

MEKONG CONNECTION

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20 Years of Cooperation for Development

Prioritizing Sustainable Rural Development in Lao PDR and Thailand



Development in the rural region has been given more importance today than it was in the earlier decades. Back then, economic growth was mainly prioritized which caused an uneven development growth. But as the economy grew, it became apparent that rural development was just as crucial. Much of today's population growth dynamics stem from rural areas; they are the source of massive migratory waves to the cities. They are either forced by needs or driven by wants in the hopes of finding success. As they stand at the link between environmental conservation and development, these dynamics have created a need for rural development that provides infrastructure, services, training, technical assistance, and empowerment to assist the development of rural livelihoods that will support and sustain local cultures and environments. Rural development therefore needs the effort of the people themselves as well as their institutions.

In the Greater Mekong Sub-region (GMS), Lao PDR still belongs to the Least Developed Countries (LDCs) even though it is very rich in biological diversity. In the last five years, although the country is developing rapidly, without proper human resource and planning, particularly at the local level, it may lead to problems in sustainability of natural resources and environment occurring in many countries.

Heading over to its neighbouring country, even Thailand's first national development plan over-emphasized on economic growth rather than sustainable development, particularly participation of the rural people. Natural resources and human capital expanded the production base-employment opportunities and national income, which largely contributed to the country's increase in production and exports. However, despite remarkable success in economic development, Thailand is facing growing problems in degradation of national resources, environment, and social problems in the city as well as in the rural areas. Development plans today have been revised, taking into consideration the need to reduce economic disparities between regions by involving resources and the administrative capacity of local governments, and to encourage people's participation in their own development.

To address such pressing concerns, Mekong Institute (MI), in collaboration with the Thailand International Cooperation Agency (TICA) and the International Institute for Trade and Development (ITD), developed and conducted a training program on sustainable rural development for Lao PDR and Thailand, in order to contribute in enhancing the participants' professional capacity in sustainable rural development strategies and interventions.

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Enhancing SMEs' Competitiveness along the GMS Southern Economic Corridor



Connectivity has become a major priority in today's economy, especially in Asia and the Pacific, because it is the foundation of regional economic cooperation and integration. MI, in collaboration with strategic partners, proposed and formulated the project on "Enhancing Competitiveness of Small and Medium-Sized Enterprises along the Southern Economic Corridor (SEC) of the ASEAN Mekong Sub-region" with an aim to enhance the competitiveness of SMEs in the conduct of cross-border trade and investment and to help them integrate into cross-border industrial clusters as well as regional and global value chains. The project further aims to contribute to rapid economic development and inclusive growth in targeted provinces on the borders of the SEC through the promotion of trade and investment. The Government of Japan, through the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Component of the Japan-ASEAN Integration Fund (JAIF), has collaborated with and entrusted MI with implementing the project for a two-year period, from 2016 to 2018.

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Editorial

Mekong Institute Celebrating Its 20th Anniversary



Mekong Institute (MI) is fast approaching its 20th anniversary. The institute was officially established on August 28, 1996 after a Memorandum of Understanding between the New Zealand Ministry of Foreign Affairs and Trade and the Thai Department of Technical and Economic Cooperation was signed, after the visit to Thailand of the then Prime Minister of New Zealand, Mr. James B. Bolger. Based on a concept developed by Khon Kaen University, the organization's goal was to strengthen trust and solidarity in the Greater Mekong Sub-region (GMS) through the provision of training for middle to senior level officials and managers.

Today, MI has evolved into an intergovernmental organization (IGO) serving the members of the region: Cambodia, P.R. China (Yunnan Province and Guangxi Zhuang Autonomous Region), Lao PDR, Myanmar, Thailand, and Vietnam. We have strived to consistently provide, implement, and facilitate integrated human resource development, capacity building programs, and development projects related to regional cooperation and integration.

The institute works to promote capacity development in three major regional development themes that have considerable synergy and overlaps among them: Agricultural Development and Commercialization, Trade and Investment Facilitation, and Innovation and Technological Connectivity. Our implementing strategies are relevant to all three regional development themes, namely: enhancing the private sector, developing strategic alliances, implementing development projects, promoting good governance, and urging policy advocacy.

MI is devoted to creating a real impact in the region, focusing on making sure that participants apply what they have learned and adapt to the changes and challenges in the region. For our research projects, we also dedicate considerable effort in strengthening connections to policy makers in the region to fully utilize our findings.

After 20 years of service, MI has a record of contributing to progress in the region's development. Our efforts in capacity building for regional development will continue to be strengthened with the help of our partners. And although there are much challenges yet unforeseen, MI looks forward to serving the region and helping it adapt to changing global conditions in the years ahead.

Prioritizing Sustainable Rural Development in Lao PDR and Thailand

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The five-day training program on "Sustainable Rural Development" was conducted last June 13-17, 2016 at MI Residential Training Center in Khon Kaen, Thailand where 17 officials representing eight agencies coming from Lao PDR and Thailand participated in the program.



The training program was composed of three interrelated modules. Module 1 on "Sustainable Rural Development Concepts" provided an overview of the concept on rural development and trends in rural development policies and interventions in current various contexts including national, regional, and international levels. This module introduced the participants to the integrated and multi-sectoral approach to sustainable rural development, emphasizing the links between actors for development of the rural economy. Module 2 on "Local and International Issues Related to Sustainable Rural Development" highlighted different issues, challenges, and opportunities related to sustainable rural development in national, regional, and international level, including inequity alleviation, good governance, environmental protection, regional cooperation, and risk management. Participants gained a better understanding on how to identify and compare the aforementioned issues, challenges, and opportunities in their respective working areas. The last module on "Sustainable Rural Development Interventions and Planning" concluded the program which included the philosophy of sufficiency economy of His Majesty King Bhumibol. In order to make way for constant improvements, examples of best practices were consolidated and processed to be transferable to other contexts.



A field visit was made to Sum Sung Non-Toxic Vegetable Group which provided participants with new ideas that are expected to be applicable in their respective countries. The participants expressed that the newly-gained knowledge and skills provided them with new concepts that can be applied in their work

at home such as integrating 'sustainability' to their work, transferring knowledge to their colleagues and community, proposing for development projects, and better facilitation of their existing development work. They also committed to implement the rural development projects presented during the training program when they return to their home countries.

Ms. Ueangprai Kamol, Teacher (Professional Level), Wangluang Wittayakom School, Thailand

"After the training, I could definitely apply the concept of sustainable development to my teaching plan management as well as to my work network and collaboration with other departments. I also gained knowledge and a clear idea on the topic of project management. For me, the benefits in this training were knowledge exchange and sharing as well as networking with other participants during the group discussion. I learned a lot in terms of sustainable development, especially from the real world experiences shared from other participants and importantly from the field trip. I would also be able to share to my community about the importance of sustainable development. Lastly, it was great to spend time with other participants who came from different places."

Mr. Surajit Namnoi, Information Technology Officer, The Royal Initiative Discovery Foundation

"In my opinion, this training has met my expectation very well. It was a good opportunity for knowledge sharing and learning by doing. This included learning new systematic ways in the concept of sustainable development in the GMS. The part of the training that I found very useful to my job are the elements, factors, advantages, and disadvantages we need to consider in writing a business plan. I also greatly appreciate learning the process of creating development plans that would be sustainable in the future. The greatest benefit I gained from this training was the opportunity to share knowledge and ideas between Thai and Lao which generated various ideas."

REGIONAL WORKS (April - June)

Cross-Country Activity :

- Cross-Border Trade Facilitation of Agricultural Commodities on the East West Economic Corridor (EWEC)
- 3rd “Certified Logistics Master” Modular Training
- Study on Market and Value Chain Mapping

Myanmar

Forum

- 4th Mekong - ROK Business Forum

Workshop

- Up-Scaling an Innovative Practices in Growing Maize in Myawaddy

Monitoring Visit

- Farmers’ New Maize Growing Areas During Harvest Time

Competition

- Product Competition Awards to Maize Farmers and Extension Workers for 2015 Winter Season

Vietnam

Training

- Credit and Savings

Workshops

- Inception Workshops in New Communes Learning Visit
- Learning Visit on Higher Quality Arabica Varietals and Water-Saving Irrigation Schemes in Daklak Province

Cambodia

Training

- Training of Trainers (ToT) on Trade Promotion

Lao PDR

Trainings

- 3rd Series Training on Good Manufacturing Practices (GMP) to Rice Mills
- 2nd Series Training on GAP at Ban Phak Etou, Nongbok District
- 1st Series Training on Integrated Pests Management (IPM)
- 4th Series Training of Good Agricultural Practices: Writing on Rules of Internal Control System Manual, and Field Practice

Workshop

- Dissemination Workshop on Cooperative Formation

Thailand

Trainings

- International Training on “Microfinance for Small and Medium-sized Enterprises (SMEs) Development in Asia Pacific Region”
- Sustainable Rural Development

Enhancing SMEs' Competitiveness along the GMS Southern Economic Corridor

(Continued from page 1)

"There has been steady improvement of Mekong regional connectivity" said Mr. Noriyoshi Fukuoka, Second Secretary, Economic Division of Embassy of Japan in Thailand at the project's Inception Workshop held on March 18th, 2016 in Bangkok. Mr. Fukuoka stated that the project is an integral part of Tokyo Strategy 2015 for Mekong-Japan Cooperation, under which the Government of Japan has committed around JPY 750 billion in the form of Official Development Assistance (ODA) to the Mekong countries over the next three years. In implementing the new strategy, the Government of Japan aims to contribute to regional stability and the quality of economic growth, he added.

SMEs are the backbone of every economy in the Mekong countries. They typically account for more than 95% of all private enterprises and employ 75-90% of the domestic workforce. However, the relative share of SMEs' production in total domestic output is disproportionately smaller, on average 20-40%, and the direct contribution of SMEs to merchandise export earnings is also small, at 15-25%.¹

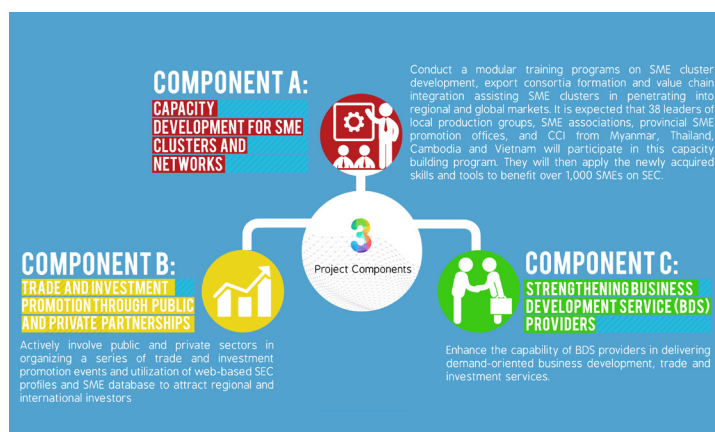
The Southern Economic Corridor (SEC), one of the three main economic corridors in the Greater Mekong Sub-region (GMS), connects four Mekong countries, namely Cambodia, Myanmar, Thailand and Vietnam, and comprises three sub-corridors and one inter-corridor link. It connects the GMS to major markets and nodal points, and serves as a center for investment and enterprise development. The development of the SEC will provide opportunities for public and private investors to expand production and marketing to the Mekong countries and promote ASEAN economic integration, promoting growth in the region.

A recent SMEs cluster assessment conducted by Mekong Institute (MI) revealed that the biggest challenge facing SMEs in the SEC is how to access and create effective linkages with regional and global markets. Most of the SMEs are domestic-market oriented and face critical constraints caused by lack of both (i) capacity and competitiveness at the international level, (ii) effective advocacy, and (iii) trade negotiation skills. In addition, a regional approach to SME development along the SEC to facilitate access to regional and global value chains has not been made.

To address these issues, the project focuses on capacity development for stakeholders and beneficiaries, targeting three groups including (i) Local production groups/associations; (ii) Provincial and Border Government Officials; and (iii) Chambers of Commerce and Industry and SME associations. Different development approaches to boost the project's impact have been adopted to implement a series of activities under three components. Shown below are the provinces on the borders along the SEC where the project will be implemented, as well as the three components under which activities will be implemented.



Provinces on the borders of the SEC where the project will be implemented



The three components under which activities will be implemented.

The first project activity carried out was a Study on Market and Value Chain Mapping which aimed at mapping the sectorial and geographical concentration of product enterprises and related market actors under the scope of production, services and markets. The key result was the identification and mapping, through value chain analysis, of product clusters that have potential for enhancing cross-border trade as well as integration into global and regional production chains.

The project team has now finished field data collection which covered eight provinces in Cambodia, one province in Myanmar, six provinces in Thailand, and four provinces in Vietnam, and this raw data will be further analyzed as the study's final report is prepared.



¹ Thailand-ASEAN SME Regional Gateway, 2010. Office of SME Promotion, Thailand

Highlights

MI Executive Director at the Disaster Risk Resilience Water Management Workshop



Dr. Watcharas Leelawath, MI Executive Director delivered a presentation on “Capacity Building in the GMS” at the ASEAN Application of Science and Technology in Disaster Risk Resilience Water Management Workshop organized by the Hydro and Agro Informatics Institute, Thailand, on April 4, 2016.

Visit of the Department of Protocol, MOFA Thailand



Mr. Chakri Srichawana, Director-General of the Department of Protocol, Ministry of Foreign Affairs, Thailand, visited MI on April 26, 2016. Director-General Chakri expressed his interest in learning how MI operates and conducts its capacity building program activities. MI Executive

Director, Dr. Watcharas presented the background and history of MI, highlighting the thematic areas and the next strategic plan of the institution.

Staff Capacity Building

Israel’s Agency for International Development Cooperation, MASHAV and MI, sponsored two ADC technical staff to participate in training courses in Israel:



1. Mr. Ra Thorng attended the “Climate Change and Agriculture” course, held from April 3-14, 2016 at the MASHAV International Training Center, Shefayim, with field visits to various agribusiness companies, agricultural research institutes, and research and development agricultural centers in Israel. The training discussed the effects of climate change on agriculture and demonstrated modern agrometeorological techniques and methods for climate change adaptation and mitigation.



2. Ms. Jutamas Thongcharoen participated in “Integrated Pest Management (IPM)” training, which took place in CINADCO’s Training Center, Volcani Agricultural Complex from April 3-22, 2016. The training addressed new developments in the field of plant protection and provided the

most recent practical tools IPM taking into consideration the need to adopt methods and technologies to meet local conditions.

Visit by New Zealand Ambassador Ben King



H.E. Mr. Ben King, New Zealand Ambassador to Thailand, Cambodia, and Lao PDR, visited MI on Tuesday, May 10, 2016. Dr. Watcharas Leelawath, MI’s Executive Director, and staff members welcomed Ambassador King and Mr. Brent Rapson, First Secretary for Development

of the New Zealand Embassy, and discussed the current collaboration on the Food Safety project supported by the New Zealand Aid Programme (NZAP).

Mekong-ROK Senior Officials’ Meeting



MI Executive Director Dr. Watcharas Leelawath, Program Director Mr. Madhuriya Kumar Dutta and Program Officer Ewijeong Jeong attended the Mekong-ROK Senior Officials’ Meeting (SOM) from May 26 - 27 in Cambodia. During the meeting, MI delegates presented

updates on the operation of Mekong-ROK Cooperation Fund (MRCF) and the Mekong-ROK Business Forum. In July last year, MI was endorsed as the fund manager of MRCF. As the fund manager, MI coordinates with the Mekong-ROK SOMs, drafts guidelines for MRCF, and reviews progress and reports.

CLMVT Forum 2016: Towards a Shared Prosperity



The Ministry of Commerce of Thailand, in collaboration with alliance agencies from both government and private sectors, organized the CLMVT Forum 2016 on June 16-18, 2016 in Bangkok, Thailand. The forum’s theme was “Towards a Shared Prosperity”, and the event

showcased the opportunities in the region as well as its development, advanced trade, investment and tourism, and future potential. The event also facilitate business networking along the CLMVT Countries - Cambodia, Lao PDR, Myanmar, Vietnam, and Thailand.

Silk Road Forum at Warsaw, Poland



As one of the founding members of the Silk Road Think Tank Network (referred to as ‘SiLKS’), MI’s Executive Director, Dr. Watcharas Leelawath and Mr. Madhuriya Kumar Dutta, Director of Trade and Investment Department

attended the SiLKS Annual Meeting and the Silk Road Forum held on June 20-21, 2016 in Warsaw, Poland. The forum was inaugurated by President Xi Jinping of PR China.

The 6th EWEC Project Steering Committee (PSC) Meeting



The 6th Project Steering Committee Meeting of the Regional and Local Economic Development on East West Economic Corridor Project was held at Mekong Institute in Khon Kaen province, Thailand on June 28, 2016. The objectives of meeting were to share updates about project progress in the last six

months and results from the mid-term review. The meeting received useful feedbacks and recommendations from all the participants.

ALUMNI QUOTES

Activity: Microfinance for Small and Medium –sized Enterprises (SMEs) Development in Asia Pacific Region

Mr. Mohd Farid Awang, Head Accountant and Business Counselor, SME Cooperation of Malaysia, Malaysia



Before I came here, I expected that I would learn about the success of microfinance in Thailand because in Malaysia, when you go to the store, you will see 50% of the products are made in Thailand. I wanted to know how Thailand did that since it was not easy to reach that achievement. Besides that, you have more than 10 countries to be trained together, to share experiences with different attitudes, different backgrounds. I learned a lot and gained more knowledge from the resource persons. The training certainly met my expectations.

In the field visit, I learned a lot about how people survive the microfinance and how people in rural areas living under poverty and paying the loan on time. It was good to hear from them and to know how they pay back their loan. I will definitely share the knowledge to my other business counselors in Malaysia. The field visit was the best part for me as well as the facilities. I also like the organizer because they were very creative and cooperative.

Ms. Najma Perveen , Assistant Chief Social Sector, Planning and Development Department Government of Gilgit-Baltistan, Pakistan



I really appreciated the effort of TICA, the Colombo Plan, and certainly Mekong Institute for bringing 11 countries together to share our experiences on what we are doing for SMEs in our country. We were really impressed about Thailand’s strategy for poverty reduction, especially the village fund, the community base in microfinance institution and the role of banks, particularly the Bank for Agriculture in promoting the SMEs in the country. We will take these experiences from here and replicate in country to promote SMEs over there.

Since I work in the Ministry of Planning at the policy making level .This training will help me in formulation of SME-friendly policy and program of central microfinance sector, partially in the rural areas and also the SMEs sector to boost economic development in my country.

Mr. Omeru Meideen Javeer, Director, Department of Development Finance, Ministry of Finance, Columbo-01, Sri Lanka



The training course was very useful to us because we are the focal point dealing with SME development and microfinance. Basically, Ministry of Finance is focusing on regulating of microfinance and SME sector. Therefore this training course was very inspiring and useful. I think it would be more useful to expand our services for the country for the development of finance and SME sector.

This training course has exactly met my expectation. I learnt how the new technology can be introduced to the microfinance sector and how we can adopt some mobile banking and other high technologies and ICT knowledge into the microfinance and SMEs sector. That is very important for us and to our country.

The thing I like the most in this training, mainly as a microfinance organization, is we are focusing on the agriculture as it is the backbone of Sri Lanka’s economy. Mostly, we are focusing on agriculture loans, in addition, we help in developing clothing industry sector and normally the government sector. Most of the SMEs are very fast developing in Sri Lanka. You can enhance the capacity building and the financial assets in compare with other Asian regions. Sri Lanka has 80% of financial institutions.

Activity: Certified Logistics Master Program

Mr. Minn Maung Oo, Secretary General, Myanmar Customs Brokers Association, Myanmar



The course was very useful for me because I have learned a lot about the GMS-CBTA (cross-border transport agreement). My company provides the custom service and cross border arrangement which I think it was good opportunity for me to attend. The best part for me was the way of management since there was the expert from Bangkok who explained us a lot about his experiences in cargo. It was so interesting and he made me more understand on this topic.

Ms. Fungladda Chintar, Assistant Manager, International Logistics Service Department – SCG Logistics Management, Thailand



I actually expected to gain only the knowledge about CBTA and some about the cross-border. However, after the training, I gained more than that. I learnt more about warehouses, the agreements between the countries, the service providers of transportation in Asian and international market, and also the logistics companies.

This training went way beyond my expectation. For me, the knowledge of the agreement of CBTA is very important because it is my job. I handle the cross-border issues and also it was good to know about the situations and status of other countries because in the class we learnt about the experience from the other countries. Especially in Laos, we did not have much of the information about the issue. After I gained experiences from other participants, I understood more about their culture and information about the cross border.

Mr. Hua Phong Linh, Managing Director, Addicon Logistics Ltd., Vietnam



We are actually doing the logistics and the course was very useful for our company and our job. Moreover, the knowledge I learned from the supply chain, the e-commerce, and human management were useful for our organization. Three things I like the most from the training is, firstly, the updated information from five countries; second, the connection among the participants; and lastly, the knowledge sharing from the resource persons.



Capacity Development for Regional Cooperation and Integration
MEKONG CONNECTION

A large graphic of '20th' with the MEKONG INSTITUTE logo inside the '0'. Below it is the text '20 Years of Cooperation for Development' in a script font, followed by 'CELEBRATING 20 YEARS OF MEKONG INSTITUTE' in a bold sans-serif font, and 'August 28, 2016' in a smaller sans-serif font.

20 Years of Cooperation for Development
**CELEBRATING 20 YEARS OF
MEKONG INSTITUTE**
August 28, 2016

The logo for the forum, with 'MEKONG FORUM' in large white letters and '2016' in large blue letters. A small MEKONG INSTITUTE logo is integrated into the letter 'O' of 'FORUM'.

**MEKONG
FORUM
2016**

**"SHARING RESPONSIBILITY FOR
COMMON PROSPERITY"**

Mekong Forum 2016
August 29, 2016 Pullman Hotel, Khon Kaen