

MEKONG CONNECTION

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Striving for Continual Economic Growth: National Workshops on Enhancing the Utilization of Free Trade Areas (FTA) by SMEs in Vietnam, Myanmar, Lao PDR, and Cambodia

The four CLMV countries – Cambodia, Lao PDR, Myanmar and Vietnam – are now in the process of promoting Small and Medium Enterprises (SMEs) to drive national economic growth. However, statistics show that the CLMV countries are still challenged by low utilization of Free Trade Areas (FTAs), inadequate foreign investment, underdeveloped institutional and infrastructure development, and excessive red tape in administrative processing and approval. With the support of the Mekong Institute, the New Zealand Aid Programme (NZAP), the Ministry of Commerce, Ministry of National Planning and Economic Development, Chamber of Commerce, and business associations of the CLMV countries jointly organized four two-day workshops held separately in Hanoi, Yangon, Vientiane and Phnom Penh.

A team of MI researchers, equipped with specialized knowledge and trained to teach relevant trade concepts and skills, conducted each two-day workshop in August 2014. Participants comprised government officials from trade-related departments, SME/business associations, and SME owners. The workshops enabled participants to gain new knowledge and apply their skills to better integrate their businesses into the regional and global value chains.

Vietnam

As Vietnam continues to integrate into the global economy, new FTAs will bring both opportunities and challenges to its SMEs. However, although the number of FTAs with which Vietnam is involved has increased, Vietnamese enterprises have not fully taken advantage of them. In other words, the FTA utilization rate in Vietnam remains quite low. Data shows that currently less than 30% of average tariff preferences from signed FTAs are actually utilized. We attribute this largely to low awareness, and lack of capacity on the part of the enterprise in managing international trade matters. It is thus critical to raise awareness and capacity so that SMEs can effectively utilize existing and upcoming FTAs involving some of its biggest trading partners, including the US, EU, Japan, China, and Korea, among others.



In this connection, a national workshop on “Vietnamese Industries and Free Trade Agreements” was held last 6-7 October 2014 in Hanoi with financial and technical support from MI and the Vietnam Chamber of Commerce and Industry (VCCI). Forty participants from business associations, government agencies and SMEs in Hanoi attended the national workshop to deepen their knowledge of Vietnam’s FTAs and share their insights on enhancing FTA utilization in business.

(Continued on Page 3)

Growing Demand for Food Safety: Providing Localized Training on Good Agricultural and Postharvest Practices (GAP)

Good Agricultural and Postharvest Practices (GAP) exist to alleviate growing concerns over food safety and quality. These guidelines cover fulfillment of trade and government regulatory requirements, quality and safety of produce in the food chain, and the creation of new market opportunities for farmers and exporters in developing countries.

Under the three-year project on “Capacity Building for Integrating CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) Economies into AEC 2015”, funded by New Zealand Aid Programme (NZAP), MI conducted four localized training programs in Yangon, Vientiane, Kandal province, and Ha Tinh province.

The programs were delivered through teams of national trainers (MI alumni) with action plans formulated during the MI training-of-trainers (TOT) course on Good Agricultural Practices (GAP). They utilized the skills and knowledge developed in the TOT program to localize training materials for home-based audiences, optimizing the participants’ ability to engage with the material by offering the information in their native language and tailoring programs to the customs and socio-cultural contexts of each locale.

Cambodia



As part of an effort to promote agricultural trade among the countries, the Department of Plant Protection, Sanitary and Phyto-Sanitary of the General Directorate of Agriculture (GDA), Kandal Provincial Department of Agriculture jointly organized with MI a localized training program on “Good Agricultural and Postharvest Practices in Fresh Produce” at the Provincial Department of Agriculture, Kandal province on 11-13 November 2014. Twenty-four agricultural extension workers and farmer-leaders from the district and provincial level attended the training course. The four Cambodian alumni of MI’s training-of-trainers (TOT) GAP course developed the training package.

Although Cambodia needs to catch up in observing Good Agricultural and Postharvest Practices in Fresh Produce and currently has a limited capacity to reach out to officials, farmers and entrepreneurs, it is moving forward and improving its ability to comply with GAP standards.

(Continued on Page 4)

MORE INSIDE!

It’s All About Coffee	4
2014 4 th Quarter Highlights	5
Alumni Quotes	7
MI Calendar	8

Editorial



Tearing Down Trade Barriers One at a Time

The countries of the Greater Mekong Sub-region (GMS) are continually and actively developing to prepare for their integration into the ASEAN Economic Community (AEC), to be able to compete and take full advantage of incoming opportunities while facing new challenges head-on. One key focal point of these efforts is, of course, trade.

Boosting trade activities is critical as they are a key driver for economic growth. One of the main challenges in this regard is compliance with Non-Tariff Measures (NTMs). Regional exporters deal constantly with compliance issues as they try to meet and exceed different standards and procedures set by different countries. NTMs are a significant issue to grapple with as traders in the region strive to provide consumers with safety-certified goods and options at lower prices.

The GMS has made progress in reducing average tariffs, but concerns remain over the utilization rate. While tariffs in the region have decreased, NTMs continue to prevail, giving rise to numerous trade dilemmas. Agricultural products are particularly vulnerable, being sensitive to both time constraints and shifting climates.

To move past these barriers, we need key policy recommendations to generate and maintain political will for economic integration; to push for domestic reforms in all economies involved; and to generate awareness of the pervasiveness and impact of NTMs.

On this point, the Mekong Institute (MI) has something valuable to offer. One of our chief missions is to disseminate practical information through training programs to build the capacity of future GMS participants and stakeholders, whether private or public sector. Through our programs, MI is committed to contributing to a more harmonious, integrated and prosperous GMS.

Staff Development Corner

Young Professional Staff Exchange Program: Visit Katalyst M4P Project in Bangladesh – 25-31 October



Ten participants attended from the EWEC project and department staff to build up the capacity and competency of project staff, and experience in business consulting, implementing with and through co-facilitators and monitoring, and result measurement. After the program, participants gained a better understanding of key M4P concepts, enhanced by hands-on practice, including the designing of project strategies, project management, working with and through project partners, challenges, and solutions including M&E tools and M&E system management.

More on SMEs...

“Small Medium Enterprises (SMEs) are integral to the economic development and growth of the ASEAN Member States...They are important in terms of income and employment generation, gender and youth empowerment through business participation, and their widespread presence in non-urban and poorer domestic regions. SMEs are the backbone of ASEAN and SME development is integral to achieve long-run and sustainable economic growth.” (ASEAN Secretariat, 2014)

Regional Multi-Stakeholders Forum on AEC and Regional Agreement: Opportunities and Challenges for SMEs – UN Conference Centre (UNCC), Bangkok, Thailand, 10 October



MI, in collaboration with UNESCAP, conducted the Regional Multi-Stakeholders Forum to address the “National Impact of ASEAN Economic Community (AEC) on CLMV SMEs” and the “Strategies for CLMV SMEs’ Development for AEC”. Sixteen senior personnel from the Department of Commerce, Chamber of Commerce and Industry and Business Associations of Cambodia, Lao PDR, Myanmar, and Viet Nam, and eight experts from UNESCAP, MI, Asian Development Bank (ADB), GMS Business Forum, and Consumer Unity and Trust Society (CUTS) - Hanoi participated in the event.

Buyer - Seller Meeting – Bangkok, Thailand, 27 November



MI organized the Second Buyer - Seller Meeting (SME export consortia groups and prospective business partners) in collaboration with the Sasin Japan Center and International Institute for Trade and Development (ITD). It was attended by 80 participants comprising sixteen SME clusters from Cambodia, Lao PDR, Myanmar and Vietnam (CLMV), and 43 prospective buyers/traders from Thailand, Japan, P.R. China and Republic of Korea including retailers and wholesaler giants such as Big C Supercenter, Siam Makro, Mega Home, CP Group, Saha Group, and CJ Corporation. The one-day buyer-seller meeting provided a platform for business matching and business networking promoted by MI with the support of NZAP. Most of the SME groups were able to conclude initial business collaboration arrangements with the buyers. They also acknowledged the importance of improving their capacity and strengthening their networking skills to enhance their competitiveness to meet the challenges of the upcoming AEC.

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Myanmar



Thirty participants successfully completed the national training workshop held in Myanmar last 16-17 October 2014. The national workshop focused on the current state of international trade and allowed participants to develop a deeper understanding of trade in services, global value chains (GVCs), non-tariff barriers, non-tariff measures and trade facilitation, and gave them an opportunity to engage in trade negotiation simulations. They said that this active engagement helped to increase their understanding of the key topics presented: trade in services, mutual recognition arrangements (MRAs), NTMs, non-tariff barriers and negotiation simulations. The creative presentations and range of activities conducted by the resource persons provided an enriching learning experience, building the capacity of participants to achieve newly-defined goals and objectives.

Lao PDR

The Vientiane workshop was held at the Economic Research Institution on Trade (ERIT) on 23-24 October 2014. Twenty participants attended the workshop, including private sector business association representatives, government officers, researchers and lecturers. Nine resource persons conducted and facilitated the program.



The workshop covered six topics related to enhancing FTA utilization by SMEs, which were modified from TOT materials and practical work. To facilitate more meaningful discussions between speakers and participants, all the materials used in the workshop were translated into the local language, with hard copies distributed.

Cambodia

The Trade Training and Research Institute (TTRI), in collaboration with MI, conducted the two-day national workshop on “Enhancing Utilization of FTA by SMEs in Cambodia” on 30-31 October 2014 at the Ministry of Commerce in Phnom Penh, Cambodia. Forty participants from selected departments and the private sector attended. The workshop aimed to build capacity and equip participants with the knowledge and skills needed to help them navigate their integration into the forthcoming ASEAN Economic Community (AEC). The participants also formulated web-based knowledge platforms to enhance usage of ASEAN FTAs by SME exporters, and to strengthen the trade negotiation and trade policy skills of government officials in the six GMS countries.



Synthesis and Evaluation

On 26 November 2014, MI organized a joint synthesis and evaluation (S&E) workshop on “Promoting SME Cluster Development Agents, Enhancing Utilization of FTA and Trade Policy and Trade Negotiations” in Bangkok, Thailand. Workshop participants included a group of 13 MI alumni from CLMV countries who implemented country-wide action plans with localized training packages through national workshops to train local officials from relevant government departments and business associations. Through the national workshops, feedback and participant reflections were gathered regarding the localized training packages.

The country group representatives presented their platforms and shared experiences on the importance of local training packages. It also provided opportunities for them to update their knowledge on the ASEAN Economic Community (AEC) and trade negotiation and trade policy development in these four Greater Mekong Sub-region (GMS) countries. During the workshop, the participants also had the chance to share their workshop experiences and insights on existing constraints. The knowledge-sharing session took the form of information market displays, featuring case studies, best practices, challenges, photos, videos, posters and PowerPoint presentations.

Enhancing Trade Competitiveness on Goods and Services – 10 - 14 November



Funded by the Thailand International Development Cooperation Agency (TICA), MI conducted the one-week training for ten government officials from the Ministry of Commerce, Myanmar. This training emphasized the current state-of-play in the international trade of Myanmar to allow participants to develop a deeper understanding of the challenges and issues faced by SMEs in Myanmar and to equip them to formulate better policy frameworks to tap opportunities in the goods and services sectors in the regional and global markets.

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Lao PDR

The four TOT participants organized a GAP training program for agricultural extension staff, university lecturers and farmer-leaders in Lao PDR, testing the GAP training package developed during their training with MI in August. The TOT GAP training successfully introduced concepts and principles while pointing out weaknesses in real-world practices. The training also fostered relationships between farmer-leaders and PAFO and DAFO staff.

Myanmar



This training course was conducted over three-and-a-half days from 4-7 November 2014. Participants were selected from the MFFVPEA members who had participated in previous training programs held at the central office and community-based training centers. Participants were eager to share information and knowledge gained in their region for the benefit of the farmers. Myanmar also hopes that these localized training programs will support further ASEAN integration.

Vietnam

This program was co-organized by MI and the Fruit and Vegetable Research Institute, National Agricultural Extension Center in Can Loc district, Ha Tinh province, Vietnam from 13-16 October 2014. The training course provided local participants and authorities with strategies on sustainable agricultural development and its potential applications. All the participants affirmed the need to promote GAP practices throughout Vietnam's provinces as an inevitable building block for agricultural sector development. In order to do so, more trainers must be trained to disseminate practical knowledge to farmers the best they can.



Special Features: It's All About Coffee



Promoting Sustainable Approach toward Producing Bio-Fertilizer from Coffee Peels: Producing Bio-Fertilizer with Effective Microorganisms (EM)

– Quang Tri, Viet Nam, 16-17 October; 15-16 November

MI signed a consulting contract with EM providers in Hanoi to provide an introductory workshop on EMIC. The workshop was divided into 2 sections: the lecture on bio-fertilizers conducted at the meeting hall of Huong Phung Commune People's Committee, and the hands-on training at one of the farmers' house yards. This was then followed by a TOT focused on on-field introduction of organic fertilizer production, and an evaluation of the demonstration in November. All participants were interested in producing their own organic fertilizer.



Business Dialogue between Coffee Farmer Groups and Processing Company

– Quang Tri, Vietnam, 10 November

The business dialogue created a platform where coffee farmers and the processing company voiced their needs and interests, challenges in their businesses, and explored the potential for effective and beneficial cooperation. The dialogue successfully promoted the initiative to create business linkages amongst key value chain actors.

2014 4TH QUARTER HIGHLIGHTS

OCTOBER



Structured Learning Visit (SLV) on Strengthening Sustainable Development to Farmers Group at Namarkba Village, Mahaxay District in Khammouane, Lao PDR (5, 8, 12 October):

A localized training on “Strengthening Farmers’ Organization” was implemented at the demonstration coffee farm of Co Nhoi Village, Huong Phung Commune, Huong Hoa District, Quang Tri Province, Vietnam for 75 farmers. This gave an opportunity for coffee farmers to fully understand the coffee cutting-back process and the result of the demonstration farm after 20 months of implementation.

National Workshop on Trade Policy Development and Da Nang International Integration (9-10 October):

The workshop was joined by a wide range of participants from the Chamber of Commerce and Industry, Department of Trade and Industry, Department of Planning and Investment, Department of Foreign Affairs and Industrial Park in Da Nang. The workshop also opened a new long term cooperation opportunity between MI and the Da Nang Department of Foreign Affairs.



NOVEMBER



National Workshop on Trade Negotiation and Trade Policy Development- Myanmar and Cambodia (3-4, 17-18 November):

The workshops were held in Nay Pyi Taw and Phnom Penh as part of the action plan implemented by the Burmese and Cambodian participants previously trained at MI. A total of 30 local Burmese and 70 Cambodian participants from Foreign Trade Policy Department, Ministry of Industry and Commerce and Ministry of Foreign Affairs attended the workshop where they shared experiences, new knowledge and skills with mid-level and junior officers.

2nd Technical Working Group (TWG) Consultative Meeting of the Logistics Master Program to Review Curriculum Content - Bangkok, Thailand (20 November):

The Logistics Master Project supported by the Republic of Korea (ROK)-Mekong Cooperation Fund aims to improve cross-border and trans-shipment logistics services through capacity development and accreditation of local logistics providers in Cambodia, Lao PDR, Myanmar, Vietnam and Thailand (CLMVT). The outline of the logistics curriculum was presented by consultants and inputs from participants were shared to improve the curriculum. The first cycle of the training is expected to start in March 2015.



DECEMBER



Regional Training on Agriculture Sector Value Chain Analysis and Promotion - Khon Kaen, Thailand (3-14 December):

With funding from the International Institute for Trade and Development (ITD), MI organized a two-week training with structured learning visits (SLVs) to a range of sites in Thailand including community and private rice mills and seed groups, and the central agricultural market (under the Bank of Agriculture and Agricultural Cooperatives, or BAAC).

Mekong Institute Governing Board Meeting - Luang Prabang, Lao PDR (7-8 December):

MI held the second Steering Committee and Council Meeting of 2014 at Luang Prabang, Lao PDR.





Visitors @Mekong Institute



Learning Visit of Government Senior Officials and Katalyst Staff from Bangladesh - Thailand (24-29 November):

Five representatives of the Government of Bangladesh and 4 staff from the Katalyst Project conducted a learning visit on Mekong Institute's approach on development projects in the region. This was to observe and understand how postharvest and forward market activities are managed in Thailand to meet the Thai Government's agricultural extension and export promotion for vegetable and fish products.

Director's Visits



International Conference on Towards the 2015 ASEAN Economic Community (AEC): Progress and Prospects by the UPH and World Trade Institute (WTI) - Jakarta, Indonesia, 14-15 October

Dr. Watcharas was the guest speaker on AEC and Labor Market Integration addressing issues on labor mobility that could benefit the region as a whole.



Stakeholder Meeting on Non-tariff Measures Applied on Export Meeting by International Trade Center (ITC), Department of Trade Negotiations and UNESCAP - Bangkok, Thailand, 29 October

Dr. Watcharas presented on the topic on product standards and conformity assessment, customs clearance, and rules of origin and trade-related measures.



The 13th Meeting of the GMS Working Group on Human Resource Development - Hanoi, Vietnam, 30 October

Dr. Watcharas pointed out in his discussions that skill limitations have prevented the GMS from reaping full benefits from regional and global economic liberalization. As a representative of MI, he reiterated that MI is committed working with development partners in enhancing human capacity for the GMS.



The Asia-Pacific Business Forum - Colombo, Sri Lanka, 27 November 27

Dr. Watcharas was a discussant for the OECD Report on Economic Outlook of Southeast Asia, China and India 2015 where he addressed the challenges of regional economic integration in ASEAN.



The 5th GMS Summit - Bangkok, Thailand, 19-20 December

Dr. Watcharas joined the Development Partners Roundtable discussion and emphasized on the need to improve human capacity in the GMS.

Staff Activity



Ms. Phornphan Srikhatthanaprom, MI Project Coordinator, attended the Regional Stakeholder Workshop on "Scoping Study on Enhancing the Contribution of Labour Migration in the Mekong Region to Poverty Reduction" - Vientiane, Lao PDR, 30 October



MI Joins the 1st Mekong-Japan Experts Dialogue - Bangkok, Thailand, 19-20 November

MI, USAID Set up Lower Mekong Food Security Donor Mapping Database

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The Lower Mekong Initiative Food Security Donor Mapping Database homepage

The Mekong Institute, with support from the United States Agency for International Development, has set up this year the Lower Mekong Initiative Food Security Donor Mapping Database.

The database seeks to enhance donor cooperation and collaboration in the Lower Mekong Region (LMR) by providing information on food security and agriculture activities and projects in Cambodia, Lao PDR, Myanmar, Viet Nam and Thailand. By providing information on food security and agriculture initiatives in these countries, the project also hopes to help national governments in prioritizing and mapping out future directions in the food security and agriculture sector of their countries.

The database, still in a work in progress, may be viewed at www.mekongfoodsecurity.org. The Rural Development Department of MI under which the project is housed has entered over 700 food security and agriculture projects of various donor and funding organizations, nonprofits and civil groups, and key national agencies. The site also features a News Page with news stories, blogposts, and feature articles on relevant food security and agriculture issues in the LMR.

The project team has also set up a Twitter account (<https://twitter.com/FoodinMekong>) for weekly tweets and updates on agriculture and food security in the Mekong Region.

ALUMNI QUOTES:



Nguyen Thi Thu Trang, Director of WTO Center, Vietnam

National Workshop on FTA Utilization: Good Preparation for next Free Trade Agreements - Practical Recommendations for Vietnamese SMEs, 6 -7 October 2014, Hanoi, Vietnam

The workshop effectively provided participants with deeper understanding on the ASEAN Economic Community (AEC), Rule and Certificate of Origin in Vietnam, and FTA statuses in both the ASEAN and GMS context. It was very practical and useful for the local SMEs to learn about Trademap, Macmap and Product Market Information website to analyze the market situation and search for information on tariffs and non-tariffs barriers. This information can be applied in SMEs' international trade expansion.



Mr. Wisarute Sanmaerre, Agricultural Researcher, Department of Agriculture, Thailand

After returning from the Regional Training Program on Agricultural Sector Value Chains Analysis and Promotion, which took place 17-18 November 2014, I applied the experience and the knowledge gained to my work, to analyze farmer latency (in coffee-growing) at Khoa Koe district, Petchaboon province and Lamtap district, Krabi province.

Farmers growing plants follow the Good Agricultural Practices (GAP) system, and it is necessary to gather complete data at every level to identify those who should be rewarded for excellent performance on the national level. The training course will help in this regard. I hope that MI will continue to train new trainers and personnel throughout the GMS in the years to come.



MI CALENDAR FROM JANUARY – APRIL 2015

Planned Activities	Date	Dept	Development Partner
Intercropping and re-plantation – based on the research finding of DARD 2014	Jan - Apr	EWEC	SDC
Strengthen 15 Farmer groups (400 farmers); management, marketing, linkage to farmers and SMEs	Jan - June	EWEC	SDC
LED TOT Phase II (Re-cap and Re-assessment, Modular workshops in Myanmar, Lao & Vietnam)	Jan - Jul	MDP	SDC - EWEC
Evaluation Workshop on SME Cluster Development and Export Consortia for Coffee Sector in Quang Tri	Feb 11	TIF	SDC - EWEC
China-Lao Local Business Matching Cum NSECbiz.com Dissemination Workshop	Feb 14	TIF	ACCF
SLV and Evaluation Workshop on SME Cluster Development and Export Consortia for Rice Sector in Khammoune	Feb 18 - 20	TIF	SDC - EWEC
Evaluation Workshop on Entrepreneurship Development and Small and Medium Sized Enterprise Promotion for Maize Sector in Kayin State, Myanmar	Feb 25	TIF	SDC - EWEC
Mekong-Lancang Int'l Shipping Project - Inception Workshop	February 26 - 27	TIF	China Central Gov
Training cum SLV on Strengthening Coordinated CB System in Agricultural Trade	March 2 - 7	RD	NZAP
Mekong-Lancang Int'l Shipping Project - Field Data Collection	Mar - Jun	TIF	China Central Gov
1st Modular Training on the FRETA Certified Logistics Master Program	Mar 16 - Apr 3	TIF	ROK
Exposure visit to organic rice markets in Lao PDR	Mar	EWEC	SDC
Cross-border on fertilizer application; alternative fertilizer & low cost (organic)	Mar - Jun	EWEC	SDC
South Economic Corridor Agricultural Value Chain Project	Mar - Dec	RD	ASEAN - ROK
Dialogues on maize specification, market requirements, available markets and maize purchasing agreement/ practices	March - May	EWEC	SDC
Workshop on certified seed marketing and promotion (provincial level)	March	EWEC	SDC
Myanmar-Thailand Local Business Matching Cum Nsecbiz.com Dissemination Workshop	April 4 - 5	TIF	ACCF
National Workshop on Cross-Border Contract Farming in Cambodia	April 23	RD	NZAP
Modular Training on SME Cluster Linkage	Apr 27 - May 1	TIF	NZAP
National Workshop on Cross-Border Contract Farming in Laos	April 28	RD	NZAP
SLV Cum Business Matching along North-South Economic Corridor	April	TIF	ACCF
Advocate that the government and private sector use the results of the research on “Agricultural commodity cross-border trade”	April	EWEC	SDC

Event Announcements:

Seminar on “Linking Farmers to Markets in the Context of Regional Integration”

- April 22 - 23, 2015, Mekong Institute, Khon Kaen, Thailand

The Mekong Forum 2015: Modernizing the GMS towards the post - AEC 2015 in Khon Kaen, Thailand on July 8, 2015

This seminar aims to bring together experienced development practitioners, business and civic leaders, and academic experts. It is a two-day event that will serve as a platform for participants to share success stories, lessons learned, and innovative ideas to link farmers to the markets, and then enhance regional integration and promote more equitable and inclusive growth in the GMS.

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