter attributable to any misrepresentations in the representation letter referred to above. Baker Tilly Audit will not be responsible or liable to the Institute if information material to our work is withheld or concealed from us or wrongly represented to us.

In order to preserve the independence of Baker Tilly Audit, in the course of this engagement, we expect you to notify us if there is a high potential of the Institute employing Baker Tilly Audit's staff working on this engagement. In such circumstance, we will substitute those identified for others of equal or similar skills and experience.

Our Responsibilities

We are responsible to determine that certain matters related to the conduct of the audit that come to our attention are communicated to those charged with governance, including:

- fraud involving senior management and fraud, whether caused by senior management or other employees, that causes a material misstatement of the financial statements.
- illegal acts, unless they are clearly inconsequential. During the course of our audit, we will ask management for specific representations about this. To fulfil our responsibilities, we may need to consult with the Institute's counsel, or counsel of our choosing, about any such illegal acts that we become aware of. Additional fees, including legal fees, if any, will be billed to the Institute. Those charged with governance agrees to ensure full Institute's cooperation with any procedures that we may deem necessary to perform.
- disagreements with management, reportable events, and other serious difficulties encountered in performing the audit.
- various matters related to the Institute's accounting policies and financial statements, such as the basis for our conclusions regarding the reasonableness of significant judgments and estimates made by management, audit adjustments, uncorrected misstatements and accounting policies.

Confidentiality

The work papers for this engagement are the property of Baker Tilly Audit and constitute confidential information. We agree that we will treat as such all confidential proprietary information obtained from you and will not disclose such information to others except to personnel of Baker Tilly Audit and its member firms who perform the following duties:

- Providing services to you or using such information in connection with the performance of the services agreed to in this letter;
- Sharing information between and among Baker Tilly firms for purposes of performing the engagement in the context of a multi-firm engagement, where the assigned services require involvement of multiple Baker Tilly firms;
- Creating consolidated repositories of information relating to a particular audit, so that relevant audit engagement teams may access and share the most up-to-date information relating to the audit (in each case in accordance with appropriate access controls, including restrictions on printing privileges);
- Processing of client information within Baker Tilly Audit's electronic communication systems, knowledge management tools, and information technology facilities and applications which are subject to appropriate access controls;
- Using, developing and sharing among Baker Tilly firms knowledge, experience and skills of general application gained through performing engagement services, for the purposes of delivering services to clients; and
- Disclosing of your information as necessary to perform normal review processes, such as quality control review or a quality review program performed on behalf of Baker Tilly International and/or the Baker Tilly member firms' regional Baker Tilly governing body.

This undertaking shall not apply to any of the information obtained from our audit and review that we are required by law or by the requirements of any regulators or by specific professional standards to disclose or that is in or hereafter enters the public domain.

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The Institute hereby approves Baker Tilly Audit to disclose limited information regarding the services set out in this engagement letter for use when preparing proposals and general purpose marketing materials, providing that (i) when preparing proposals the information provided is limited to the Institute's name and a brief description of the scope of work, and (ii) when preparing general purpose marketing materials, the Institute's specific approval will be obtained before publishing such materials.

Electronic Transmittals

During the course of our engagement, Baker Tilly Audit or the Institute may need to electronically transmit confidential information to each other and to other entities engaged by either party. E-mail is a fast and convenient way to communicate. However, e-mail is not a secure means of communication and, thus, confidentiality could be compromised. The Institute agrees to the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between Baker Tilly Audit and the Institute and between Baker Tilly Audit and outside specialists or other entities engaged by either Baker Tilly Audit or the Institute. Baker Tilly Audit will accept no responsibility or liability in respect of risks associated with the use of Internet e-mail, (including any damage or potential damage to your computer systems, or the data stored on those systems, as a result of viruses or other problems introduced as a result of communication by Internet e-mail) and will not be held responsible for any reliance which you place on any statements contained in an Internet e-mail unless that statement is confirmed in writing on Baker Tilly Audit letterhead.

Limitation of Liability and Indemnification

It is understood that our responsibility for the services included in this letter will encompass only periods covered by our audit and will not extend to any subsequent periods for which we are not engaged as auditors. Further, this engagement includes only those services specifically described in this letter.

We take pride in the quality of our work and will do our best to provide you with outstanding professional service. However, in the event you are dissatisfied with our services, it is understood that our maximum liability to the Institute for any reason relating to our services will be limited to the fees paid to Baker Tilly Audit for the services or work product giving rise to the liability and shall not include any amounts occurring in later periods for which we are not engaged as auditors. In no event will our liability under the terms of this letter include responsibility for any claimed incidental, consequential or exemplary damages. In addition, the Institute shall indemnify and hold us harmless from any liability, damages, fees, expenses and costs (including defended costs) arising from or relating to misrepresentations by management (as discussed in the "Management Responsibilities" section of this letter) and arising from any reason relating to the services under this letter.

This provision shall survive the termination of this agreement for any reason.

Audit Fees and Billing Arrangement

Our fees are based on the degree of responsibility and skill involved and the necessary time to be spent by those members and employees of Baker Tilly Audit assigned to the engagement, plus the reimbursement of our direct out-of-pocket expenses such as duty stamp, transportation, accommodations, per diem (Baht 300 per night per staff if audit field is outside Bangkok), telephone, facsimile, postage printing and binding, etc. Our fees for the work outlined above (excluding out-of-pocket expenses) would be Baht 480,000.

Mekong Institute

Engagement letter for audit service for the year ending December 31, 2017

We will bill the above proposed fees on the following schedules:

	In Baht
• Upon commencement of the audit work	160,000
• Upon issuance of the draft auditor's report	160,000
• Upon issuance the signed auditor's report	160,000
Total	<u>480,000</u>

All invoices shall be paid upon receipts.

The above fees are estimated on the basis set out in the standard conditions. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any circumstances as they are assessed.

In the event that Baker Tilly Audit is requested pursuant to subpoena or other legal process to produce its documents relating to this engagement for the Institute in judicial or administrative proceedings to which Baker Tilly Audit is not a party, then the Institute shall reimburse Baker Tilly Audit at standard billing rates for its professional time and expenses, including reasonable lawyer's fees, incurred in responding to such request.

Additional Services

We would be pleased to provide any additional services that may be required from time to time, although such services are to be regarded as distinct from the performance of our duties as the Institute's external auditor – provided that such services are allowed by Baker Tilly Audit policies, and Thailand's professional standards and regulations.

Intellectual Property Clause

This letter contains confidential material proprietary to Baker Tilly Audit, an independence member of Baker Tilly International. The material, ideas and concepts contained herein are to be used solely and exclusively to evaluate the capabilities of Baker Tilly Audit to provide professional services to the Institute. This letter has been prepared specifically in response to a request from the Institute. It remains the property of Baker Tilly Audit and as such, the contents may not be disclosed by the Institute to any third party, nor may any original concept devised by Baker Tilly Audit as described herein be commercially exploited.

General Matters

Baker Tilly Audit and Advisory Services (Thailand) Ltd. is an independent member of Baker Tilly International. Baker Tilly International Limited is an English Company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Audit and Advisory Services (Thailand) Ltd. is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Audit and Advisory Services (Thailand) Ltd., nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under licence from Baker Tilly International Limited.

This letter forms the entire agreement and understanding between us with respect to the subject matter hereof. This letter supersedes all previous arrangements and understandings between the parties with respect to the subject of this letter, which shall cease to have any further force or effect. Any variation to the terms of this letter shall be made in writing and will not be effective unless signed by a representative of Baker Tilly Audit and Advisory Services (Thailand) Ltd. and by an authorized representative of the Institute.

Mekong Institute

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The reports issued by Baker Tilly Audit on the financial statements are not to be distributed in conjunction with any sales, public or private offerings of equity or debt securities, promotional, transactional or other materials that may give any recipient the impression that Baker Tilly Audit is endorsing such sale, offerings, promotion, transaction or other matters without the express written consent of Baker Tilly Audit. If you intend to publish or otherwise reproduce the financial statements together with our reports (or otherwise make reference to Baker Tilly Audit) in a document that contains other information, you agree to provide us with a draft of the document to read and comment on before it is printed and distributed. Furthermore, you agree that the terms of this engagement do not encompass an undertaking by us 1) to consent, by means of a separate letter or otherwise, to the inclusion of our auditors' reports on the financial statements referred to above in a filing with a regulatory agency or otherwise reissue our reports for purposes of a securities offering or other financing transaction, or 2) to acknowledge reliance on our reports by others.

This letter is made under, and shall be governed by, Thailand's laws, and all disputes arising from or under this letter shall be subject to the exclusive jurisdiction of Thailand's courts.

Each clause or sub-clause or term of this letter constitutes a separate and independent provision. If any of the provisions of the letter are judged by any court or authority of competent jurisdiction to be void or unenforceable, the remaining provisions shall continue in full force and effect.

Authorization

We look forward to the continuation of our association with Mekong Institute. Please do not hesitate to contact us if you require clarification of the above matters. Please confirm your agreement with foregoing by signing a copy of this letter and returning it to us.

Very truly yours,
Baker Tilly Audit and Advisory Services (Thailand) Ltd.



(Apichart Sayasit)
Managing Director

**Agreed and Accepted:
Mekong Institute**

By: 
(Dr. Watcharas Leelawath)
Executive Director