

# MEKONG CONNECTION

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## The Growing Need to CONNECT



Undeniably, there has been significant development in the Greater Mekong Sub-region (GMS) in the area of energy. Rural electrification has continued to increase including rapid provision of large-scale, high-volume national grid systems. However, this improvement has been limited to only within the countries, without transcending border. Despite the GMS countries having events that foster connectivity in the region, mainly for addressing concerns on the ASEAN Economic Community (AEC), regional energy connectivity has not been achieved. The trans-boundary connections that exist in the GMS are not true interconnection of systems with synchronous operations, but are just extensions of the national grids of the large-consuming countries into the territories of producers.

Inter-connectivity of electric power systems has now come to light and is a major priority for the six countries of the GMS. Due to the uneven progress in terms of software infrastructure and market advancement, establishing regional power connectivity is an important step forward toward an integrated regional power market. However, this cannot be accomplished without national reform policies that will support power exchanges. With the numerous differences in policies in each country, it will be difficult to make regional energy connectivity work. Regional cooperation and reform of national policies for the energy network are key activities that can contribute to not only connectivity, but also energy security, solutions for climate change, and equal energy access in the region. These can be supported by benchmarking and upgrading policies across the GMS. There may be some sectors in governments that are disinclined, perhaps due to additional costs on renewable energy as well as any costs that may be incurred in administrative actions, but solidarity across the GMS can bring forth more advantages than disadvantages.

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## Logistics Matters

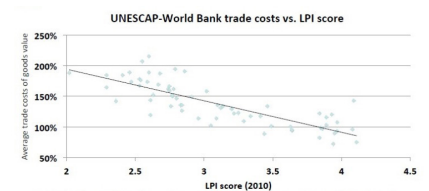
Logistics is the heart of world trade and the logistics sector is the most important factor in the sustainable regional development. However, for the logistics sector to have an impact on a region, it needs to have investment, sector knowledge and human resources all available in equal measures.

### Background

With support from the Mekong-Republic of Korea Cooperation Fund (MRCF), MI is implementing a three-year project on 'Certified Logistics Master' to improve cross-border and transshipment logistics services through capacity development and accreditation of local Logistics Service Providers (LSPs) in the GMS economic corridors. The project is also intended to help decrease cross border logistics costs, improve the quality and timeliness of local logistics service providers, and integrate local logistics providers into the sub-regional, regional and global logistics chains.



To address the shortage of staff with logistics knowledge and expertise in the GMS countries, especially at the provincial level, MI proposed to design and deliver the Certified Logistics Master Program, a modular training course. The program follows a modular cycle approach with three successive phases: (i) "Learn to Do" – improve logistics professionals' knowledge and skills related to the structure of transport markets, financial management, transport regulations, and customs, as well as international agreements, liability and insurance warehousing, vehicles types, maintenance, and health and safety; (ii) "Do to Learn" – implement individual action plans to transfer newly acquired knowledge and techniques into practice back at each



Supply chain bottlenecks are the primary cause of friction in trade (trade costs). Reducing them by half would raise trade by 15% and production by 5% globally.

participant's workplace; and (iii) "Share to Learn" – synthesize and examine to share lessons learned and assess whether each participant's performance qualifies them as Certified Logistics Masters. The training also facilitated the logistics providers from different countries to foster their business networks through the exchange of ideas and visits.

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## Editorial: Reducing Postharvest Losses

Dr. Watcharas Leelawath  
MI Executive Director

Mekong Institute is about to evolve. To guide the institute throughout the next five years, MI is adopting a new strategic plan for 2016-2020. With this come MI's three new pillars - Agricultural Development and Commercialization,

Trade and Investment Facilitation, and Innovation and Technology Connectivity. All pillars have their own unique characteristics and with our newly increased emphasis on Innovation and Technology Connectivity (ITC) in its training and capacity development plan, this is an important step forward.

The pillar on Innovation and Technological Connectivity (ITC) will essentially look at the issues faced by the other two pillars, and in its own right, deliberate and discuss on how to maximize opportunities that enhance the work. The ultimate goal of ITC is to support initiatives that will contribute to the emergence and application of innovation and technological connectivity in the region. However, the focus is already clear. ITC will work on innovation and technological connectivity initiatives, in areas such as digital marketing, power trading, telecommunications renewable energy, etc., and how these are interrelated and can jointly support GMS integration and competitiveness. MI will strive to create the right atmosphere and circumstances for the development of innovation and technology in the region; supporting agricultural development and commercialization, and as well as trade investment facilitation.

To this date, the focus has so far been on energy. With the recent workshop on *Capacity Building on GMS Energy Policy Formulation and Power Grid Planning*, our goal is to reach the policy levels, share the results of our programs and achieve cooperation since it is fundamental in the GMS. After all, the issues of energy security affect all economic activities of the region. At the moment, MI will exert effort in addressing the problem of the mismatched supply and demand of energy in the GMS that could be a disruptive factor for activities along production value chains. This will further aid in the smooth production and trade as well as investment in the sub-region.

I would like to encourage everyone to take the opportunity to share innovative ideas through our platforms to be able to achieve the goal of supporting professional resource development in the GMS power sector and to promote connectivity. We hope to increase our number of collaborations and programs in the future. MI will continue to strengthen cooperation among the countries of the GMS by facilitating capacity building programs, emphasizing on building a network among the participants. As an intergovernmental organization at the heart of the Greater Mekong Sub-region, we ultimately aspire to see the GMS countries actively become stronger in collaboration, and in turn, contribute to the economic growth and better living conditions of GMS people.

*"I have gained more knowledge and learned new skills on how to handle products, postharvest technology, as well as share my experiences with other participants. The training was quite practical and applicable to the rural community as well. I am certainly more confident to apply the procedures I've learned in the real community."*



This is a testimony from Mr. Phan Pros, a Technical Officer from the Department of Horticulture and Subsidiary Crops of the Ministry of Agriculture in Cambodia. He was more than willing to share that MI's training on *Postharvest Management of Fresh Horticultural Produce* fulfilled his expectations.

Postharvest loss in produce is a major problem for farmers in Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV). And because postharvest practices refer to a wide variety of activities, from the growing conditions to handling at the retail level, including harvesting, handling, storage, processing, packaging, transportation, and marketing, the factors resulting in critical volumes of losses vary. These lead to losses in quality and the contamination of the vegetables which reduces the market price. Therefore, it does not only cause waste of product, but it has a vast negative effect on the farmers, other people's livelihoods, and the overall economy of the GMS.

Some of the core challenges the GMS countries face in postharvest management include the lack of financial support and difficulties in accessing good facilities or technology. Many of the farmers also lack the necessary knowledge, entrepreneurial skills, and resources to apply the technologies.

The causes for loss can be both technical or non-technical factors. The technical factors are improper handling and poor management of postharvest environments such as temperature and pests. The non-technical factors include the lack of infrastructure such as poor road conditions. There are also the invisible losses which are those in nutrients - vitamins, minerals, proteins and phyto-chemicals due to microbial factors. These result in market losses, economic losses, and even medical costs. It is also a disadvantage that vegetable production nowadays is associated with heavy use of chemical pesticides and fertilizers, resulting in consumers avoiding the produce. The postharvest losses reduce the income of farmers, and food availability, and increase the cost of food - creating a negative impact on food access. The losses represent a waste of nutrients and food calories.

There are a number of solutions to solve this problem but they involve a better understanding of the perspectives of CLMV farmers and producers. The long-term economic effect of postharvest management will require the region not only to adapt, but to find sufficient funding to finance any required technical assistance. These problems in any region require



cooperation and effective communication among all the research institutions and relevant industries. Postharvest horticulturists also need to coordinate their efforts with those involved in various aspects of the production and marketing. In most cases,

solutions to existing problems in the postharvest do in fact only require the use of available information and application of available technologies instead of conducting new research or developing new technologies.

It is also important to note that postharvest losses are not a problem isolated to CLMV. In fact, the global move to reduce postharvest losses was started by the UN General Assembly in 1975. This UN resolution created the ASEAN Postharvest Horticultural Training and Research Centre but was unfortunately not sustained as production was given more focus.

There are many postharvest challenges that need to be coped with in the GMS. Despite these challenges, MI has proven that it is up to the task. Under the NZAP-funded project entitled Capacity Development for Integrating CLMV into AEC, a Synthesis and Evaluation Workshop on “Postharvest Management of Fresh Horticultural Produce” was conducted October 13 to 16, 2015. Twenty-four government officials, NGO staff, academics and private sector representatives from CLMV participated. The workshop aimed to refresh the participants’ knowledge gained from the previous training programs on postharvest practices; enhance their knowledge on postharvest management of fresh horticultural produce; and strengthen Good

Agricultural Practices (GAP) and postharvest practitioner network to share market intelligence and information to small-scale producers/farmers, as well as other relevant stakeholders. Field visits were also organized to complement the theoretical knowledge.

*“I work in the Department of Horticulture so the training is helpful in improving my technical and strategy skills. We were provided with good modules (concept learning was easy to understand and apply in my community) and field visits. We had the opportunity to observe and practice the lessons learned.” Mr. Phan Pros*



A dissemination workshop was also conducted on *Improving the Postharvest Handling of Lettuce in Lao PDR*, on December 24, 2015 at Hatsayfong, Vientiane, Lao PDR, by the Department of Agriculture (DOA) and the Lao Ministry of Agriculture and Forestry

(MAF) in close collaboration with Mekong Institute (MI). This was to bring on board different stakeholders at different levels who aim to raise awareness and take up the best practices of postharvest handling of fresh produce. Twenty Lao government officials and farmer representatives participated. Posters and brochures were disseminated to raise awareness of postharvest best practices. Some challenges were highlighted and addressed during the workshop, such as the role of the collector/middleman who plays a major part in the postharvest management.



## REGIONAL WORKS (October-December)

### Cross-Country Activities:

- Business Matching on Enhancing Business in Lao PDR, Thailand, and Vietnam
- Joint Monitoring Visit in Kayin State of Myanmar, Khammuane in Lao PDR and Quang Tri Province of Vietnam

#### Myanmar

- Cross - Border Consultation Meeting
- Multi-Stakeholder Dialogue for 2015 Cropping Season
- Governing Board Meeting 2/2015
- SLV in Ayeyarwady Region

#### Vietnam

##### Trainings

- Trade Promotion and International Agreements
- Organic Fertilizer

##### Meetings

- Finalizing Regulation for Coffee Harvest and Trade in the 2015 Crop
- Dialogues Meeting between Coffee Companies and Farmer Groups

##### Workshops

- Brand Development and Governance
- Fertilizer Application Demonstration
- Sharing Results and Recommendations of the Analysis on Cross-Border Trade of the Agricultural Commodities in Quang Tri

#### Cambodia

National Validation Workshop for the Stakeholders' Perception Study on the Adoption of GAP

#### Thailand

##### Trainings

- Certified Logistics Master
- Postharvest Management of Fresh Horticultural Produce
- Project M & E for the Effective GMS Economic Integration

##### Workshops

- Planning and Implementing Contract Farming Operations
- Promotion of SME Cluster Linkages, Trade Events Promotion and Product Market Identification (PMI) for the GMS
- GMS Energy Policy Research and Power Professional Training and Research Program
- Project Synthesis and Evaluation Meeting
- YGMS Presentation

#### SLV

- Rice Seed Production and Marketing System in Thailand

#### Forum

- ASEAN Good Agricultural Practices (GAP) in CLMV

#### Lao PDR

##### Meetings

- Dissemination Meeting on Good Agriculture Practice (GAP)

##### Workshops

- Good Agriculture Practices Organic Agriculture and Strengthening Communication Skill
- Improving the Postharvest Handling of Lettuce
- Evaluation Result of Demo Plots

## The Growing Need to CONNECT

*(Continued from page 1)*



There are already different programs and initiatives supporting the development of the GMS energy sectors. The Asian Development Bank (ADB) has been providing financial and technical support through the long-running GMS program. There are initiatives supporting the strengthening of policy and regulation as well. For example, Thailand's Energy Regulatory Commission (ERC) has taken the lead in bringing together regional energy regulators, through the ASEAN Energy Regulatory Network. ERC has convened a series of annual meetings since 2010, with approximately 250 participants each year. The most recent regulatory forum was held in Bangkok in October 2015. The US Agency for International Development (USAID) has also been providing assistance to Mekong countries on issues related to regional regulation of the power sector, through the Lower Mekong Initiative (LMI).

To support the movement towards inter-connectivity, the Mekong Institute (MI) and China Southern Power Grid Co., Ltd (CSG) signed a Cooperation Framework Agreement in November 2014 initiating a six-year partnership program for professional training, research, and collaboration on power cooperation within the GMS. By combining MI's regional platform with CSG's professional and technological management experience, MI and CSG have co-designed a series of human resource development programs and a research project, including but not limited to, power system planning, transmission and distribution technology, power grid operation and management, renewable energy, energy conservation and emission reduction, as well as power grid operation standard and code, energy project design, planning, monitoring and evaluation, energy policy formulation, etc. Both sides will implement the program through shared training facilities and instructional resources to provide professional knowledge and technical support for power grid interconnection at the sub-regional level.

In a training needs assessment conducted last July 2015, the results showed there is a need to establish multi-dimensional and diversified mechanisms for cultivation of talent in GMS power sector. MI aims to gradually expand

and promote workshops, strengthen communication and application of power professionals, explore various forms of exchange between professionals, and a GMS power professional talent pool. The focus should be on renewable energy and smart technology. In lieu of this, MI and Yunnan Power Grid Co. Ltd. (YNPG) of CSG, the second largest power company in China, organized a workshop in Khon Kaen, Thailand on December 16-17, 2015 entitled GMS Energy Policy Research and Power Professional Training & Research Program. A total of thirty-four participants attended from the six GMS countries. The objectives of the workshop were to identify issues, challenges, and actions to overcome on GMS power grid interconnection policy formulation; as well as to discuss plans and projects of GMS power technology training and professional skill development, and to consolidate suggestions and recommendations for a five-year training and to exchange program.

The participants provided many insights unique to their countries needs as well as those that they have in common. They also identified a number of key technical and policy needs such as the need for strong policy and regulatory support and guidance from governments—both nationally, and also across the region—in order to guide and solve technical and commercial interconnection issues; the need for long term Power Development Planning across the region in order to make better-informed decisions about the balance of energy resources; the need to develop more systematic frameworks for power connectivity and trading; the need to harmonize technology standards and grid codes; and the need for better forecasting of both demand, and renewable energy resources. They also discussed and shared the possible benefits of sharing lessons learned on promotion of renewable energy, including incentive mechanisms such as feed-in-tariffs and competitive bidding.

Although the approach to constructing a regional market within the GMS has been gradual, MI will do its best to contribute to the development of GMS' software connectivity-connections between people and businesses. The current lack of connectivity is limiting investment in new businesses and initiatives. A reliable and efficient energy system will help pave the way for enhanced commercialization, trade, and investment.

December 16-17, 2015



## Logistics Matters



(Continued from page 1)

Up to now, 60 local logistics service providers (LSP) along the GMS economic corridor from CLMVT (Cambodia, Lao PDR, Myanmar, Vietnam, and Thailand) have completed two training cycles, and 29 Certified Logistics Masters were awarded. A Training of Trainers (ToT) program targeting 20 participants from among those who qualified as Certified Logistics Masters will be conducted during the 3rd phase of the project to localize and replicate the training at the local level to further benefit at least 150 logistics practitioners on the ground.

The first phase of the project completion report shows highly positive

feedback by the participants who considered the training very relevant to their work. The participants showed great interest in international standards and agreements related to the logistics market and in advanced logistics management systems. The completion report also indicated that more practical and technical training should be designed for local logistics SMEs. The logistics market is expanding, but most SMEs are not prepared for ASEAN Economic Community (AEC), and therefore it is suggested that the governments of the five GMS countries make efforts to help SMEs prepare for these challenges.

## Cross-Border Trade of Agricultural Commodities in Quang Tri



Dr. Nguyen Huu Dung,  
Vice Chairman of the Quang Tri  
People's Committee

A workshop on “Sharing Results and Recommendations of the Analysis on Cross-Border Trade of the Agricultural Commodities in Quang Tri” was held on December 23, 2015 in Quang Tri, Vietnam to report the findings of the study and recommend policy changes toward cross-border trade facilitation for the agricultural commodities.

The study pointed out many valuable findings from sector planning and development of five identified agricultural commodities, policy implication and implementation for promotion of cross-border trade and needs for continuous process on bilateral dialogues and joint efforts of two local governments of Quang Tri, Vietnam and Savannakhet, Lao PDR on facilitating the development of both cross-border trade and border areas. The disadvantages and barriers against cross-border trade of agricultural products, ranging from improper policies/procedures to insufficient cooperation between the twin provinces of Quang Tri at Vietnam side and Savannakhet at Laos side. Accordingly, the study provides with concrete and well rationalized recommendations on sector development, policy implications for the Quang Tri local government and conduction of a win-win based bilateral dialogue with its counterpart in the Savannkhet province.

Dr. Nguyen Huu Dung, Vice Chairman of the Quang Tri People's Committee expresses his appreciation for the results and recommendations from the

study and professional support from MI. He agrees with the analysis findings and commits to supporting to the implementation of the recommendations in order to promote and facilitate the cross-border trade of the agricultural commodities in Quang Tri province. MI Executive Director, Dr. Watcharas Leelawath, in his opening remarks, commits to offer technical assistances to initiate and facilitate a series of the bilateral dialogue between Quang Tri province and Savannakhet province aiming at promoting cross-border trade for inclusive and equitable growth as well as regional cooperation and development along the EWEC. He commented that MI aimed to share the research results with key stakeholders to encourage new policies to increase cross-border trade in Quang Tri, and to promote regional development.

A follow-up workshop at MI was also discussed.



## MI Highlights

### MoU Signing with Rajamangala University of Technology Rattanakosin (RMUTR)

MI signed a Memorandum of Understanding (MoU) with Rajamangala University of Technology Rattanakosin (RMUTR) to work together on selected areas of capacity building for the Greater Mekong Sub-region (GMS) on October 14, 2015 at MI.



### Visit of Israel Ambassador to Thailand

Dr. Watcharas Leelawath, MI Executive Director, welcomed the Ambassador of Israel to Thailand, H.E. Simon Roded, Mr. Gil Haskel, director of Israel's Agency for International Development Cooperation (MASHAV) and Mr. Yuval Waks, Deputy Chief of Mission, Embassy of Israel on November 27, 2015. The visit discussed how MASHAV can work with MI.



### ADB Roadshow

MI and ADB co-hosted the ADB Roadshow in Khon Kaen on October 30, 2015 under the topic "The GMS East-West Economic Corridor: Economic Linkage and Business Opportunities in the Northeastern Region."



More than 50 participants who are local government officials, private sector representatives in Khon Kaen and nearby provinces attended the event.

### Visit of Australian Ambassador to Thailand

Australian Ambassador to Thailand, H.E. Paul Robilliard visited MI on December 2, 2015 along with other delegates, namely Ms. Sarah Roberts, Acting Deputy Head of Mission and Permanent Representative to UNESCAP, and Mr. Teeraksak Siripnat, Political Specialist of Australian Embassy, Thailand. Led by Mr. Madhurjya Kumar Dutta and Ms. Maria Theresa S. Medialdia, MI Managers and staff warmly welcomed the delegates and briefed about MI and its ongoing program activities.



### Visit of the USAID-RDMA Mission Director

MI welcomed newly-appointed USAID Mission Director Beth S. Paige on October 21, 2015. The visit was attended by MI Executive Director Dr. Watcharas Leelawath and Rural Development Department Manager Ms. Maria Theresa Medialdia.



### Visit of Nagasaki University

Dr. Watcharas Leelawath, Executive Director of MI and Mr. Madhurjya Kumar Dutta, Director of Trade and Investment Facilitation Department welcomed Prof. Akhide Tada and Mr. Kiichiro Yamada from Nagasaki University on December 15, 2015 at MI. During the meeting, the two institutions agreed to sign a Memorandum of Understanding (MoU) to implement collaborative activities focusing on research and training in tourism and fishing industry.



### First Meeting of the ESCAP Sustainable Business Network

Dr. Watcharas Leelawath, MI Executive Director spoke at the First Meeting of the ESCAP Sustainable Business Network at UN Conference Center in Bangkok on November 2, 2015. He presented an update of the implementation activities under the Micro, Small and Medium Enterprises (MSMEs) Task Force. The meeting is part of the 12<sup>th</sup> session of the Asia-Pacific Business Forum 2015.



### Visit of Agro Informatics Division, Hydro and Agro Informatics Institute of Thailand

Dr. Royboon Rassameethes, Deputy Director of Agro Informatics Division, Hydro and Agro Informatics Institute of Thailand, visited MI on December 17, 2015 to discuss about possible collaborations in the future.





## TESTIMONIAL

**Dinh Thi Ngoc Quy, Program Manager, Blue Dragon Children's Foundation (BDCF) Headquarter, Vietnam**



"It was more than what I expected. After two weeks of training, I learned new things about Project DMF. I also gained more experience on how to conduct an interview. In addition, it gives me a greater chance to work in multinational environment. I also learned a lot from my friends in the GMS countries. Knowing about DMF is useful to me as I can apply it to my work for the poor in my country. The three things I like the most are the lessons with lively examples, great interaction between trainer and trainees, and the friendly atmosphere of the lecturers, facilitators, and all participants"

**Ms. Shi Jingmin, Project Officer, Foreign Affairs office of the People's Government of Yunnan Province, P.R. China**



I think the training course met my expectation. Since my work involves international project monitoring and evaluation, it is hard for me to finish the work with high quality before the training. After the two-week training and field study, I learned how to do DMF planning, how to define the indicators, and how to gather and analyze data, and many other skills and knowledge. I learned much about project monitoring and evaluation. It is useful and helpful for me and my work. I will apply what I learned to my work. I believe it will make my work easier and more efficient. The training methodology, information market, and field study visit are the three things I like most.

Multi-national team work, information market, BOD, and warming-up exercises are very important and helpful to make participants more at ease to know each other and learn from each other. It created a friendlier learning environment for multi country participants to make friends. It also improved my cross-cultural communication and exchange skills. I will share what I have learned in the training course with my colleagues.

**Mr. Try Socheat, Department Deputy Director, Ministry of Planning, Cambodia**



The training course absolutely met my expectation; more than that, I have learnt a lot besides the training such as group work discussions and exercises, presentations, team buildings, 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 the project implementation.

Based on the things I learned from the training, I think building team work is the most useful to me and my job, because I get new ideas, experiences, and knowledge from other GMS countries. Simply speaking, this method makes everyone more interactive, helpful to each other, and build a network relationship.

I also love the environment and the instructor who is always helpful in group discussions and gives template for presentations. The structured learning visit was the one that interests me the most because I saw what I can apply in real situations.

**Ms. Phacharawadee Tasee, Researcher, Thailand Development Research Institute, Thailand**



Although I had some experience in evaluating in the national programme, I still think the course met my expectation. I feel like I got the chance to review and renew my knowledge; moreover, I also obtained new knowledge through the real case study in the region. Actually, this training course is better than I had expected.

The most useful in this course is the impact assessment which I have learnt from the MI EWEC project operating in three countries (Lao PDR, Myanmar, and Vietnam). I think I can easily apply it to the research and projects under my responsibility.

Three things I like the most in the course is the increase of regional network since all the participants are experts and have varied work experience. Secondly, the real situation and the action in the class helped me train myself and review my understanding. And lastly, I like the field trip in Khammoune, Lao PDR where I could see the real situation.



### Mekong Institute 20<sup>th</sup> Anniversary Logo Contest

Mekong Institute is pleased to announce a contest for its 20th Anniversary logo which will be used throughout 2016. The winner will receive a prize of 15,000 Baht. Deadline : February 12, 2016

### Mekong Institute 20<sup>th</sup> Anniversary Photo Contest



Mekong Institute is pleased to announce its 20<sup>th</sup> anniversary photo competition with the theme: "Capturing Growth in the Mekong" wherein photographers are invited to submit their photographs focusing on the topics of Trade and Investment Facilitation, Agricultural Development and Commercialization, and Innovation and Technological Connectivity. Gender equality, environmental sustainability and labor mobility are present throughout as cross-cutting themes. Deadline : March 10, 2016