



**MEKONG  
INSTITUTE**

**MEKONG INSTITUTE  
ANNUAL REPORT  
2016**



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# A MESSAGE FROM DR. WATCHARAS LEELAWATH

Executive Director, Mekong Institute

The year 2016 was a productive and groundbreaking period for Mekong Institute (MI). As the primary capacity building and development organization in the Greater Mekong Sub-region (GMS), MI forged new pathways with international development partners. This opened the doors for a more inclusive GMS and our collaborative work has reached major milestones.

As MI celebrated its 20th Anniversary, stakeholders, development partners, and participants from all over the region gathered together to mark this milestone with gratitude, dedicated support, and continued collaboration. As our organization embraced a new chapter, our logo has been updated to better convey progressive modernization in the GMS and to emphasize MI's identity on fostering growth and prosperity in a modern era for the years to come.

This year also marks the implementation of MI's Strategic Plan for 2016 to 2020 – a guided framework to direct MI's focus on continuing and strengthening its role as a leading capacity building institute in the region, as reflected in the achievements of this year.

To respond to the changing dynamics in the GMS region, MI restructured its Strategic Framework, which is identified in three regional development themes. The Trade and Investment Facilitation (TIF) Department continues its highly relevant role in the region; the Rural Development Program has been reconstructed as the Agricultural Development and Commercialization Department (ADC) to acknowledge the substantial interdependencies between agriculture and trade; and the newly introduced pillar is the Innovation and Technological Connectivity Department (ITC).

Our most recent projects on integrating technology will sharpen our focus on addressing the ever-changing need of the region to have better access to effective communication tools and methods. As the GMS modifies its approaches, we will continuously strengthen and enforce human capacity



## **THE CONSTANTLY CHANGING ENVIRONMENT OF THE GMS REQUIRES STEADFAST GROWTH AND ADAPTATION**

building geared toward innovation and connectivity between its members.

Altogether, these three pillars will enable MI to engage with the broad range of cross-cutting issues in regional development particularly gender equality, environmental sustainability, and labor mobility. In line with this commitment is the development of the Monitoring, Evaluation and Learning strategy to support our programs' goals and to follow through with the economic advancements along the East-West Economic Corridor. Our dedication is to provide sustainable progressive impacts to the members of our region.

Another major achievement in 2016 was the launch of the very first Mekong Development Report 2016. This will cover all of our work in partnership with national researchers and will also allow us to tackle development news within the

region. Through this, we will showcase our continued initiative to serve as a regional hub for information, integration, capacity building, and development.

The constantly changing environment of the GMS requires steadfast growth and adaptation, restructuring, and creation of innovative methods to better serve the region and our partners. As MI looks forward to the challenges in 2017 and beyond, we remember to look at our past milestones as markers of achievement and organizational growth to catapult us forward into a more inclusive chapter of development, in the ever increasing expansion of the GMS and the world over.



# A MESSAGE FROM H.E. MR. TUN TUN NAING

Chairman, MI Council

As the Greater Mekong Sub-region (GMS) steadily grows and evolves alongside global modernization, the need to further develop and strengthen the human capacity of its member states becomes a more vital element to accompany the region's dynamic progress.

MI plays a key role in this significant evolution. For twenty years, MI's commitment in organizing and implementing activities has led to valuable results – from creating a talented pool of experts and specialists to developing dynamic and innovative teaching and training approaches – key factors that immensely contribute to its efficient capacity development programs. Throughout the years, MI has reaffirmed its position as a firm pillar of development in the GMS. Through its programs, its alumni have acquired the essential knowledge and skills to lead various public and private sectors within the region.

Reaching its 20th year is a momentous milestone for MI as it has adapted its structure according to the needs of the GMS and is continuously developing interventions that promote inclusive and equitable growth within the region. The organization's initiatives have successfully implemented human capacity building and have established support for action plans

following the lessons learned from its participants.

In 2016, MI organized a number of training events addressing the need to promote regional power connectivity and these have brought in positive feedback from the participants. The said initiatives have encouraged GMS member countries to lay lasting foundations for projects that gear toward improving connectivity and encouraging harmonious energy cooperation within the region.

Apart from the training and research activities, MI has initiated a development project to improve the economic situation of small and medium-sized enterprises (SMEs) through better access to commercial agricultural value chains along the East-West Economic Corridor (EWEC) and contribute to a more inclusive and equitable growth in the GMS. Looking forward, MI will continue focusing on cross-cutting issues that contribute to the integral development of the region as well as bridging and strengthening links between various stakeholders. This includes equal involvement from both private and public sectors, which is envisioned as a long-term goal.

As the organization maintains its flexibility in catering to such necessities, it is important that GMS members, as well as development and implementing partners, work hand-in-hand with MI to be more perceptive with the challenges that lie ahead. We should maintain and strengthen our relationships to assist MI's initiatives and build a more prosperous environment for the region's people.



# AN INTERVIEW WITH DR. NARONGCHAI AKRASANEE

Chairman, MI Steering Committee

## **How has MI contributed to the modernization of the GMS?**

MI has always played an important role in capacity building development to cater to the priorities of the GMS countries

From its conception, MI has initially provided trainings for middle to senior level officials and managers. Since then, partnerships have been strengthened to support the wider needs of the members of the GMS - with more inclusive programs covering major regional development themes.

## **What is M's primary role in today's changing times?**

Throughout the years, MI has faced numerous challenges and these have shaped the organization to what it is now today – a leading capacity building institute in the region. As MI celebrated its 20th year and has now embarked on a new chapter, the organization adopts new measures to fulfill its mission.

Being in the service of the GMS region, the organization has created links allowing stakeholders to work together and strengthen their ties. As a result, the GMS has become a model for sub-regional development and MI plays an increasingly important role in this.

The organization's efforts have put a limelight on technological connectivity – with the aim to promote innovation through collaboration and connectivity as key elements in sustaining a striving economy. This initiative widely covers an array of development projects from various sectors,

such as developing and adopting best practices in the field of agriculture, providing solutions to improve sectors such as the GMS power and energy, sustainable energy, and transportation.

## **What is expected on the horizon for MI's initiatives on the GMS for the years to come?**

As the region expands its capacity and ventures into new horizons, there is a significant need to develop well-adapted education and training systems to provide efficient human resources to support continued growth. With this objective comes challenges on building and sustaining partnerships – specifically between the public and the private sectors. I think based on our experiences, we have learned a great deal and MI is ready to move forward with more comprehensive programs focusing on human resource development including training, networking, and research.

As MI further cooperates and collaborates with other learning institutions, it will surely contribute to making a profound impact on human resources in the GMS. I am certain that MI will continuously strengthen its efforts to foster a culture of inclusion and progress for the whole region.



# HIGHLIGHTS



**Commencement of the 2nd Certified Logistics Master Program**  
*February 1, 2016*



**Launch of Training of Trainers (TOT) on SME Development**  
*February 23, 2016*



**Energy Cooperation Seminar in the GMS**  
*March 17, 2016*



**MI Celebrates its 20th Anniversary**  
*August 28, 2016*



**Annual Mekong Forum**  
*August 29, 2016*



**Professional Dispatching, Operation, and Control for GMS Power Grid Professional Training**  
*September 19, 2016*

OF 2016

**Regional Multi-Stakeholder  
Workshop on Food Safety**  
*October 11-12, 2016*



**Policy Dialogue: Cross-Border Trade Facilitation  
Between Quang Tri Province of Vietnam and  
Savannakhet Province of Lao PDR**  
*October 28, 2016*



**Regional Training on Food Safety  
Management Tools in Food Manufacturing**  
*November 7, 2016*



**Logo release of Mekong Institute**  
*November 15, 2016*



**Promoting Cross-Border Trade Through  
Value Chain Development**  
*November 21, 2016*



**Mekong Development Report launch**  
*December 7, 2016*





# ENSURING FOOD SAFETY

In developing countries, the mishandling of food causes public health risks. Members of the Greater Mekong Sub-region (GMS) are not exempted from foodborne illnesses and the risks that come with consuming unsafe food.

To help improve the current situation of food safety in the region, New Zealand, through the New Zealand Aid Programme (NZAP), will impart its internationally-recognized food safety expertise to Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV) by partnering with MI to implement the MI Food Safety Project (MI-FSP).

Selected CLMV government officials will be trained on the essentials of food and safety regulatory standards in various value chains, emphasizing the ones related to fresh produce. Through these training programs and support services, CLMV agricultural and food safety government officials will expand their knowledge on how to improve the development and implementation of food safety regulations and standards for selected value chains and market outlets in their respective countries.



**Khammoaune, Lao PDR**—An employee of the Vanida Rice Mill (VRM) posing for the camera while inside the rice-milling facility's packaging room. VRM is the first-ever rice mill in Lao PDR to receive its Good Manufacturing Practices (GMP) certificate, thanks to the help of MI.

The MI-FSP's training approach includes covering food safety topics through models of New Zealand best practices. The pilot training series will also feature targeted CLMV value chains and markets, and a strengthened post-course outreach which will be supported by a new and improved reporting, monitoring, evaluation and framework.

While regional in scope, the project acknowledges the country-specific

# IN CLMV AND THE WIDER GMS

needs of each CLMV country. As such, outreach activities will be initiated under the MI-FSP, allowing more freedom for the project to work with each country in a localized manner. The outreach activities extend MI's training programs in a local setting tailor-fit to the needs of each CLMV country.

MI-FSP also establishes MI's food safety training credentials within CLMV and the wider GMS—making the institute a primary provider of high-level food safety training services in the region. This initiative will encourage collaborations with other development partners in providing food safety activities in the GMS for the years to come.



*Khammouane, Lao PDR—A Vanida Rice Mill truck on its way to deliver sacks of well-milled, high-grade rice to retailers.*



# REGIONAL AND LOCAL ECONOMIC DEVELOPMENT EAST-WEST ECONOMIC CORRIDOR PROJECT

## RLED-EWEC Project

In four years from 2013 to 2017, MI and the Swiss Agency for Development and Cooperation (SDC) have been implementing the project on “Regional and Local Economic Development on East-West Economic Corridor” in three provinces including Khammouane, Lao PDR; Quang Tri, Vietnam; and Kayin State, Myanmar.

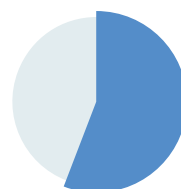
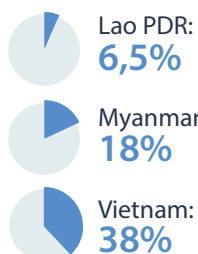
The project interventions have resulted in significant achievements and contributed to the improved performance and economic situation of smallholder farmers and SMEs.

### FARMER DEVELOPMENT



From 2013 to 2016, **1066** smallholder farmer households from three project sites increased the total additional income of USD **401,755**.

Net additional income accrued by project beneficiaries:



56% of the beneficiaries were ethnic minorities

### SME DEVELOPMENT

Increased total trade volume



**1066**  
tons

Increased profit



USD  
**612,280**

### ENABLING ENVIRONMENT FOR CROSS-BORDER TRADE:

**420** government officials improved their professional knowledge and skills by participating in project activities

**142** officials were further trained in cross-border trade

Quang Tri province issued a decision on new border infrastructure-use fees with reduction from **30% to 60%** compared with previous ones

Twin provinces of Quang Tri and Savannakhet implemented their commitments on single inspection of cargo and goods by **REMOVING ALL CHECK POINTS** from and to the border post of Lao Bao- Dansavan



## EWEC IMPACTS

### LAO PDR

The project worked with the District/Provincial Agriculture and Forestry Office (DAFO/PAFO) and the Department of Industry and Commerce (DIC) to assist Khammouane farmers in facilitating the production of GAP rice.

In addition, the project worked with five rice mill operators to facilitate application of GMP standards to improve the competitiveness of the product in the region. A rice mill cooperative had been established

**GAP**

**80**

farmers following the GAP Standards



**555**

farmer households improved their income even within a weak rice market in 2016

and formally registered to help the rice mill operators identify potential markets and facilitate rice trading in the future.

### NET PROFIT



USD **442,134**

### TRADE VOLUME



**13,306 tons**  
Total

**12,525 tons**  
With domestic market

**781 tons**  
With foreign market

To assist in improving the enabling environment, the project conducted provincial, national and regional level dissemination and consultation workshops involving the provinces of

Khammouane and Nakhon Phanom. These initiatives covered issues on cross-border trade and facilitation and institutional development.

## MILESTONES

Efforts on the provincial level include the effective implementation of MI's implementation plan on Good Agricultural Practices (GAP) rice production and promotion, which led to the first GAP Certification for rice in Lao PDR.

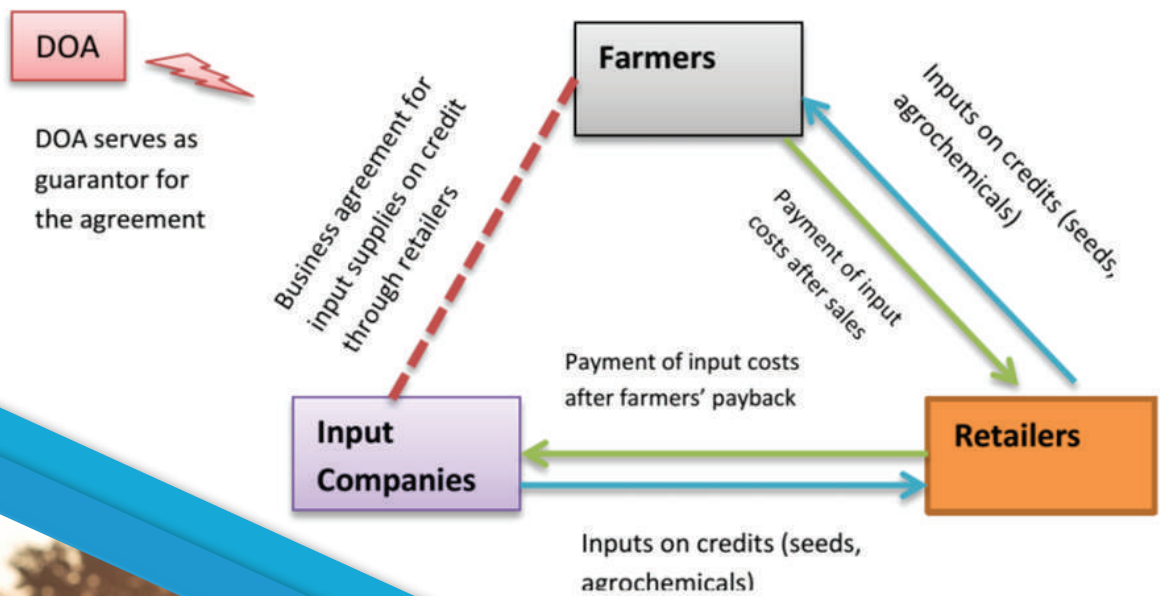
Rice mill operators have adopted the Good Manufacturing Practices (GMP) to improve and upgrade their rice producing facilities. These efforts have produced notable improvement on the rice quality and have resulted to the first GMP Certification, the first one in Lao PDR, issued to one of the project's rice mill partners.

# MYANMAR

The Project has done valuable interventions for the maize farming in Kayin State, which reinforced farmers to cultivate maize as a winter crop. In 2016, the efforts extended to the Myawaddy District – an area that was difficult to penetrate due to the challenging security situation. To facilitate partnership and cooperation between the stakeholders, the project implemented the tripartite collaboration model.



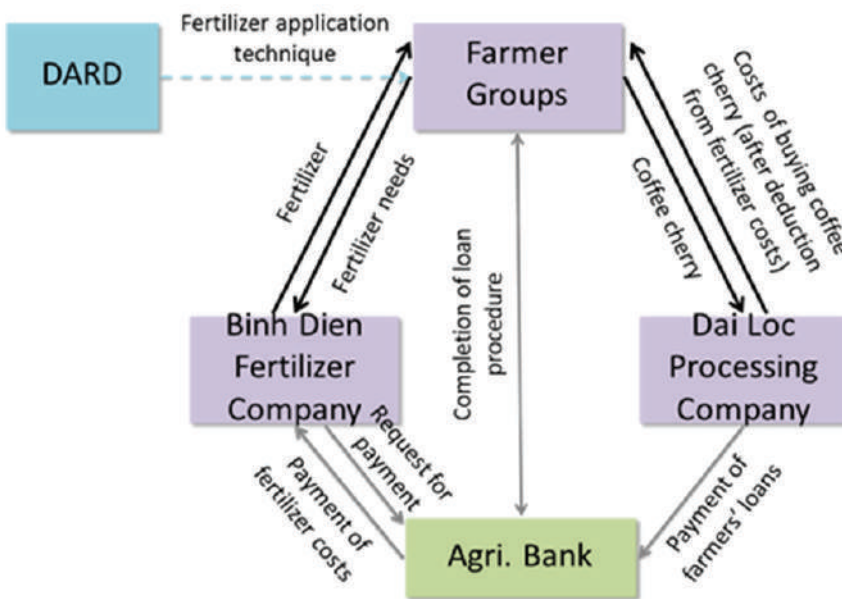
The tripartite collaboration model promotes shared benefits for the farmers, retailers, and the input companies. Following this method, the Project facilitated a cooperation contract between maize farmers and traders.



# VIETNAM

The Quang Tri Province is the hub of the Arabica coffee. In order to bring systemic and sustainable changes in the coffee sector in Quang Tri, the project initiated different innovative cooperation models.

The **Quadripartite Cooperation Model** aims to make quality fertilizer available to farmers on affordable price, by capitalizing on the inter-dependencies between the different actors in the coffee value chain. The value chain actors in this model include farmers groups, a fertilizer company, an agricultural bank, and processing companies.



99 farmers were able to take loans totaling to **USD 72,493**

Through this model, the farmer groups will be able to save **USD 10,001**

<p>The project also implemented the <b>Linkage Model</b> to promote synergy between coffee producers and processors.</p> <p>Significant improvements were noted:</p>	<p>A total of <b>15</b> farmer groups and <b>6</b> processors participated in the initiative</p>	<p>Farmers' incomes totaled to USD <b>68,813</b></p>	<p>Processors' incomes totaled to USD <b>101,626</b></p>
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# HIGHLIGHTING FOOD SECURITY

The Lower Mekong Region (LMR) Food Security Donor Mapping Database seeks to enhance collaboration among donors, national governments, and other development organizations in food security and agriculture projects in Cambodia, Lao PDR, Myanmar, Vietnam, and Thailand. By making available and proactively disseminating important information about donor priorities and programming in the food security sectors, the project hopes that key stake-

holders - from development partners, the LMR governments to the private sector and research centers - can deliver better results of their activities.



Supported by the U.S. Agency for International Development (USAID), the project was completed in July 2015. MI's ADC Department continues

to maintain the database, with the following accomplishments:



Projects and partners listed in the database currently total to **560** and **833**, respectively.

Along with regular tweets, monthly alerts to the database subscribers were also sent every third or fourth week of each month to keep interested parties up-to-date with the latest projects, development partners, and stories related to agriculture and food security in the region.



The website got a total of **16,327** page visits from January to December.



**114** original feature stories and reposted news articles related to agriculture and food security were likewise published.



The number of Twitter followers grew from **338** a year ago to **1,196** by the end of the year.

The database's Facebook page, which was launched earlier this year, is also currently being maintained.



**202** new Facebook posts were added from January to December.



# BUILDING LINKS TOWARDS A MODERN GMS

The GMS moves forward at a fast pace as it adopts a modern transformation.

This expansion has connected its members through various communication tools and advancements in technology. Consequently, this increases regional power market, advances regional economic integration, and further solidifies the region.

Foreseeing this rapidly changing phase, China Southern Power Grid Co., Ltd. (CSG) has partnered with MI to conceptualize and implement initiatives on promoting energy connectivity through professional trainings as well as workshops within the GMS.

In 2016, as moved forward to the second year of the cooperation, a pro-entitled Capacity Building on GMS PowerGrid Interconnection has been implemented with productive results.



It followed four components covering professional training for resource persons; developing GMS' power grid operating standard and code; power dispatching, operation and control; and a project synthesis and evaluation.

Throughout the project, the participants have given positive feedback and encouragement to each other. They have built strong connections that promote continuous support signifying a harmonious and great growth within the GMS Power Grid Connection.

## Participants eagerly shared their learnings:



CAMBODIA



P. R. CHINA



LAO PDR



MYANMAR



THAILAND



VIET NAM



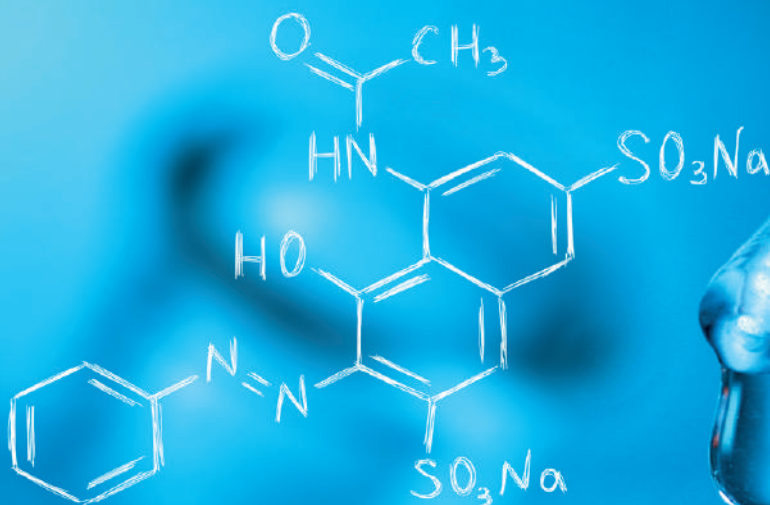
# PARTNERING FOR MODERNIZATION

MI promotes GMS modernization, innovation and technological connectivity.

To work on these objectives, the Institute partnered with the Department of Science and Technology of Yunnan Province and the Yunnan Academy of Science and Technology Development (YASTD), to implement a three-year cooperative project from 2016 until 2019. This also supports Yunnan to become a new GMS economic cooperation highland and a radiation center catering to South Asia and Southeast Asia.



In November 2016, MI and YASTD co-organized a Training Workshop on Bio Pharm and Health Industrial Innovation and Technology Transfer in the GMS in Kunming including senior-level government officials, senior managers, and technicians in the biopharm field from the GMS. The ten-year cooperation agreement memorandum was signed and the 'GMS Technological Innovation and Technology Transfer Base' and 'GMS Strategy Research Base' was also awarded.



# CERTIFIED LOGISTICS MASTER PROJECT

## PHASE II

Funded by the Mekong - Republic of Korea (ROK) Cooperation Fund (MKCF), the second phase of the three-year project on Certified Logistics Master was con-

ducted from October 2015 until September 2016. Under this phase of the project, a series of activities had been conducted consisting of the following events:

**The Synthesis and Evaluation Workshop for the 2nd modular training** was held on February 1-2, 2016 with 29 participants who shared their lessons learned and best practices of their action plan implementation. The workshop evaluated the implementation of the action plan and obtained feedback. The project's Technical Working Group (TWG) revised the curriculum of the Logistics Master Program and assessed the participants to award the "Logistics Master" certification. A total of 26 participants qualified for the Logistics Master certification which was jointly awarded by MI, GMS-FRETA and Khon Kaen University.

**The Third Modular Training Program** was held on May 23 until June 3, 2016, which was attended by 30 logistics service providers from five Mekong countries. The participants acquired knowledge and skills on different logistics issues including ASEAN and GMS Customs procedure, Cross-Border Transportation Agreement (CBTA), financial management, green logistics, computer-aided supply chain management, and dangerous goods.

**The Synthesis and Evaluation Workshop of the third modular training** was implemented on October 3-4, 2016. During the workshop, the participants presented the outcomes of the action plans and shared best practices and lessons learned. The participants were assessed on their performance in the modular training cycle to qualify for the "Certified Logistics Master". Out of the 22 participants, 19 participants (86%) qualified for the "Logistics Master" certification.

**GMS Logistics Database:** MI is developing a GMS Logistics Database targeting 2,000 logistics companies in Cambodia, Lao PDR, Myanmar, Thailand and Vietnam. Aligned with the modular trainings under the "Certified Logistic Master in the GMS," the database is being developed to provide an online information platform to enhance the GMS logistics services network and promote efficient logistics services in the region. The database aims to promote and facilitate business and trade among the logistics companies and members of GMS-FRETA and logistics associations in GMS region. The database is expected to be launched in mid of 2017.



# MEKONG - REPUBLIC OF KOREA (ROK) COOPERATION FUND (MKCF) MANAGEMENT

With the launch of the Mekong-ROK partnership in 2011, the MKCF was established in 2013 with an aim to promote regional cooperation in the Mekong region through an annual contribution from the Ministry of Foreign Affairs, Republic of Korea (ROK MOFA). The Fund provides a grant for projects that are of regional in nature and are aligned with the priorities of the Mekong countries to address national issues that facilitate the regional integration process. The priority sectors include (1) Infrastructure, (2) Information Communication Technology (ICT), (3) Green Growth, (4) Water Resource Development, (5) Agriculture and Rural Development, (6) Human Resource Development.

As endorsed by the Mekong countries and ROK MOFA in 2015, MI acts as the fund manager of the MKCF. At MI, the Trade and Investment Facilitation (TIF) department is tasked with the role of Fund Coordinator to assist and guide the project proponents and implementing agencies through reviewing and shortlisting of project proposals, fund disbursement and monitoring and evaluation of the projects. In 2016, seven projects have been selected for implementation in the Mekong countries.

## The Fund provides grants to support catalytic and innovative activities in the six priority sectors:



INFRASTRUCTURE

The aim of the projects is to develop capacities on regional project management related to infrastructure.



INFORMATION COMMUNICATION TECHNOLOGY (ICT)

In ICT sector, projects related to the use of ICT for regional disaster risk management / climate change adaptation (e.g. early warning system) etc. are envisaged.



GREEN GROWTH

For Green Growth sector, projects related to greener growth models, benefiting from both economic and environmental performance are encouraged.



WATER RESOURCE DEVELOPMENT

Water Resource Development sector emphasizes on regional water resources management.



AGRICULTURE AND RURAL DEVELOPMENT

Innovative projects to develop regional agricultural value chain are encouraged under Agriculture and Rural Development sector.



HUMAN RESOURCE DEVELOPMENT

Human Resource Development sector is to promote regional cooperation in education and skill development, trade and business.

# ENHANCING SME COMPETITIVENESS ACROSS THE GMS

The volume of trade and investment along the Southern Economic Corridor (SEC) is expected to increase with the formation of ASEAN Economic Community (AEC) and the Dawei Development Project.

The SEC has potentials for further economic development with enhanced trade and investment as one of the most important corridors in the Greater Mekong Sub-region (GMS). However, a recent rapid assessment on SMEs clusters conducted by MI reveals that the agencies and stakeholders involved in promoting SMEs and cross-border trade in this economic corridor still have limited capacities.

The biggest challenge facing the SMEs in the SEC is how to access and create effective



linkages with regional and global markets. Most SMEs are domestic market-oriented and have been facing critical constraints caused by lack of

- (i) capacities and competitiveness at the regional and international level,
- (ii) effective advocacy, and
- (iii) skills of trade negotiation, while a regional approach for SME development along SEC to access regional and global value chain has not been made.

To address the issues, MI formulated “Enhancing Competitiveness of Small and Medium-sized Enterprises (SMEs) in the Southern Economic Corridor (SEC) of ASEAN Mekong Subregion (AMS)” – a project that aims to enhance capacities of the agencies involved in trade and investment activities to facilitate cross-border trade. In addition, it intends to support SMEs by providing a range of capacity building programs.

The Government of Japan, through the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Component of Japan-ASEAN Integration Fund (JAIF), has collaborated and entrusted MI to implement the Project for a two-year period from 2016 until 2018.

The Project covers 19 provinces along the Central Sub-Corridor (8 provinces) and the Coastal Sub-corridor (11 provinces) of SEC in Cambodia, Myanmar, Thailand, and Vietnam (CMTV):

- Myanmar: Tanintharyi region / Dawei;
- Thailand: (i) Prachinburi; (ii) Sa-Kaeo; (iii) Kanchanaburi; (iv) Ratchaburi; (v) Chantaburi; and (vi) Trat;
- Cambodia: (i) Banteay Meanchey; (ii) Battambang; (iii) Pursat; (iv) Kampong Chhnang; (v) Svay Rieng; (vi) Koh Kong; (vii) Kampot; and (viii) Sihanoukville;
- Vietnam: (i) Tay Ninh; (ii) Kien Giang; (iii) Ca Mau; and (iv) Can Tho



# SUSTAINABLE FREIGHT TRANSPORT AND LOGISTICS IN THE MEKONG REGION

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A partnership agreement has been signed with GIZ and EU resulting to a three-year project funded under the EU-Switch-Asia Program of European Commission (EC). The project runs from 2016 until 2018 and it aims to fulfill the agreed tasks allocated to each of the contracting members in accordance with the terms and conditions under the project application approved by the EC. This was awarded in February 2016 and was formally launched in March of the same year. The implementation in Cambodia, Lao PDR, Myanmar, Vietnam, and Thailand.

The freight and logistics sector supports economic development in the GMS. Efficiency, environmental performance and safety of dangerous goods transport of the sector become important to ensure countries continue to grow, increase the welfare, maintain their economic competitiveness, and reduce environmental and social impacts.

Freight sector studies conducted under the ADB's GMS CoreEnvironment Program (GMS CEP), reveal that the movement of freight has increased by 75% between 2002 and 2011, and exports of goods from the GMS almost tripled in the same period. Infrastructure expansion further increases transport traffic activities.

This project builds on and complements ongoing projects under the GMS CEP, which are currently testing green freight interventions, driver behavior improvements, and logistics efficiency solutions. In addition, it will replicate the successful adaptation of the European Agreement concerning the International Carriage of Dangerous Goods (ADR) in Thailand to the other countries.



# STRONG PARTNERSHIP THAT BUILDS COMMUNITIES

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Throughout 2016, Thailand International Cooperation Agency (TICA) has partnered with MI to address a broad range of development goals that strengthen the knowledge and skills of the members of the GMS.

## Project Management in the Context of GMS Cooperation and Integration (January)

*State-of-the-art practices in project management in the regional and subregional development sphere*

## Modular Regional Training on “Enhancing Cross-Border Trade Facilitation toward AEC” 2015 (March)

*Capacity building for public and private sectors Cambodia, Laos, Myanmar, Thailand, and Vietnam (CLMTV) addressing challenges and issues on cross-border trade and management*

## International Training on “Microfinance for SMEs Development in Asia Pacific Region” (April- May)

*Partnership includes Colombo Plan Secretariat (CPS). Enhanced capacity development, fostering and sharing of relevant experience and information on micro-finance*

## Sustainable Rural Development (June)

*Partnership includes the International Institute for Trade and Investment (ITD). Capacity building to analyze challenges and opportunities in promoting sustainable rural development and facilitating local participation for inclusive development*

## Synthesis and Evaluation Workshop on “Enhancing Cross-Border Trade Facilitation toward AEC” 2015 (August)

*Provided a platform for sharing reflections and learnings from each other’s Action Plan Implementation*

## Good Agricultural Practices (GAP) (August)

*Enhanced capacity of Lao government officials in promoting and implementing GAP to ensure the free movement of safe, healthy and quality food in the region*

## Water Resources Information System for Agricultural Development (October)

*Improved capacity of Lao government officials in applying science and technology in water resources management for agricultural development using best practices and experiences in Thailand*

## Commercial Banks Lessons on Promotion of SMEs (October - November )

*Partnership includes the International Institute for Trade and Development (ITD). Facilitated the sharing of experiences and lessons learnt from commercial banks in supporting SMEs*

## Sustainable Transport and Logistics Planning and Management (December)

*Partnership includes the International Institute for Trade and Development (ITD). Supported national development policies for transport and logistics sectors through sharing transport sector development experiences of Thailand*

## Protection and Promotion of the Rights of Migrant Workers, Women and Children in the GMS (November - December)

## Development of Farmer’s Organization (December)

*Improved Lao government officials’ capacity in developing farmer’s organizations plan*

# INTERCONNECTING THE GMS THROUGH THE LANCANG-MEKONG DEVELOPMENT

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The Lancang-Mekong River serves as a crucial route for regional and international transport of goods and people. It hosts a population of 70 million and majority of them rely on agriculture-related livelihoods. The development and enhancement to improve its water navigation is an essential step in the Greater Mekong Sub-region's (GMS) measure geared forward to modernization and growth.

The Government of the People's Republic of China has shown great support in this essential advancement that connects the GMS countries and its members.

MI's initiatives in capacity building to promote exchanges and coordination has paved the way for efforts highlighting synchronized investment facilitation and more importantly, regional cooperation.

This partnership is continuously enhancing means to accomplish the said objective. Hence, capacity building initiatives as well as projects enhancing infrastructure, such as highlighting shipping facilities, will interconnect everyone for a more prosperous GMS.



## DEVELOPMENT PARTNERS

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### **CHINA SOUTHERN POWER GRID Co., LTD. / YUNNAN POWER GRID Co., LTD (CSG/YNPG)** –

This is the second year cooperative project between CSG and MI. The project on “GMS Power Grid Interconnection” is being implemented as scheduled. This six-year project is co-funded by the People’s Republic of China and CSG.

**EU-SWITCH-ASIA PROJECT** – The three year (2016-2018) project on “Sustainable Freight Transport and Logistics in the Mekong Region” is funded under the EU-Switch-Asia Program of European Commission (EC). A partnership agreement had been signed with GIZ and EU. This aims to fulfill the agreed tasks allocated to each of the contracting members in accordance with the terms and conditions under the project application approved by the EC. The project was formally launched in March 2016 for the project implementation in Cambodia, Lao PDR, Myanmar, Vietnam and Thailand.

### **HYDRO AND AGRO INFORMATICS INSTITUTE (HAI)**

- To enhance Lao government officials’ capacities in water resources management for agricultural development, MI and HAI co-organized a TICA sponsored training program on “Water Resources Information System for Agricultural Development” for 14 participants from two Ministries of Lao PDR – Ministry of Agriculture and Forestry, and Ministry of Public Work and Transportation.

### **INTERNATIONAL DEVELOPMENT RESEARCH CENTER (IDRC)**

– MI submitted a project proposal entitled “Promoting Women Entrepreneurship for Export Business” to IDRC. The project is to train the existing and prospective women entrepreneurs to develop and strengthen entrepreneurial qualities and motivation to expand business for regional and global market. It is expected that the modular training workshop will be conducted in March 2017.

### **INTERNATIONAL INSTITUTE FOR TRADE AND DEVELOPMENT (ITD)**

- Founded by ITD, MI organized the training on “Promoting Innovative Entrepreneurship in collaboration with MASHAV. Under the MoU between MI and ITD, ITD agreed to co-fund with TICA for 8 participants from Thailand to participate in a training course on “Sustainable Rural Development”.

### **ISRAEL'S AGENCY FOR INTERNATIONAL DEVELOPMENT COOPERATION (MASHAV)**

– MI signed an MoU with MASHAV to strengthen cooperation in agriculture, entrepreneurship, and sustainable development between Israel and GMS countries with the exchange and implementation of capacity development programs. Two Israeli experts served as resource persons for the training “Promoting Innovative Entrepreneurship on December 6-16, 2016.

### **MEKONG–ROK COOPERATION FUND (MKCF)**

- Financed through an annual contribution from the Republic of Korea (ROK), MKCF supports the cooperation in six priority areas outlined in the Han River Declaration of 2011 among 5 Mekong countries (Cambodia, Lao PDR, Myanmar, Vietnam and Thailand). MI manages the Fund and also implements a project titled “Certified Logistics Master”. The year 2016 is the second phase of the three-year project.

### **NEW ZEALAND AID PROGRAMME (NZAP)**

- Funded by NZAP, MI is implementing the 18-month project called MI Food Safety Capability Activity, which aims to assist policy makers in Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) responsible for developing and implementing food safety regulations create an enabling food regulatory environment that will facilitate access of agri-food producers and traders to market.



**PEOPLE'S REPUBLIC OF CHINA / YUNNAN PROVINCIAL GOVERNMENT** - The training on "Promoting Cross-Border Trade through Value Chain Promotion" was conducted in November with the funds from the People's Republic of China. The two proposals of "Consultation Workshop on Feasibility of GMS Transport Information Connectivity System" and "Forum on Accelerating Innovation through Energy Technology Cooperation in the GMS" were approved by the People's Republic of China, and will be conducted in 2017.

**THE GOVERNMENT OF JAPAN** - Through the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Component of Japan-ASEAN Integration Fund (JAIF) supported a two-year project (2016 – 2018) on "Enhancing Competitiveness of Small and Medium-Sized Enterprises along the Southern Economic Corridor (SEC) of the ASEAN Mekong Sub-region. This initiative aims to enhance the competitiveness of SMEs in conducting cross-border trade and investment, and integrating into cross-border industrial clusters, regional and global value chain.

**THE PEOPLE'S GOVERNMENT OF YUNNAN** funded the planning and execution of a regional modular training program entitled "Poverty Alleviation and Sustainable Rural Development" for 25 government officials and development practitioners from the GMS countries to assist in sustainable development and poverty alleviation interventions for better living conditions in rural communities.

**SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)** - SDC has been cooperating with MI in implementing the project on "Regional and Local Economic Development – East West Economic Corridor" for poverty reduction and facilitating an enabling

environment for trade in a regional perspective. The partnerships aims to improve the economic situation of smallholder farmers and small and medium-sized enterprises (SMEs) and performance of public and private business service providers. It is a three-year project which will end on February 2017. MI and SDC are working on the proposal for the second phase of the project.

**THAILAND INTERNATIONAL COOPERATION AGENCY (TICA)** - TICA has supported a number of short-term training courses in addition to Thailand's annual contribution to MI. This year MI has implemented 12 courses funded by TICA.

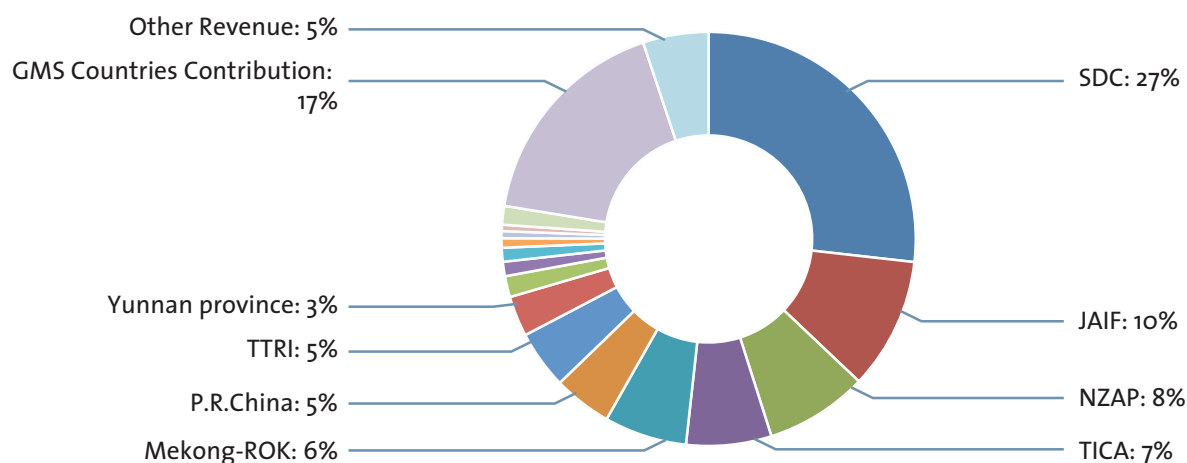
**YUNNAN ACADEMY OF SCIENCE TECHNOLOGY DEVELOPMENT (YASTD)** - Founded by Department of Science and Technology of Yunnan Province in collaboration with Yunnan Academy of Science and Technology Development (YASTD), three-year (2016-2019) cooperative project is implemented by MI. It aims to establish the two bases mentioned above. The purpose is to promote GMS modernization, innovation and technological connectivity, and support Yunnan to become a new GMS economic cooperation highland and a radiation center catering to South Asia and Southeast Asia.

# FINANCIAL REPORT

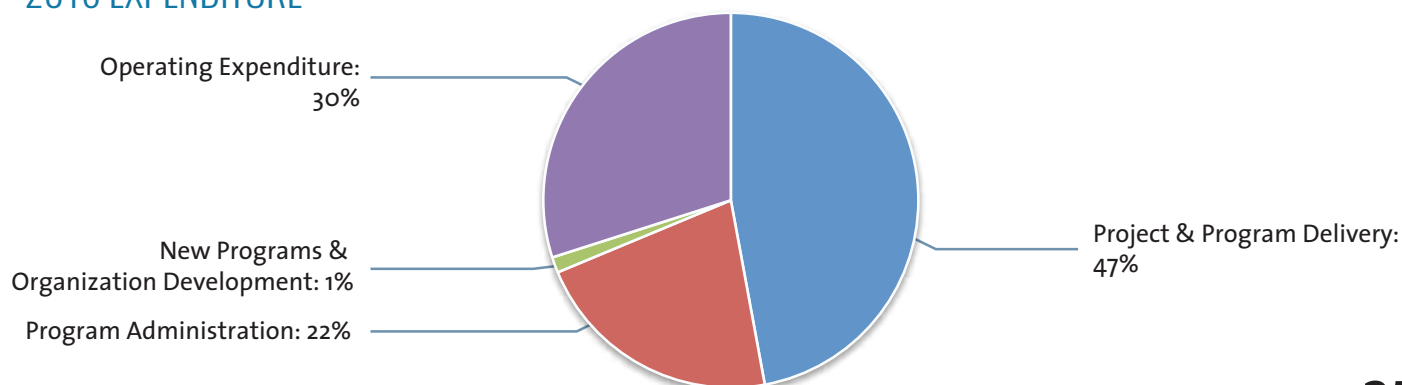
## 2016 SOURCE OF FUNDING

LONG TERM PROJECTS	Amount (USD)
Swiss Agency for Development and Cooperation (SDC)	825,257
New Zealand Aid Programme (NZAP)	247,145
Mekong-ROK Certified Logistics Master Program	198,802
Japan-ASEAN Integration Fund (JAIF)	317,050
<b>Sub Total</b>	<b>1,588,255</b>
SHORT TERM PROJECTS	
Thailand International Cooperation Agency (TICA)	205,028
The People's Republic of China	140,721
Trade Training and Research Institute (TTRI)	140,000
Yunnan province of the People's Republic of China	97,245
Yunnan Power Grid Co., Ltd.	50,606
International Institute for Trade and Development (Public Organization) (ITD)	34,598
The Monitoring Office of Program 165, Vietnam	33,307
Provincial commercial office, Thailand	22,768
The Ministry of Foreign Affairs of the Republic of Korea (Mekong - ROK Business forum)	16,973
Food and Agriculture Organization of the United Nations (FAO)	15,215
Others	45,023
<b>Sub Total</b>	<b>801,484</b>
<b>Total Funding</b>	<b>2,389,739</b>
OTHER REVENUE	
GMS Countries Contribution*	533,495
Other Revenue (Interest and Donations)	157,784
<b>Total</b>	<b>3,081,018</b>

## Top Donors for Project Funding and Contribution



## 2016 EXPENDITURE





### **CAMBODIA, MR. TRY SOCHEAT**

GENERAL SECRETARIAT FOR POPULATION AND  
DEVELOPMENT, MINISTRY OF PLANNING  
PROJECT MONITORING AND EVALUATION FOR THE EFFECTIVE  
GMS ECONOMIC INTEGRATION

The training course absolutely met my expectations. I learned a lot besides the training, such as group work discussions and exercises, presentations, team building and so on. I have actually studied Project Monitoring and Evaluation, but I have never concentrated on it before. It is very essential and helpful to track the progress of project implementation. I think emphasizing teamwork was the most useful to me and my job because I got new ideas, experiences, and knowledge from other GMS countries. This method made everyone more interactive and helpful to each other in building a network relationship. I also loved the environment and the instructor who was always helpful in group discussions and presentations. The structured learning visit was what interested me the most because I saw what I can apply to real life situations.



### **CHINA, MR. JI SI**

EXPERT, CHUXIONG POWER SUPPLY BUREAU, YUNNAN  
POWER GRID CO., LTD.  
POWER DISPATCHING, OPERATION AND CONTROL FOR GMS  
POWER GRID

The course definitely met my expectations. Teachers from different professional perspectives explained the principle of scheduling, control and technology, which helped us learn a lot from practical application of technology. I learned a lot about cutting-edge technology from the curriculum to understand the structure and development of different national power grids, which was a great inspiration for future work. The training gathered participants from different countries in the region. We communicated with each other, shared respective experiences, and worked together to overcome the problem to improve the technical level of the general public.



### **LAO PDR, MS. PHAENG SOUK LIKAYYA**

SOCIAL SECURITY DEPARTMENT  
MINISTRY OF LABOUR AND SOCIAL WELFARE  
PROTECTION AND PROMOTION OF THE RIGHTS OF MIGRANT  
WORKERS, WOMEN AND CHILDREN

This training was very useful and important for my work because we are improving the rights for migrant workers in Lao PDR and we now have the cooperation of ten Asian countries. The training was very important because we acquired many informative lessons to improve our work. When I go back to my country, I will use this experience from my trainers to improve my work and improve the rights of migrant workers in Lao PDR.

# YOUR VOICES



## **MYANMAR, DR. PYEI PHYO**

DEPUTY DIRECTOR,  
FOOD & DRUG ADMINISTRATION  
REGIONAL CONSULTATION WORKSHOP ON PROMOTING FOOD  
SAFETY IN CLMV

We tried to plan for the training and participants who will later take the opportunity to get training consinging on food safety in our country as well as the CLMV countries. The workshop was great because they have given us the opportunity to set ourselves up for what we needed and they were trying to facilitate us to get the correct training.



## **THAILAND, MS. MATANA LEKSOMBOON**

OWNER/CHAIRMAN  
RAI AROMDEE ORGANIC FARM  
PROMOTING INNOVATIVE ENTREPRENEURSHIP

The course provided me with the knowledge needed to become an innovative entrepreneur. Within the course, I had the chance to share my experiences of being an entrepreneur and learn from others as well. The course will benefit me and my business in the future. Also, I made many friends here. It is really nice to have known them and have learned from them.



## **VIETNAM, DR. HUA PHONG LINH**

MANAGING DIRECTOR  
ADDICON LOGISTICS LTD  
CERTIFIED LOGISTICS MASTER PROGRAM

We are in the logistic business and the course was relevant and useful for us. Moreover, the knowledge I learned from the supply chain, e-commerce, and human management can be utilized in my organization. There were three things I liked the most from the training: first, the updated information from the GMS countries; second, the connection among the participants in the region; and third, the knowledge sharing from the resource persons. I found the training practical and can be applied in my daily work.

# MI COUNCIL MEMBERS

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MI COUNCIL CHAIRMAN AND REPRESENTATIVE OF THE GOVERNMENT OF THE UNION OF MYANMAR	<b>H.E. MR. TUN TUN NAING</b> Permanent Secretary, Foreign Economic Relations Department Ministry of Planning and Finance, Nay Pyi Taw, Myanmar
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HONORARY ADVISOR	<b>DR. JEAN-PIERRE A. VERBIEST</b> Associate-Banking and Finance, West Indochina Senior Consultant, Asian Economies, Bangkok, Thailand
REPRESENTATIVE OF THE ROYAL GOVERNMENT OF CAMBODIA	<b>H.E. PEN SOPAKPHEA</b> Secretary of State Ministry of Planning, Phnom Penh, Cambodia
REPRESENTATIVE OF THE PEOPLE'S REPUBLIC OF CHINA	<b>MR. CHEN SHUN</b> Vice Governor, The People's Government of Yunnan Province Kunming, Yunnan Province, P.R. China
REPRESENTATIVE OF THE GOVERNMENT OF LAO PDR	<b>MR. SONGKANE LUANGMUNINTHONE</b> Director-General, Economic Affairs Department Ministry of Foreign Affairs, Vientiane, Lao PDR
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BUSINESS REPRESENTATIVE	<b>DR. NARONGCHAI AKRASANEE</b> Chairman, MFC Asset Management Plc. Bangkok, Thailand
REPRESENTATIVE FROM THE NEW ZEALAND AID PROGRAMME (NZAP)	<b>H.E. BEN KING</b> Ambassador, New Zealand Embassy Bangkok, Thailand
REPRESENTATIVE FROM SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)	<b>MR. TIM ENDERLIN</b> Regional Director of the Programme for the Mekong Region Swiss Agency for Development and Cooperation (SDC), Vientiane, Lao PDR
REPRESENTATIVE FROM ASIAN DEVELOPMENT BANK (ADB)	<b>MR. JAMES NUGENT</b> Director General, Southeast Asia Department (SERD) Asian Development Bank, Metro Manila, Philippines

## MI STEERING COMMITTEE MEMBERS

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# COORDINATING AGENCIES

To succeed in the mission and objectives stated in its charter, each of the six GMS governments assigned self-motivated officials to act as National Coordinating Agencies (CAs) for Mekong Institute (MI).

The CAs liaise closely with MI staff to promote programs, recruit participants and evaluate impacts of learning and research projects in relation to GMS countries HRD planning and strategies.

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