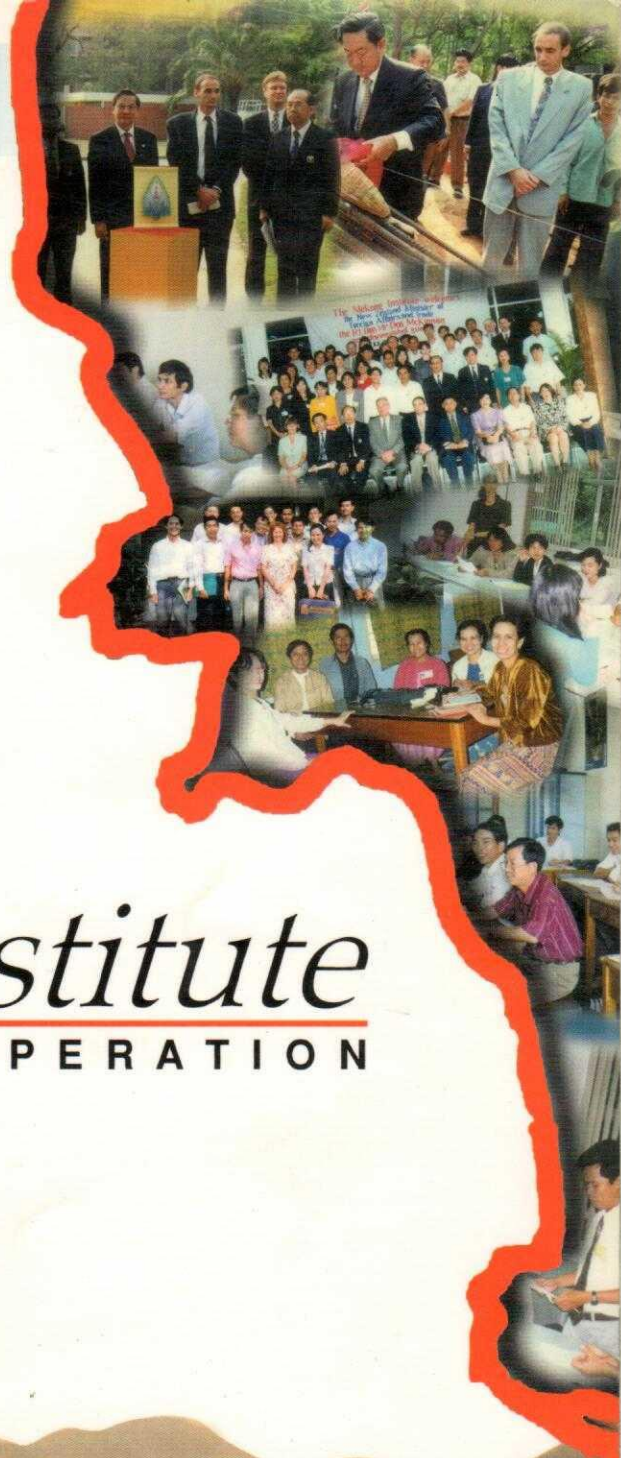
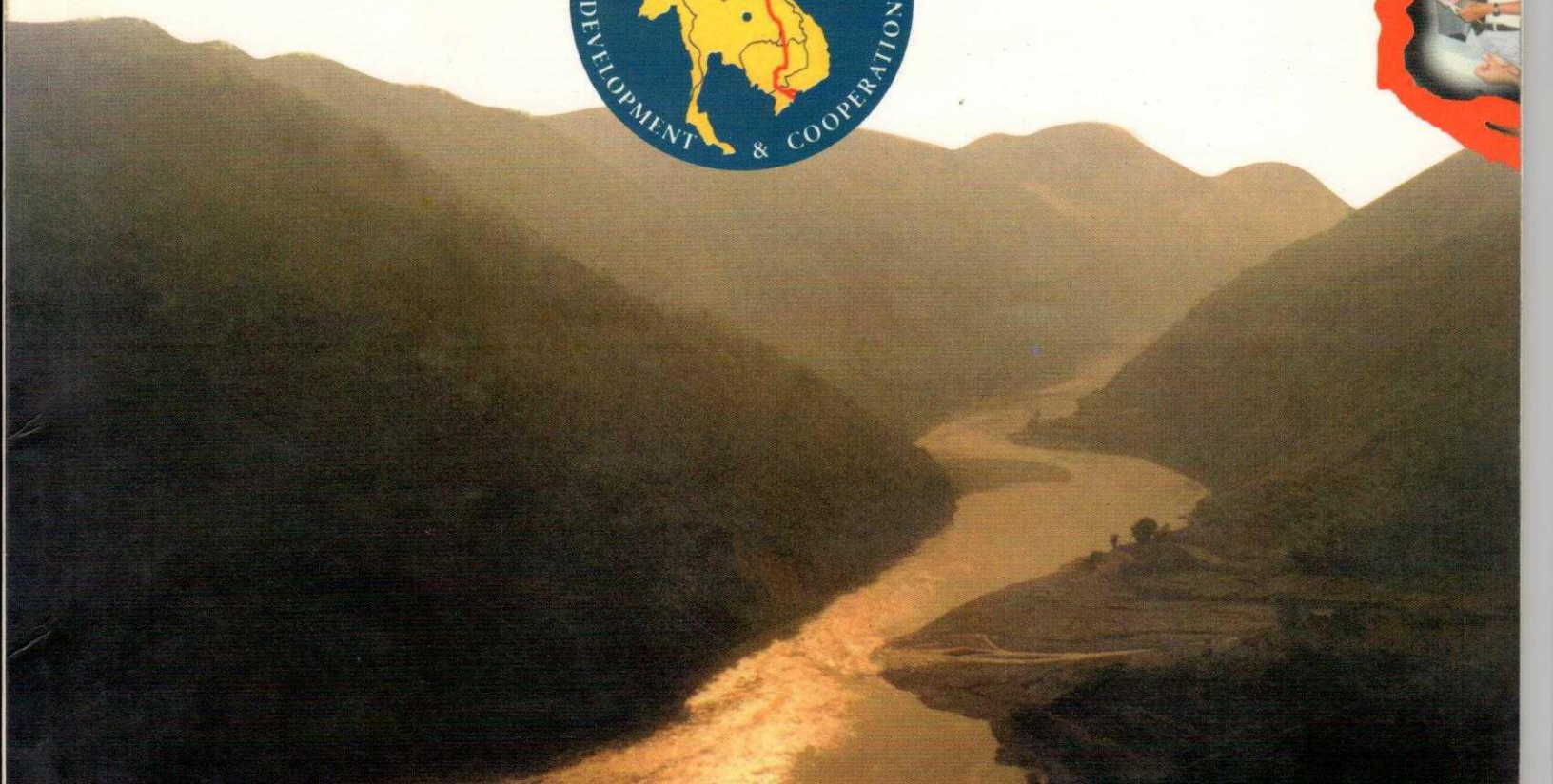
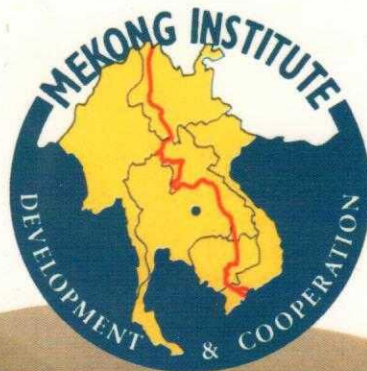


Annual Report 1998



Mekong Institute
DEVELOPMENT & COOPERATION



Director's Report



▲ Her Royal Highness Princess Maha Chakri Sirindhorn laid the foundation stone on December 25, 1995.

This is the first annual report of the Mekong Institute since its inception over three year ago. The report includes the activities which have occurred when the building of the Institute became fully operational. Our annual report follows the New Zealand fiscal year since the main resources at present are funded by the New Zealand Government. Therefore the report covers the period from February 1997 to June 1998.

The former Director General of the Department of Technical and Economic Cooperation (DTEC) of Thailand, Khun Pichet Sunthornpipit, commented that this "Mekong Institute Project" has been one of the fastest move ever. A mere two years and two months have passed since its initiation on November 18, 1994, when the Prime Minister James B. Bolger visited Khon Kaen University. Soon after the budget approval of the New Zealand Government, came the first day of training of the first course (A1) in the completed well-equipped facility at Khon Kaen University. This would not have happened if all involved had not had strong determination and been dedicated to full time work.

I would like to mention a few people involved in this phase of development who have been very important prime movers of the project. Excellency Professor Dr. Amnuay Viravan, the former Deputy Prime Minister of Thailand and a KKU Council Member gave me the idea of establishing this kind of Institute when I was the President of KKU. Excellency Phillip Gibson the former Ambassador of New Zealand to Thailand who understands Thai culture and Thai mentality and understands the development needs of the Greater Mekong Sub-region. The Right Honorable James B. Bolger, a great leader of New Zealand, who gave the green light for New Zealand to play this most important role in the regional cooperation and development of the Greater Mekong Sub-region. And there are many others who worked hard to push this project off the ground including the Director General of DTEC and his staff, my Deputy Director, Assoc. Prof. Dr. Suwit Laohasiriwong and the staff of MI to mention just a few.



The accomplishments of this Institute cannot solely be claimed by ourselves alone. There are coordinating agencies in each of the GMS countries who have worked closely with us to realise our dream of building up the Greater Mekong Spirit. The six countries' high ranking officials and the middle managers who have come through the training at our Institute and gained knowledge of "Economies in Transition" have all agreed that the friendship, trust and cooperation generated at Mekong Institute is beneficial and valuable. They have all developed the vision of a long-lasting regional collaboration similar to the European Union.

The Economic and Social Commission for Asia and the Pacific (ESCAP) has reviewed our Institute and already listed it as an "Excellent Institute". Many other international organisations and funding agencies recognise our Institute and refer to us on many occasions. To mention a few : Asian Development Bank (ADB) put a page about our Institute in their newsletter. ADB also invited the Director to give a talk to a Public Participation Course organised by ADB for GMS. ADB contracted the Director, through the Stockholm Environment Institute and Institute on Environmental Management, to be a consultant on public participation, part of the Strategic Environment Framework for GMS. The Mekong River Commission requested our Directorship to be involved in their National Meeting of MRC and Public Participation Workshop in planning the establishment of an office of Public Participation unit. United Nations Development Programme (UNDP) approved our conducting a training course on "Economies in Transition" and asked us to attend a review of the work of the MRC. SEAMEO-RIHED and UNESCO worked jointly with MI on the development of an Economics Curriculum for the GMS. The Tourist Authority of Thailand (TAT) requested us to propose and organise a training course on tourism management for officials from the GMS countries.



▲ H.E. Dr. Adrian Macey, New Zealand Ambassador in Bangkok, presided over the opening ceremony of the Mekong Institute on March 14, 1997. ▼



Ms. Vilayluck Siangdeth, a Lao participant on the UNDP course presented flowers to Her Royal Highness Princess Maha Chakri Sirindhorn at her visit on August 29, 1998. ▼





The Mekong Institute has had the privilege of receiving visits by many very important persons. Her Royal Highness Princess Maha Chakri Sirindhorn visited us on a very special occasion on 29 August 1997. She was pleased to see MI activities, to meet with the participants and to visit an exhibition hosted by the Ambassadors of the five GMS countries and DTEC. The Right Honorable Don McKinnon, the Minister of Foreign Affairs and Trade of New Zealand delivered a special lecture and observed a morning report session of MI participants attending course B2. The Right honorable Diane Marleau, the Minister for International Cooperation and La Francophonie for Canada also visited us to see the accomplishments of MI and the Institute for Dispute Resolution. Several Ministers and former Ministers of Thailand have visited and given special lectures to MI participants. To mention a few : Excellency Prof. Dr. Amnuay Viravan the former Deputy Prime Minister; Excellency Suwit Khunkitti the Deputy Prime Minister; Excellency Dr. Virapong Ramangkul the former Deputy Prime Minister; Excellency Dr. Narongchai Akrasanee, former Minister of Commerce; Dr. Krasae Chanawong the former Minister of Foreign Affairs and of University Affairs and Prof. Dr. Sippanondha Ketudat; the former Minister of Industry, and of Education and the chairman of the National Economic and Social Development Board.



▲ Right Honorable Don McKinnon gave a talk to participants on Course B 2, October 15, 1997.

Many other distinguished Thai and regional scholars have been involved in delivering lectures to MI participants. H.E. Sompong Mongkhonvilay, Vice President, State Planning Committee, Lao PDR and Mekong Institute Council Member gave a talk on the MI-IMET course and has addressed the participants when they have visited the State Planning Ministry in Vientiane.

The first Alumni Meeting in Kunming consolidated the networking of participants and is a step in the follow-up stage of the MI strategic plan. Many interesting papers were presented by MI Alumni. It provided the chance for other Yunnan people to learn more about our Institute and about the development of state-owned enterprise reform in other countries in the region and in New Zealand.

Finally, in May 1998 a Review Team from New Zealand and Thailand conducted a mid-term review. Their report made recommendations to the Thai and New Zealand Governments regarding continuing support to the GMS governments for their active participation, involvement and cooperation in the use of MI as a means to develop core human resources. This will build unity out of diversity and bring peace and prosperity to the region and eventually



▲ Right Honorable Don McKinnon, New Zealand Minister of Foreign Affairs and Trade of New Zealand took a group photo with distinguished guests and participants on Course B 2.



The Mekong Institute

The Mekong Institute is a unique facility providing specialised training for key public and private sector personnel in the fields of economic and administrative reform. Located on the campus of Khon Kaen University in Northeast Thailand, it serves countries in the Greater Mekong Sub-region (GMS) of Asia: Cambodia, Laos, Myanmar, Thailand, Vietnam and the Yunnan Province of China.

With a population of over 300 million, the GMS is an area of significant economic potential. As the countries of the region move toward more open economies and greater regional integration, the demand for human resource development is increasing, particularly in the areas of economic management and public administration.

The Institute aims to assist these countries in their transition from command to market economies by developing key management skills in the region. It has been established with assistance from the governments of New Zealand and Thailand. The New Zealand funding is provided from the NZODA (New Zealand Overseas Development Assistance) programme.

All participating countries have had a strong say in the policy and management of the Institute and its curriculum, through representation on the Institute Council, Project Coordinating Committee and Board of Studies.

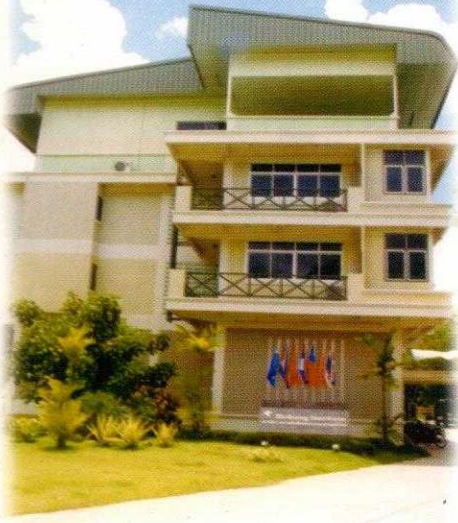
Recent political objectives of the countries comprising the Greater Mekong Sub-Region (GMS) include the strengthening of political and economic collaboration to achieve sustainable development of the Mekong River Watershed which they share between them. All have moved to implement policies designed to shift their economies towards a more open market orientation.



▲ Prior to the completion of the MI building, the MI office was located in the KKU Radio Station Office Block.



The Establishment of the Mekong Institute



The concept of a regionally located institution which would provide training for middle- and senior-level officials and managers from throughout the region in the processes of transition economics and in the processes of management of such changes, was likely to have wide appeal within the region. Such a concept was proposed by Khon Kaen University (KKU), an institution already providing tertiary level training to students from many neighbouring GMS countries.

During a visit in 1994 to KKU, which had during the past three decades developed strong associations with New Zealand, the then Prime Minister of New Zealand approved New Zealand's support for an Institute for Economic Development and Cooperation for the Greater Mekong Sub-Region (IEDC-GMS). This institute, later to be referred to as the Mekong Institute (MI), was envisaged as fostering training in economic transformation and in management of the far reaching changes which would ensue. New Zealand itself had passed through two decades of fundamental economic change from a highly interventionist economy to a relatively free economic model and was thus in a good position to offer practical advice and expertise. The concept also fitted with NZODA's Asia regional policy objectives, where a single larger project focusing on objectives likely to provide benefits for all GMS countries in their movement towards a more free market alignment was seen as a means of concentrating development resources. The project resulted in the construction and equipping of an institute with 30 residential places and a well-resourced educational facility capable of supporting training courses with a focus on economics and development. Courses funded by the New Zealand and Thai Governments concentrate on providing an understanding of processes involved in the transformation from an interventionist, command economic system to an open, free market system. Implementation of transformation processes brings urgent need for management of ensuing change. The Institute's teaching role thus focuses on macro and sectoral transition economics processes and on the management of the changes such processes bring.



The Goal

The project goal of Mekong Institute is defined as: To assist the Governments of the GMS to promote sustainable socio-economic development and regional cooperation through the development of a training institute for senior and middle-level government and private sector personnel.

There are four objectives:

- To establish an effective training and research institute specialising in sustainable development, transition economics and management of reform at KKU, Thailand.
- To prepare and support senior and middle-level men and women in government and the private sector for course delivery in the English language.
- To carry out training which will be appropriate to prepare senior and middle-level men and women in government and the private sector in planning, management and implementation of sustainable development and transition economics.
- To contribute to regional cooperation through training and research at the Institute.

Additionally, the project seeks to institutionalise appropriate management structures and systems at the Institute and to develop the necessary human resources, which will promote sustainability of the Institute beyond the period of NZODA support.

The project design is cognisant of the need to incorporate gender and development and environment issues throughout the project as the primary objectives above are addressed. It is envisaged that the Institute will encourage greater participation of women at higher levels of decision and policy making within the GMS by the incorporation of sound gender and development components within all MI courses.



▲ At the Beehive, Institute Director, Dr. Vanchai Vatanasapt making a courtesy call on the Prime Minister of New Zealand, Right Honorable James B. Bolger in Wellington, capital of New Zealand, in Mr. Bolger's Beehive Office.



▲ Mekong Institute Council Meeting, held at Mekong Institute on July 22, 1998. Dr. Amnuay Viravan, H.E. Dr. Adrian Macey and distinguished members joined the meeting. ▼



Progress Made



New Zealand and Thai Government sponsored courses

The Governments of New Zealand and Thailand are committed to sponsoring two types of courses at Mekong Institute: a three-week course (A-type) for senior managers, and a 10-week course (B-type) for middle level personnel. In a full year it is expected that 3 A-type courses and 2 B-type courses will be held.

These courses are each for a total of 30 participants, from the 6 countries in the Greater Mekong Subregion: Cambodia, Vietnam, Myanmar, Lao PDR, Thailand and Yunnan (a province of China).

The courses are conducted in English, and each training course includes English Language training. This is provided to potential MI course participants, prior to the start of an MI course, at outreach centres in each country (except Thailand) and during the courses at the institute itself.

All MI courses are provided in a flexible format to meet the needs of participants. This format includes case studies, guest speakers, seminars, field visits and lectures. The cross-cutting issues of gender and environment are integrated into all courses.

Courses sponsored by other donors

In addition to the courses sponsored by the governments of New Zealand and Thailand, the Mekong Institute is able to organise and host courses funded by other donors. These courses are planned with, and designed to meet, the needs and requirements of donors.

Chronology of courses in the review period

The first course held at the Mekong Institute, Course A1, began on 24 February 1997. Within the period under review the following courses have been held:

Course A1	24 February - 14 March 1997
Course B1	19 May - 26 July 1997
Lao PDR UNDP Training Course	11 - 29 August 1997
Course B2	8 September - 14 November 1997



▲ Dr. Amnuay Viravan, the Chairman of the Mekong Institute Council gave a talk to participants on the course B3.



Kunming Workshop on PS/SOE Reform	19 - 24 January 1998
ASEAN Ecotourism Workshops	17 - 24 February 1998
Course A2	2 - 20 March 1998
Course A3	23 March - 10 April 1998
Course A4	17 April - 15 May 1998
Course B3	18 May - 24 July 1998

- Course A1, A2, A3 and A4 all had the general theme "Economies in Transition". Each course had a common module for the first 1.5 weeks, "Markets and Markets in Transition", and then the second half of the course focused on Trade or Public Sector Reform.


- Course B1, B2 and B3 each had 4 modules: Markets and Markets in Transition, the Social and Environmental Impacts of Development, Trade and Public Sector Reform.

- The Lao PDR UNDP training course was designed to help prepare Lao PDR Government officials for participation in ASEAN. It was funded by UNDP.

- Two workshops on Public Sector and State-owned Enterprise Reform were held in Kunming. They were partially funded by the New Zealand Government with the cooperation of the Yunnan Research & Coordination Office for Lancang Mekong River Sub-regional Cooperation.

- The ASEAN Ecotourism Workshops were for people from ASEAN countries working in the tourism sector. The New Zealand Government funded these two workshops.

- The ADB-funded course on "Project Accounting" was for officials from Lao PDR, Cambodia and Vietnam.



Support for the Institute's establishment is provided under the NZODA Asia Regional Programme. A total of \$NZ 18 million has been committed to the project over a five year period. Building and equipment costs, and a substantial part of operational expenses over the five-year life of the project are provided. As the language of instruction is English, New Zealand also provides for the support, and costs, of pre-course "outreach" English Language Training (ELT) for prospective participants in their own countries, and ELT during economics and management courses provided at the Institute.

Additional and substantial support is being provided via Thailand's Department of Technical and Economic Cooperation (DTEC). Fellowship support is provided to augment the 75 fellowships per year provided via NZODA. DTEC also provides its regular privileges and immunities to foreign experts and its customary exemptions from duties and taxes for qualifying equipment purchased and imported for the project.

The Institute is aiming to become fully sustainable as a regional institution and, to this end, the active participation of regional Government partners is being sought. The involvement of regional business interests is also solicited for the sponsorship of courses and operational costs.

Through the development of a well-equipped information centre and information management system, the Institute anticipates providing leadership within the region in the management and dissemination of information on transitional economics. The Institute will network with institutions in all member countries to achieve its information leadership role.

The Mekong Institute has limited funding available for contestable research, whereby qualifying research proposals from member countries can bid to receive funding assistance. The Institute's research has a regional focus on the economics of transition and, where possible, involves cooperation between GMS countries. Through the several anticipated programmes of teaching, information provision and research, the Institute aspires to establish a reputation for quality and credibility as a key institution in the economic progress of the GMS.



Governing Bodies

Institute Council

An Institute Council has been established to oversee policy, budget allocations and work plans. The Council consists of a high level official from each member country. Additional members during the period of assistance are representatives of NZODA, DTEC and the Management Services Consultant. In recognition of the IEDC-GMS being a KCU institution, the President of KCU, or his representative, is also a member. There are also two Council members representing the business community.

The current members at 1 April 1999, are:

1. Dr. Amnuay Viravan

Chairman

Chairman of the Advisory Board/

Chairman of Saha-Union Public Company Limited

9th-floor, Saha-Union Building, 1828 Sukhumvit58, Prakanong, Bangkok 10250, Thailand

Tel. : 66 2 311 5111-9 ext 7431-3

Fax : 66 2 332 5613

2. H.E. Dr. Adrian Macey

Deputy Chair

Ambassador

New Zealand Embassy

93 Wireless Road, Bangkok 10330 Thailand

Tel. : 66 2 254 2530

Fax : 66 2 253 9045

3. H.E. Ou Orhat

Country Representative of Cambodia

Under Secretary of State, Ministry of Planning

386 Blvd, Preah Monivong, Phnom Penh, Cambodia

Tel. : 855 18 810616

Fax : 855 23 720944

4. H.E. Somphong Mongkhonvilay

Country Representative of Lao PDR

Vice President of State Planning Committee, Luang Prabang Road, Vientiane, Lao PDR

Tel. : 856 21 216553

Fax : 856 21 213819

5. U Than Myint

Country Representative of Myanmar

Office of the Ministers

Deputy Director General of Foreign Economic

Relations Department, Ministry of National

Planning and Economic Development,

422 Theinbyu Road, Kandawgalay PO,

Yangon, Myanmar

Tel. : 951 287213

6. Mr. Kittipan Kanjanapipatkul

Country Representative of Thailand
Director General, Department of Technical
and Economic Cooperation (DTEC),
962 Krung Kasem Road, Bangkok 10100
Thailand

Tel : 66 2 281 7176

Fax : 66 2 281 7176

7. Mr. Niu Shao Yao

Country Representative of Yunnan
Vice Governor, Yunnan Province, C/o Mr. Li
Yigan, Director, Yunnan Science of Science
Research Institute, YLMCO
110 Beijing Road, Kunming, 650051, China

Tel : 86 871 313 5122

Fax : 86 871 316 9006

8. H.E. Do Ngoc Son

Country Representative of Vietnam
Ambassador of The Embassy of the Socialist
Republic of Vietnam
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Thailand

Tel : 66 2 251 7202

Fax : 66 2 251 7201

9. Dr. Prinya Chindapasirt

KKU Representative
President of Khon Kaen University,
Khon Kaen,
40002 Thailand

Tel : 66 43 237092

Fax : 66 43 244476

10. Dr. Narongchai Akrasanee

Business Representative
Chairman of Seranee Holding Co.Ltd.
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Paholyothin Road, Lumlookka, Patumthani,
Bangkok 12130 Thailand

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Fax : 66 2 9925843

11. Mr. Tran Huu Chinh

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and Investment Corporation of Ho Chi Minh City
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Ho Chi Minh City, Vietnam

Tel : 84 8 829 1107

84 90 908551 (Mobile)

Fax : 84 8 822 5241

12. Mr. Gordon Parkinson

Chair of the New Zealand Consultative Committee
44 Cologne Street, Martinborough, New Zealand

Tel : 64 6 306 9334

Fax : 64 4 472 9596

13. Prof. Dr. Vanchai Vatanasapt

Secretary
Director of Mekong Institute
Khon Kaen University, Khon Kaen 40002,
Thailand

Tel : 66 43 246851 -2 ext. 106

66 1 8717794 (Mobile)

Fax : 66 43 3431 31



Project Coordinating Committee

During the period of assistance from NZODA, project operations and Institute development were coordinated by a Project Coordinating Committee (PCC) with representation from the Institute, KKU, DTEC, NZODA, the MSC and participating countries. The role of the PCC was to provide coordination of the inputs of all interested parties in the operational management of the assistance project for the support and development of the Institute.

The members, from inception until 30 June 1998 were:

1. Prof. Dr. Vanchai Vatanasapt

Chair Director of the Mekong Institute,
Khon Kaen University, Khon Kaen 40002,
Thailand

Tel. : 66 43 246851 -2 Ext106

66 1 871 7794 (Mobile)

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4. Madam You Ay

Country Representative from Cambodia
Director General of ASEAN, Cambodia,
Foreign Affairs and International Cooperation,
Phnom Penh, Cambodia

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Fax : 85 5 23 21 5541

2. Mr. Richard Graves

Deputy Chair Manager
Development Cooperation Division,
Ministry of Foreign Affairs and Trade,
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Fax : 64 4 494 8515

5. Mr. Duam Sengchandavong

Country Representative from Lao PDR
Deputy Director of Ministry of Education,
Department of Planning & Cooperation,
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3. Mr. David Brook

Second Secretary, New Zealand Embassy,
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6. U Than Myint

Country Representative from Myanmar
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7. Ms. Suchada Thaibunthao

Country Representative from Thailand
Chief of Australia New Zealand and Asian
Countries Sub-Division, Department of Technical
and Economic Cooperation (DTEC),
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8. Mr. Duong Duc Ung

Director General
Country Representative from Vietnam
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(FERD)

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9. Mr. Li Yigan

Country Representative from Yunnan
Director of Yunnan Science of Science
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10. Dr. Winit Chinsuwan

KKU Representative
Vice President for Research Affairs,
Khon Kaen University, Khon Kaen 40002
Thailand

Tel : 66 43 244476

Fax : 66 43 241216

11. Mr. Jeff Howe

Secretary
Programme Administrator/Coordinator,
Mekong Institute, Khon Kaen University,
Khon Kaen, 40002, Thailand

Tel : 66 43 246851 -2 ext. 113

Fax : 66 43 343131



Board of Studies

The Board of Studies was established to oversee academic activities, monitor course implementation, ensure quality of educational product and establish educational standards. The BOS has also been involved in guiding the Institute Research Programme through :

- establishing a research process and proposals criteria;
- selection of suitable proposals and award of research grants; and
- monitoring of research proposals in progress.

As with the PCC, the BOS has representation from all participating countries. Representatives selected are expected to be in a position, from career experience, to provide input into academic activities as indicated above.

The members, from inception until 30 June 1998 were:

1. Chair

Dr. Suwit Laohasiriwong

Deputy Director Mekong Institute
Khon Kaen University, 40002 Thailand
Tel. : (66 43) 241 479, 246 851-2
Fax : (66 43) 343 131

2. Secretary

Mr. John E. Askwith

Course Director Mekong Institute
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3. Cambodia

Mr. Neang Muth

Dean
Faculty of Pedagogy
Ministry of Education Youth and Sport
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4. Yunnan

Ms. Qin Mu

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5. Lao PDR

Dr. Souphanh Keomixay

General Director of Cabinet State Planning
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E. Vietnam

Dr. Phan Thu Huong

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Department for Science Education and

Environment Planning,

Ministry of Planning and Investment

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(844) 843 5148

Fax: (844) 843 5204

F. Myanmar

Daw Than Nwe

Head of Department

Law Department University of Yangon

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Fax: (95 1) 280 950

G. Thailand

Dr. Preeda Prapruatchob

Lecturer

Faculty of Agriculture Economics

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Fax: 66 43 241216



New Zealand Consultative Committee

As this is the largest project in the NZODA programme, a Consultative Committee has been established to advise MFAT on project implementation and to provide input on a range of project issues.

The members, from inception until 30 June 1998 were :

1. Mr. Gordon Parkinson

Chairman

44 Cologne Street, Martinborough

New Zealand

Tel. : 0064 6 306 9334

2. Mr. Philip Gibson

Director

Asia 2000 Foundation

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Tel. : 0064 4 471 2320

Fax : 0064 4 471 2330

3. Mr. Evan Mayson

International Manager

Montgomery Watson NZ Ltd.

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Tel. : 0064 9 520 6007

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4. Mr. Rob McLagan

Director General

International Business Councils

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Tel. : 0064 4 471 2340

Fax : 0064 4 471 2341

5. Mr. Farib Sos

5 Kandy Crescent, Khandallah, Wellington,
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Fax : 0064 4 495 8278

6. Ms. Alexandra Stephens

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7. Dr. Chris Tremewan

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English Language Training (ELT)



Overview of Programme

The English Language Training (ELT) at Mekong Institute consists of two major operations: the Outreach ELT programme and the Mekong Institute-based ELT Programme.



The ELT Specialist Basheba Beckman awarded certificates at the Closing Ceremonies on the Outreach ELT Course in Lao PDR.

Staff from November 1996 to December 1997 included two ELT Specialists and one secretary. The ELT Programmes were designed and implemented by Dr Judith Grant and Ms Basheba Beckmann. Since February 1998, only one ELT Specialist, Ms Basheba Beckmann has been responsible for the ELT Programme.

The Outreach ELT operation

The purpose of the Outreach ELT operation is to provide English training and, where appropriate, up-grade the English level of potential participants so that they are able to:

- Discuss and exchange ideas in English on a variety of topics related to economics and public sector reform in their countries and the region
- Become familiar with the language needed to understand printed and lecture material related to economic and public sector reform topics
- Gain an understanding of the Mekong Institute, its background, purpose and goals
- Prepare potential participants for economics courses at Mekong Institute



Teachers developed the ELT curriculum at the first Teachers Workshop held in October

In its first eighteen months of operation the Outreach ELT operation has trained around 300 participants in the five participating outreach countries. In Cambodia, Laos, Vietnam and Yunnan, China, contracted ELT providers deliver an 8-week intensive ELT course to up to 20 selected participants. From these, up to five participants with suitable levels of English are selected to attend an economics course at Mekong Institute in Khon Kaen. In the case of Myanmar, the five participants selected for a Mekong Institute course may be provided with some English training in Myanmar before their arrival in Khon Kaen. There is no outreach-type course offered in Thailand.



In October 1997 twenty English teachers from each of the five outreach countries met in Khon Kaen to participate in an ELT Curriculum workshop at Mekong Institute. The outcome of this workshop was a common core ELT curriculum that focuses on the skills and language needs of learners in each country and prepares them for participation in courses at Mekong Institute.

In Cambodia, Laos, and Yunnan participants are awarded certificates at official closing ceremonies at the completion of each course.

All participants in Cambodia, Laos, Myanmar and Vietnam are given an IELTS test (International English Language Testing System) at the end of their courses. Participants from Yunnan are IELTS tested when they arrive in Khon Kaen.

The English Language levels of participants attending the ELT courses vary considerably both within each country and across the five outreach countries of the region. However, IELTS data collected over the past 18 months indicates that overall, participants with higher levels of English are being selected for the outreach English courses.

The benefits of the Outreach English Language programme for participants could be summarised by the following points:

1. All participants report an improvement in English ability, especially listening, speaking, reading and vocabulary at the end of their respective courses.
2. The establishment of friendships and contacts during the ELT course with members from other ministries or sectors contributes to cooperation and development within each country.
3. The opportunity and ability to discuss in English economic ideas and regional issues prepares all participants for similar discussions at regional and/or international events.
4. Preparation for and the opportunity to sit the IELTS test gives participants an internationally recognised English qualification.



▲ Twenty Lao officials attended the B1 Outreach ELT Course at the National University of Laos.



▲ Myanmar B1 participants attended English training at University of Foreign Languages, Yangon.



Similarly, benefits of the O ELT programme for MI include :

1. A physical presence in each of the five countries of the region.
2. A source for potential future MI course participants.
3. Providing a location and focal point for MI-related activities, eg. Alumni, in-country economics training.
4. A venue for promoting and marketing of MI in each of the five regional countries.

Mekong Institute-based ELT Programme

The ELT programme at Mekong Institute consists of three components:

1. ELT and orientation to MI in the first week of each new course
2. Eight hours of English classes per week throughout each 10-week (During B-type) economics course
3. On-going English support, which includes
 - tutorials with individuals and small groups of participants
 - providing participants with sound laboratory facilities and updated materials
 - resource and advisory support for presenters provided on an as-and-when required basis

The first week's ELT sessions and weekly classes are provided by a contracted ELT provider. For 1997 the ELT provider was the KKU Department of English. In 1998 the provider is AUA. The on-going support is organised and provided by the ELT Specialist.

Week one of the ELT course focuses on activities that facilitate participants interacting and gaining practice and confidence in exchanging personal information, orientation to MI and preparation for the economics course.

During the B-type courses, there are two hours of English four days per week. For this part of the programme participants work on specific English skills they need to maximise their understanding and participation in the economics lectures and activities. The English they learn included listening, reading, writing, vocabulary building, and speaking activities including pronunciation, discussion and oral presentation skills.



ended the B1 Outreach
University of La



Participants improved their English
University of Foreign Studies.



Participants attended E
Foreign Language



Evaluations are carried out in both operations of the English Programme. Responses indicate that participants benefit significantly from the English courses, not only in their improvements in English level, but also in terms of the contacts and friendships they develop during the courses.

A database of all participants attending outreach and MI economics courses has been established and is updated at the completion of each course. The Biodata includes participants' names, country, ministry or work place, position, gender, outreach course attended, MI course attended and English test results.

Alumni

Contact is maintained with participants who have attended courses at MI when the ELT Specialist visits each of their respective countries. Alumni members in each country are encouraged to meet with new trainees and attend functions and events related to MI activities. It is through the alumni that MI is becoming increasingly well-known in each of the five outreach countries of the region.

24

Future Developments

Plans for the ELT Programmes for the next 12 months include:

1. A second ELT teachers workshop.
2. Decreasing and eventual phasing out of the role of the ELT Specialist.
3. An increasing self reliance of the English teachers and providers in delivery of the outreach ELT courses.
4. Within each outreach country and at Mekong Institute, there may to be some restructuring of the ELT courses in response to local needs and requests.



A2, A3, and A4 Participants and teacher with the ELT Specialist at the Closing Ceremony, at the ACE Outreach ELT Course in Phnom Penh, Cambodia. ▶

Auditor's Report

SGV-NATHALANG & CO.,LTD.

Certified Public Accountants
A Member Firm of
Arthur Andersen

Rachayothin Office
14th Floor, SCB Park Plaza East
19 Rachadapisek Road
Ladysao, Jitujak
Bangkok 10900 Thailand
Tel. (662) 9379888
Fax : (662) 9379898


The Council
Mekong Institute

We have examined the statement of assets, liabilities and the fund balance of Mekong Institute as at June 30, 1997, and the related statement of revenues and expenses for the period of September 6, 1995 to June 30, 1997. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed in Note 2, the Institute's accounts are generally prepared on the accrual basis, except for cash granted for operation which is recognized as income on a cash basis.

As discussed in Note 2, the cost of course training and accommodation and administrative expenses, approximately Baht 0.58 million, were not adequately supported by documents. The Institute's management, however, agreed to record these expenditures as the Institute's expenditures. Furthermore, the Institute has not yet recorded a donated micro bus in the Institute's books of accounts.

In our opinion, except for the effects of the matters discussed in the third paragraph, the financial statements referred to above present fairly the assets, liabilities and fund balance of Mekong Institute at June 30, 1997, and the revenues and expenses for the period of September 6, 1995 to June 30, 1997, in conformity with the basis of accounting as described in the second paragraph.


VICHIEEN THAMTRAKUL
C.P.A. (THAILAND)
Registration No. 3183

December 4, 1998





SGV-NATHALANG & Co.,LTD.

MEKONG INSTITUTE

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

JUNE 30, 1997

ASSETS

CURRENT ASSETS

Cash on hand and in banks	Bht.	2,067,860
Prepaid expenses		<u>106,421</u>
Total Current Assets		<u>2,174,281</u>

PROPERTY AND EQUIPMENT - At Cost

Furniture and fixtures		1,669,418
Office equipment		5,405,264
Vehicles		<u>2,047,323</u>
Total		9,122,005
Less accumulated depreciation	(<u>585,759</u>)
Property and equipment - Net		<u>8,536,246</u>

26

TOTAL ASSETS	Bht.	<u>10,710,527</u>
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LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accrued expenses	Bht.	724,765
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FUND BALANCE

Excess of revenues over expenses		<u>9,985,762</u>
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TOTAL LIABILITIES AND FUND BALANCE	Bht.	<u>10,710,527</u>
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SGV-NATHALANG & Co.,LTD.



MEKONG INSTITUTE STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD SEPTEMBER 6, 1995 TO JUNE 30, 1997

REVENUES

Granted from Government of New Zealand	Bht.	18,687,621
Granted from Department of Technical and Economic Cooperation, Thailand		2,283,450
Granted from Khon Kaen University		454,450
Income from accommodation		347,548
Interest Income		95,723
Other Income		<u>24,530</u>
Total Revenues		<u>21,893,322</u>

EXPENSES

Cost of economic course training		2,217,725
Payment for construction of Mekong Institute Building		2,742,416
Expenses for board meetings		1,183,977
Cost of accommodation		1,158,844
Cost of English Language Training		40,439
Management and consultant expenses		435,628
Books for the library		99,974
Administrative expenses		
Salaries and overtime		1,069,694
Per diem and accommodation		562,617
Depreciation		585,759
Travel Expenses		561,708
Communication and postage		347,140
Souvenir		228,750
Office supplies		192,074
Professional fees		120,000
Insurance		41,683
Miscellaneous		<u>319,132</u>
Total Expenses	Bht.	<u>11,907,560</u>

EXCESS OF REVENUES OVER EXPENSES

Bht. 9,985,762

See accompanying Notes to Financial Statements.
(With Mr. Vichien Thamtrakul's report dated December 4, 1998)

[Signature]



SGV-NATHALANG & CO., LTD.

MEKONG INSTITUTE NOTES TO FINANCIAL STATEMENTS JUNE 30, 1997

1. GENERAL

Mekong Institute was established as an Institute on September 6, 1995, within Khon Kaen University under the powers assigned to Khon Kaen University by its parliamentary establishment act to provide human resource development opportunities for senior and middle level men and women from the public and private sectors of Kingdom of Cambodia, Yunnan Province, People's Republic of China, Lao P.D.R., Myanmar, Thailand and Viet Nam.

The Institute was granted by the Government of New Zealand and the Department of Technical and Economic Cooperation, Thailand, and managed under the New Zealand Official Development Assistance programme, which was implemented over the period of five years from September 1, 1996 to August 31, 2001.

The Institute will aim be the venue for the following activities:

1. to train and retrain high and senior ranking officials and business leaders in the Greater Mekong Sub-Region with emphasis on economic development and management.
2. to provide opportunities for future leaders of the regions to exchange views and experiences, in the form of seminars, workshops, and study tours to promote greater understanding and cooperation within the Sub-Region.
3. to be a resource center for information on the areas, related to economic development and management.
4. to promote academic cooperation among the higher education institutes within the Sub-Region such as joint research programmes.

The accompanying financial statements were based on the transactions as recorded in the accounts of Mekong Institute.



2 BASIS OF FINANCIAL STATEMENTS

The Institute's accounts are generally prepared on the accrual basis, except for cash granted for operations which is recognized as income on a cash basis.

The cost of course training and accommodation and administrative expenses of approximately Baht 0.58 million were not adequately supported by documents, of which approximately Baht 0.34 million the documents was not in the name of the Institute and Baht 0.24 million which had no supporting documents. The Institute's management, however, agreed to record these expenditures as the Institute's expenditures.

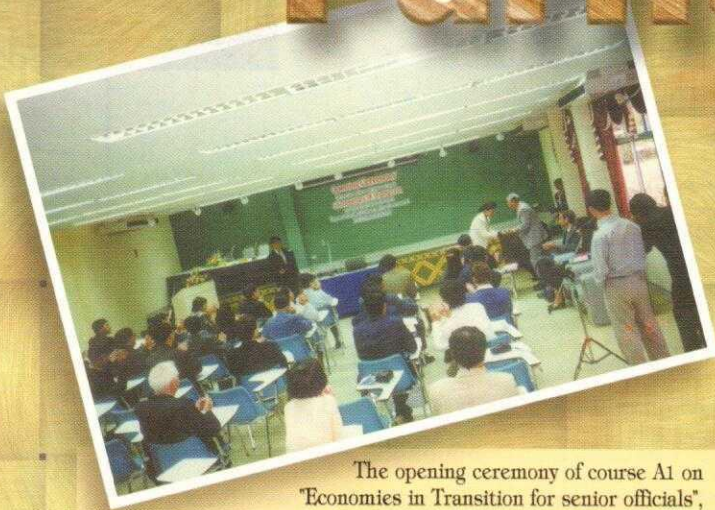
The Institute has not yet recorded a donated micro bus in the Institute's books of accounts. In addition, the Institute's vehicles as shown in the balance sheet were registered in the name of Khon Kaen University.

3. SIGNIFICANT ACCOUNTING POLICY

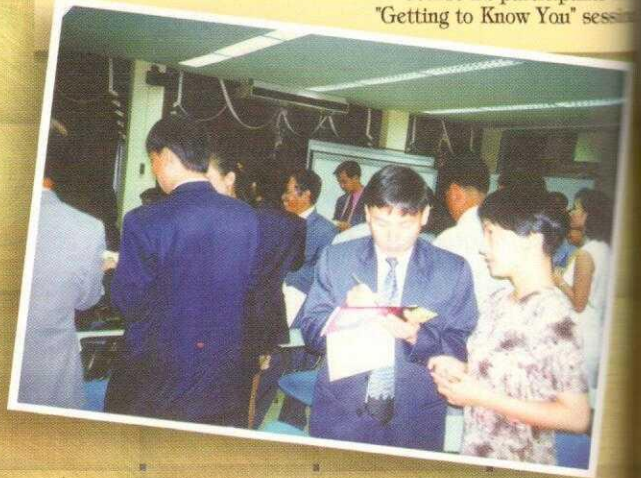
Depreciation

The Institute depreciates its property and equipment by the straight-line method over a period of five (5) years.

Participants



The opening ceremony of course A1 on "Economies in Transition for senior officials", the first course held at Mekong Institute, 24 February 1997.



Course B2 participants in "Getting to Know You" session.



A Course B2 participant reads his essay to the class.



Course B3 visited Laem Chabang Port, Port Authority of Thailand.

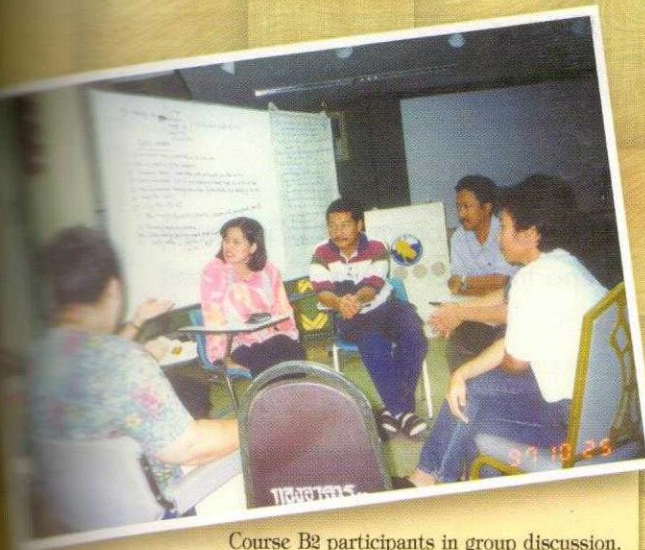


Course B3 participants on a field trip to the Board of Investment and the Industrial Estate Authority of Thailand at Laem Chabang.

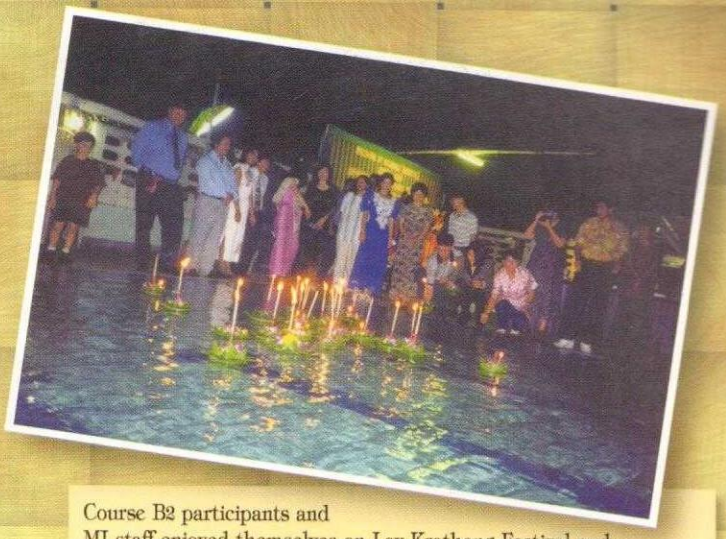
Course B4 participants visited Phoenix Pulp & Paper Public Company.



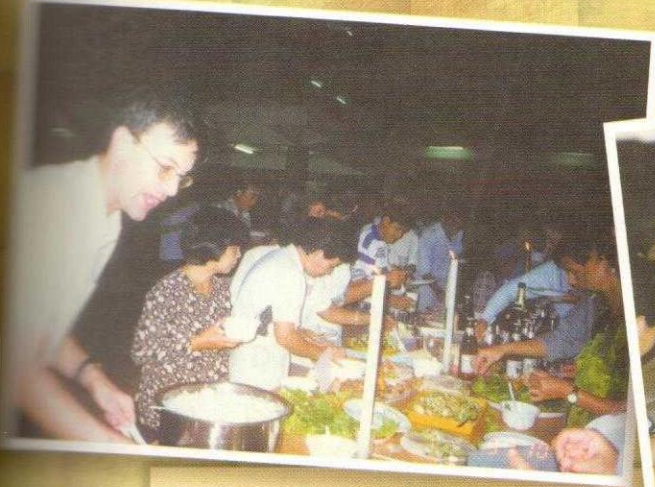
B2 participants in 'Know You' session



Course B2 participants in group discussion.



Course B2 participants and MI staff enjoyed themselves on Loy Krathong Festival and farewell party, held at Suan Hanza restaurant



Participants and MI staff enjoyed food at the International Food Festival at Mekong Institute



Course A3 participants from Myanmar gave a souvenir to Dr. Vanchai, MI Director, on the Closing Ceremony at the Mekong Institute on April 10, 1998

Authority of Thailand



Police General Pao Sarasin presents a certificate to a participant on course B1 at the closing ceremony,

