

## MINUTES OF THE STEERING COMMITTEE MEETING GOVERNING BOARD NO.1/2022

### Key Agreements and Recommendations by MI Steering Committee for Consideration by the MI Council

Section	Key Points	Steering Committee Decision
<b>5. Matters for Acknowledgement</b>		
<b>5.1 Activity 1H, 2022</b>  5.1.1 Program Progress 1H/2021  A. Core Development Areas	<ul style="list-style-type: none"> <li>• MI has completed one and half year's implementation of its Strategic Plan (SP) 2021-2025 focusing on its two main streams - Contribution to GMS Development and Institutional Strengthening</li> <li>• Program activities were implemented in line with the SP and the annual work plan 2022 despite the uncertainty of the COVID-19 pandemic situation, and contributed to capacity development in the GMS.</li> <li>• MI implemented 23 projects funded by 14 donor organizations. The top three funding sources were P.R. China (29.1%), Republic of Korea (22.5%) and New Zealand (16.9%).</li> <li>• Cross-cutting themes have been incorporated and mainstreamed with the program activities. Digital Economy and Innovation were a significant focus in several MI activities. MI reached indigenous, vulnerable, and disadvantaged communities by addressing social inclusion and vulnerability. Labor Mobility issues were incorporated in MI's training courses and especially in the ongoing "Migrant Workers &amp; Public Health Emergency Preparedness" study.</li> </ul>	The SC members appreciated MI's program implementation.
B. Flagship Initiatives	<ul style="list-style-type: none"> <li>• Two flagship initiatives are being rolled out, namely: 1) Toward Post COVID-19 Resilient Economies, and 2) GMS City Nodes Network. While the GMS Knowledge Network is still in progress, the draft Concept Note was endorsed during the Senior Officials Meeting and the Asian Development Bank (ADB) is set to provide starting funds to MI to support its establishment.</li> <li>• MI has yet to receive a new source of funding to implement the flagship programs.</li> </ul>	Flagship initiatives were acknowledged by the SC members.
5.1.2 Institutional Strengthening A. Greater Mekong Community B. Administration C. Finance	<ul style="list-style-type: none"> <li>• For institutional strengthening, MI focused on enhancing strategic leadership and management.</li> <li>• The Greater Mekong Community Affairs initiative has been strengthened through MI's ongoing and continuous efforts in monitoring, evaluation and learning, communications, and partnership development.</li> <li>• Several initiatives have been taken to enhance MI's financial management, human resource management, administration/general services, and IT.</li> </ul>	MI efforts in institutional strengthening were acknowledged.

<p><b>5.2 Coordinating Agencies' Meeting 1/2022 Report</b></p>	<ul style="list-style-type: none"> <li>MI Coordinating Agencies (CAs) Meeting No. 1/2022 was held virtually on June 20, 2022. Important agenda items for discussion included i) review of the results of capacity development assessment in the GMS and baseline survey, and ii) update on status of MI's partnership strategy.</li> <li>The Council is requested to provide guidance on respective GMS countries' CA focal persons.</li> </ul>	<p>To be approved for endorsement by the MI Council</p>
<p><b>5.3 Development Partners Consultation Meeting 2022 Report</b></p>	<ul style="list-style-type: none"> <li>52 representatives of Development Partners (DPs) attended the hybrid consultation meeting on July 1, 2022 which was held in Bangkok and via Zoom. Two key points were highlighted: 1) the importance of partnership and synergies; and 2) the evolving needs for capacity development for GMS stakeholders in response to the changing dynamics of regional cooperation and integration.</li> </ul>	<p>MI's efforts to strengthen partnerships with and solicit more support from DPs were acknowledged by the SC members.</p>
<p><b>6. Matters for Consideration</b></p>		
<p><b>6.1 Revised activity plan of 2H, 2022</b></p>	<ul style="list-style-type: none"> <li>Following the findings and recommendations of the Capacity Needs Assessment and Baseline Survey, MI has revised its Annual Work Plan 2022.</li> <li>By the end of December 2022, MI plans to implement 33 projects to be funded by 18 donor organizations. The top three funding sources would be P.R. China (34.3%), Republic of Korea (30.4%), and New Zealand (22.1%).</li> <li>The idea of joint monitoring was appreciated and encouraged by the representatives of the member countries. The Meeting endorsed the concept of establishing a Joint Monitoring Committee, comprising representatives from MI HQ, Steering Committee and CA members.</li> </ul>	<p>Approved for endorsement by the MI Council</p>
<p><b>6.2 Budget revision 2022</b></p>	<ul style="list-style-type: none"> <li>The budget revision 2022, the revised revenue and expenses (compared with the proposed annual budget 2022) is generally in a better situation. The revised revenue and expenditure are US\$3,188,350 (US\$3,049,979) and US\$3,037,086 (US\$2,913,795), respectively.</li> <li>The year-end financial balance is expected to be US\$151,264 (US\$136,184) (in cash) and US\$74,834 (US\$32,984) (after non-cash).</li> <li>The Meeting requested the remaining countries to make their annual contribution at their earliest convenience to ensure the cash flow of the MI operation.</li> </ul>	<p>Approved for endorsement by the MI Council</p>
<p><b>6.3 Audited financial report 2021</b></p>	<ul style="list-style-type: none"> <li>By comparing the 2021 year-end forecast and the actual cost (audit report 2021), there was no material audit finding on MI's Financial Statement 2021.</li> <li>In 2021, MI's Total Revenue was US\$ 2,045,953 and Total Expenditure was US\$ 1,948,406. MI earned US\$ 97,547 at the end of 2021.</li> </ul>	<p>Acknowledged for submission to the MI Council</p>

<p><b>6.4 ASEAN Prize Award presentation and advocacy</b></p>	<ul style="list-style-type: none"> <li>On the ASEAN Prize 2021 award presentation, the Meeting noted that the ceremony would be held on August 3, 2022 on the sidelines of the 55<sup>th</sup> ASEAN Foreign Ministers' Meeting in Phnom Penh, Cambodia.</li> <li>The Meeting requested the Council to nominate a CA focal person to work with MI HQ in advocating and raising the profile of MI as the ASEAN Prize recipient.</li> </ul>	<p>Approved for endorsement by the MI Council</p>
<p><b>6.5 Draft Concept Note on MI collaborating centers in GMS countries</b></p>	<ul style="list-style-type: none"> <li>The Meeting reviewed the concept note on MI's collaborating centers in GMS countries with a view to engaging wider relevant centers of excellence in the GMS countries to partner with MI in promoting capacity development for regional cooperation and integration.</li> <li>The Meeting viewed the concept note as a proposal to enhance MI's capacity in expanding implementation of activities at both national and sub-national levels.</li> <li>The Meeting suggested MI HQ to further evaluate the rationale of the justification for the collaborating center models, and refine the concept note to ensure that such collaborating centers will contribute to MI's mandate, be considered on an ad-hoc basis and not cause additional financial burden to MI.</li> </ul>	<p>Deferred until matters arising are resolved</p>
<p><b>7: Country Reports of Steering Committee Members</b></p>	<p>Please refer to Annex 1.</p>	<p>Approved for endorsement by the MI Council</p>
<p><b>8: Date and Venue of Governing Board Meeting 2/2022</b></p>	<p>December 20-21, 2022. Venue to be confirmed.</p>	<p>Approved for endorsement by the MI Council</p>

## ITEM 1: WELCOMING REMARKS

1. Dr. Narongchai Akrasanee, the MI Steering Committee Chair (the Chair), opened the Meeting at 2:30pm on July 25, 2022 at the headquarters of MI, with the MI Executive Director and all six members of GMS government representatives in attendance via a virtual meeting platform. The Chair outlined key matters for acknowledgement and for consideration as the basis for recommendations to be consolidated for presentation to the Council members at the next day's meeting.

## ITEM 2: ADOPTION OF THE AGENDA

2. The Meeting adopted the agenda of the Steering Committee 1/2022 as proposed by the MI Secretariat on July 25, 2022.

## ITEM 3: BUSINESS ARRANGEMENTS

3. Mr. Suriyan Vichitlekarn, MI Executive Director, briefed the Steering Committee on the meeting arrangement and proceedings.

## ITEM 4: ACTION PROGRESS OF RECOMMENDATIONS FROM THE GOVERNING BOARD MEETING 2/2021 AND MINUTES OF THE STEERING COMMITTEE MEETING NO. 2/2021

4. On the minutes of the last meeting, the Chair received no further comments. The Meeting therefore officially adopted the minutes of the Steering Committee meeting 2/2021.

## ITEM 5: MATTERS FOR ACKNOWLEDGEMENT

### A. Core Development Areas

#### 5.1 Activity Report of 2H, 2021

5. In view of the improved situation of the COVID-19 pandemic, MI has started on-site events in parallel with its hybrid and online events. During the first half of the year, MI implemented 23 projects (long-term: 8, short-term: 11, one-off activity: 4) funded by 14 donor organizations aggregated by countries. Among the top three, the majority of the contributions were from P.R. China (29.1%) followed by the Republic of Korea (22.5%) and New Zealand (16.9%). MI developed/revised 24 curricula, organized 44 capacity development activities, and conducted two studies- i) Study on Implementation of National Single Window and ASEAN Single Window in the Mekong Countries, and ii) Study on Economic Corridors, South-South and Triangular Cooperation and Post COVID-19 Recovery. Several studies are ongoing and will be completed in the second half of 2022.

6. 1,354 direct participants attended MI's 44 capacity building events. Most of the participants were from Cambodia (23%) followed by Lao PDR (22%), Viet Nam (16%), Myanmar (12%), Thailand (9%), and P.R. China (3%). Around 15% of the total participants were from non-GMS countries. MI always emphasizes the participation of women in its capacity building events. Of the direct participants in the first half of the year, 52% were male and 48% were female.

7. MI's directly trained participants further organized 16 capacity building events to share their knowledge to other beneficiaries. These capacity building activities have reached 637 indirect participants. Of the indirect participants, the majority were from Viet Nam (51%) followed by Cambodia (27%), Myanmar (12%), and Lao PDR (10%). China and Thailand did not have any indirect participants in the reporting period. Of the indirect participants, 46% were male and 54% were female.

#### 5.1.1 Program Progress

8. For the first half of 2022, a total of 8 projects were implemented in the area of **Agricultural Development and Commercialization (ADC)**, namely: Promoting Safe Food for Everyone (PROSAFE), Development and Implementation of Rice Production Standard in Mekong-Lancang Sub-Region, Sustainable and Smart Agricultural Supply Chain Development in Mekong Countries, One Country One Priority Product (OCOP) Initiatives, Formulation of the Implementation Plan of the Framework for CLMV Development, Technical Assistance for Community Development in the Mekong Sub-region, Food Safety Quality Infrastructure for Market Access for Developing Countries, and Supporting Learning and Capabilities for Scaling Up Agricultural Finance Activities in the GMS.

9. The completed training programs saw a total of 750 personnel from the government, private and academic sectors being trained. These trainees were able to apply the knowledge and skills they learned from the courses through the implementation of their action plans. Some achievements of the key action plans were reported as follows: 1) Organized localized training programs in the participants' respective countries; 2) Improved food safety regulations and guidelines; 3) Improved food safety facilities and practices by private agri-food enterprises; 4) Raised public awareness through food safety stories.

10. In the area of **Trade and Investment Facilitation (TIF)**, 473 personnel attended capacity building programs and events on Entrepreneurship Development Through E-Commerce Promotion, Engaging Youth in Water Resources Conservation and Management, Cross Border Trade through Synchronization of Rules and Regulations in the ACMECS (technical support in

project development), Agribusiness and Processed Food Sectors of Cambodia and LM countries, and Political Economy of the Mekong Region. A special focus was placed on women entrepreneurs and SME development.

11. The participants of the 2<sup>nd</sup> batch training on “The Mekong-Korea Training and Mentoring Program on Smart Sustainable Tourism and Business Outreach”, part of the Mekong-Republic of Korea Cooperation Fund (MKCF) project on “Sustainable Smart Tourism Development in the Mekong Region” implemented their action plans and developed contents on tourism in form of (i) Card news to introduce the city’s wish to promote itself in the Mekong region by highlighting local experiences — food, heritage, tradition, etc. (“Invite friends to your City!”), (ii) Proposal on how to improve relationship between the Mekong and Korea – strategy and activities to increase people-to-people and trade exchanges (“Be A Diplomat!”), and (iii) Proposal on how to improve the city using sustainable and smart tourism concept (“Design your city!”). 18 Participants from Laos, Myanmar and Viet Nam have been working on promoting interesting tourism sites and articulating ideas for sustainable smart tourism in their countries.

12. Under **Sustainable Energy and Environment (SEE)**, MI developed the capacity of 131 Personnel in Fintech and Digital Payment Inclusion for MSMEs, Clean and Affordable Energy Development, Financial Access and Support Policy, and Targeted Poverty Alleviation for Better Life. As a part of the project “Targeted Poverty Alleviation for Better Life in the Lancang-Mekong Region”, four action plans were implemented by CLMV participants: 156 Indigenous people in Cambodia received the training opportunity to learn about access to e-markets, 15 farmers in Viet Nam received both theoretical and practical training on durian farming through the university-industry Partnership, Nong Lam University and Yara Company, and evidential information products were produced on vulnerable groups, such as victims of domestic violence, rural people, and persons with disabilities in Myanmar and Lao PDR.

### Cross-cutting Issues

13. To promote **Digital Economy and Innovation**, MI conducted activities in AI-based Monitoring, Forecasting and Warning System for Natural Disasters and Rice Pest Outbreak; Digital Village: Promoting the Use of Digital Technology in Agricultural Production; Promoting Digital Connectivity through E-commerce Development in the Greater Mekong Subregion; and Fostering Digital Connectivity in the Lancang-Mekong Countries. For the digital economy subject, MI has received quite overwhelming support and requests from P. R. China. MI is now working on the second phase to address some pending issues, such as e-payment to support SMEs.

14. In terms of **Labor Mobility**, MI started to incorporate the issue through several MI training courses to understand how migrant laborers could benefit from economic recovery. MI has also worked with GIZ and the ASEAN Secretariat to conduct a stocking study on Public Health Emergency (PHE) Preparedness to address the health issue of migrant workers.

15. The last cross-cutting issue – **Social Inclusion and Vulnerability (including Gender Mainstreaming)** – was addressed through a PRC-funded project initiated in 2021. Targeted Poverty Alleviation for Better Life in the Lancang-Mekong Region: Sharing Experiences, as well as the afore-mentioned study on Public Health Emergency (PHE) Preparedness and Response.

### Comments from the Steering Committee Members

**Mrs. Moh Moh Naing**, Director of Foreign Economic Relations Department, Ministry of Investment and Foreign Economic Relations, Myanmar

16. Mrs. Moh Moh Naing congratulated MI and acknowledged the results of the projects implemented during the first half of the year. Referring to the implemented projects, she expressed the interest of the Myanmar government to participate in some projects in which they were not involved, such as: 1) Technical Assistance for Community Development in Mekong Subregion; 2) Market Access through e-Commerce Promotion for Women-led SMEs; and 3)

ODOP/OCOP Development and Promotion. She noted that there is a growing demand for e-shopping platforms and making the SMEs aware of digital strategies for selling products would expand their market opportunities.

**Mr. Ke Yousheng**, Permanent Representative, Permanent Mission of China to UNESCAP, Embassy of P.R. China, Bangkok

17. Mr. Ke Yousheng expressed appreciation and thanks for the comprehensive program progress reports. He encouraged MI to continuously overcome the challenges by moving forward toward its targeted thematic areas and cross-cutting issues. On the numbers given, he sought clarification on the difference between direct and indirect participants. He also commented on the limited number of participants from China and suggested strengthening MI's efforts to increase the country's participation in future programs.

18. Mr. Ke told the Meeting that China's annual contribution to MI is in the process, and is expected to reach MI around August. At the same time, Mr. Ke reminded MI to submit the agreed 2022-2023 proposals for review so that the annual income contribution could be transferred together with the allocated fund for the yearly projects.

## Responses

**Mr. Suriyan Vichitlekarn**, Executive Director, MI

19. In response to Mr. Ke's request, Mr. Suriyan differentiated direct participants (from training programs conducted by MI) and indirect participants (from trainings organized by direct participants through action plan implementation).

20. Mr. Suriyan added that MI has also noticed the low number of Chinese participants or representatives in MI programs. Mr. Suriyan explained that, to a large extent, it was also due to the project scope and funding source. MI took note of this concern and will try its best to find a better way to engage participants and achieve a more equal or balanced representation of all GMS countries, for instance, through participation selection, and also engage other stakeholders from P.R. China to attend MI activities.

**Dr. Narongchai Akrasanee**, Steering Committee Chairman

21. Since the imbalanced participation had arisen in previous meetings, Dr. Narongchai stated that a proposal on the development of equitable participation policy, ensuring the participation of other countries regardless of the level of economic development, would be submitted to the Council Meeting the following day to resolve the matter. The policy will strategize the financial model for participation of countries which are not supported by a specific funding institution.

22. **In summary**, there was no objection from other SC members in allowing Dr. Narongchai to propose to the Council the policy to encourage financing equitable participation of all GMS member countries in MI project activities.

## B. Flagship initiatives

23. **Towards Post COVID-19 Resilient Economies.** COVID-19 recovery-related activities have been incorporated into MI Core Programs. The PROSAFE project is now contributing to the "building back better" measures for the agri-food sector in CLMV and continues to help in expanding market access and access to safer food for everyone. In the context of SEE, the program is enhancing the responsive capacity of GMS countries through promoting energy transition while keeping social inclusion and reducing digital gaps front and centre of recovery in 2022. Regarding energy transition, SEE conducted "Promoting Affordable and Clean Energy", and is currently conducting research on a Country Situation Study on "Smart Renewable Energy

Technology for Agriculture Supply Chain in the Mekong Countries.” Finally, to carry forward inclusive recovery from COVID-19 on the principle of “no-one-left behind”, the short-term project on Targeted Poverty Alleviation for Better Life in the Lancang-Mekong Region: Sharing Experiences, has underscored success stories in reaching out to the marginalized community.

24. In collaboration with GMS Secretariat of ADB, MI hosted an online Consultation Meeting to discuss with GMS Interim Steering Groups (ISG) members the draft Concept Note on the Establishment of the **GMS Knowledge Network (GMS KN)** on 18 February 2022. The draft Concept Note was subsequently endorsed by the Senior Officials Meeting (SOM) during the GMS SOM held via Zoom on 10 March 2022. On 30 June 2022, another GMS SOM Meeting was held via video conference to discuss the preparations for the 13th GMS Economic Corridors Forum in October and the 25th GMS Ministerial Conference (MC) in December. The meeting also provided updates on various initiatives for the GMS Ministers’ consideration and endorsement or notation at the 25th GMS MC including the GMS KN.

25. The concept of the **GMS City Nodes Network** will be presented and discussed in the Mekong Forum on September 23, 2022, to seek future support and collaboration from stakeholders and development partners. Furthermore, the activity will be implemented through the Khon Kaen City Forum in Khon Kaen province as the first identified target location for Enhancing Smart City Development for Business Cooperation and Integration scheduled in the last quarter of 2022. The forum will be a platform to promote and connect the city nodes among the GMS countries so as to scale up cooperation and integration in developing mechanisms for stronger synergy and holistic development.

## 5.1.2 Institutional Strengthening

### A. Greater Mekong Community

26. On Monitoring, Evaluation and Learning (MEL), MI conducted a Capacity Needs Assessment in the GMS and a Baseline Survey for the MI Strategic Plan 2021-2025. The results of the study were used to revise MI’s Logical Framework and Annual Work Plan 2022 through an in-house workshop in which key MI staff participated. Some initiatives were taken to develop research/academic collaboration; Khon Kaen University International College (KKUIC) has agreed to collaborate with MI through re-structuring MI’s internship program for the students from the college as well as conducting research involving both teachers and students.

27. Regarding Communications and Knowledge Management (CKM), MI regularly updated its website, social media, and e-learning platforms. MI produced 144 press releases/news/social media features, and IEC materials and 15 press releases/news stories on MI were published by GMS countries. Video clips and a book of narratives have been developed to celebrate its 25th Anniversary. As a result of MI’s communication campaign, 514 new visitors started following MI’s official Facebook page and 29 new visitors started following MI’s official Twitter.

28. Under Partnership and Resource Mobilization (PRM), MI continued to increase its visibility in international forums, enhance existing partnerships, and promote new partnerships across GMS Cooperation Frameworks, particularly with the GMS Economic Cooperation Program, Initiative for ASEAN Integration, Lancang-Mekong Cooperation, Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) and various Mekong Plus One frameworks.

### B. Administration and Human Resources

#### B.1. Human Resources

29. In total, there are 39 MI staff (11 nationalities). Four MI Staff, namely, PRM Manager, General Service Supervisor and two Human Resource Officers attended Capacity Development Training. Staff number increased from 35 to 39 or 11% between June 2021 and June 2022.

## B.2. Administration

30. MI office opened and operated as normal. Assets and equipment were monitored and managed. Mandatory COVID-19 safety and health guidelines, practices and monitoring were followed. New logos were installed. Office renovation (repainting and repairing of bathrooms) was carried out.

31. The General Service Team, especially IT team who provide support to all online activities, continued IT and online facility upgrading, updated its IT program software such as Zoom and Microsoft Team and purchased IT equipment to ensure online events run smoothly.

## B.3. Procurement

32. **General Procurement.** The guidelines and selection process for recruiting Resource Persons and Consultant was updated to ensure the transparent procurement procedure and accountability of consultants. MI has disposed of three vehicles and purchased one new car which is expected to be delivered in September.

33. **Vehicle Disposal.** MI disposed of three vehicles through auction raising the amount of THB 530,000 on February 21, 2022.

34. **Vehicle Procurement.** A new vehicle – Toyota Lexus IS 300h priced at 1,289,720 THB (without import taxes and VAT) – was procured after consulting with the SC chairman. The process started in March 2022 with the forming of a committee and getting approval from the MOFA. The car is being manufactured in Japan. MI expects to receive the vehicle in September 2022. MI has saved 1,400,208 THB from exemption of import taxes and VAT.

## C. Finance

35. On finance, the revenue and expenses at the end of June 2022 were US\$1,072,499 and US\$983,891, which are 35.1% and 33.8% of the proposed budget, respectively. The financial balance was US\$88,608 (in cash) and US\$51,380 (after non-cash). The annual contributions have so far been received from Cambodia, Lao PDR and Viet Nam.

## Comments from the Steering Committee Members

### Mr. Ke Yousheng

36. Mr. Ke mentioned that P.R. China also allocated some project funding to MI in August which could avoid any cash flow problems for MI. He encouraged MI to increase its efficiency in submitting project proposals for review so as to allow China to allocate funding to MI.

### Mrs. Moh Moh Naing

37. Regarding the annual contribution of Myanmar, Mrs. Moh Moh Naing mentioned that it is still in the process and Myanmar may make the transfer to MI early next year.

## Responses

### Dr. Narongchai Akrasanee

38. Dr. Narongchai mentioned that MI has just submitted the aforementioned project proposal. To keep all SC members informed, Dr. Narongchai requested Mr. Suriyan to brief all members on the discussion between MI and Mr. Ke on developing China-funded projects.

## Mr. Suriyan Vichitlekarn

39. Mr. Suriyan reported that MI and Mr. Ke had some discussions early in the year on certain project funds and the ideas of P.R. China government. Topics of the three projects were identified, namely food security, digital connectivity in Lancang-Mekong countries, and socialization of global development initiatives (GDI). He apologized for the late submission of the proposals, explaining that MI wanted to make sure these covered recent developments, including the recently launched Lancang-Mekong Action Plans by the Seventh LMC Foreign Ministers' Meeting. MI hopes this could provide a good synchronization of PRC-funded projects not only to support MI activities but also in line with the LMC action plans.

40. The budget for the first two projects – food security and digital connectivity is US\$ 90,000, while the budget for the GDI project is US\$ 20,000 with most of the activities to be organized online.

41. Mr. Suriyan noted that the concept of socialization of GDI was announced by President Xi Jinping in September 2021. With the kind offer of support of China, MI had already held discussions with Mr. Ke to identify ways to mobilize funding support from P.R. China to help socialization of global development initiatives in LM countries. The project will use the ideas and experiences of GDI to advance sustainable development including the development of subsequent projects proposals. MI has been in contact with the center of international knowledge management who has been tasked by the Chinese government to coordinate the promotion and implementation of GDI. He hopes the project could provide a good transition for LM countries to better understand GDI and also identify projects for future implementation.

### 5.2 Report on Coordinating Agencies' Meeting 1/2022

42. The Meeting noted the summary and recommendations of the MI Coordinating Agencies (CAs) Meeting No. 1/2022, which was held virtually June 20, 2022. Important agenda items for discussion included i) review of the results of capacity development assessment in the GMS and baseline survey, and ii) update on the status of MI's partnership strategy. To support implementation of the Strategic Plan, the CAs supported the establishment of a joint monitoring mechanism and GMS countries' support in broadening MI's partnerships with development partners and key GMS/Mekong cooperation frameworks. The Council is requested to provide guidance on respective GMS countries' CA focal persons.

### 5.3 Report on Development Partners Consultation Meeting 2022

43. The Meeting reviewed the outcome of MI's Development Partners (DPs) consultation meeting, which was held on July 1, 2022 in Bangkok in hybrid format on the theme "Strengthening Capacity Development for a Robust GMS towards Post COVID-19 Recovery". The DPs meeting was attended by a total of 52 participants. The meeting emphasized the importance of partnership and synergies among DPs in promoting a green and resilient economy, maintaining functionality of the Mekong River and its ecosystem services, and adaptation to extreme shocks and changes (i.e., COVID-19, impacts of Climate Change). The meeting also underlined the evolving needs for capacity development for GMS stakeholders in response to the changing dynamics of regional cooperation and integration.

## ITEM 6. Matters for Consideration

### 6.1 Review draft MI Annual Work Plan 2022

44. Following the findings and recommendations of the Capacity Needs Assessment and Baseline Survey, MI has revised its Annual Work Plan 2022 both in the parts covering its Contribution to GMS Development and Institutional Strengthening.

45. According to the revised plan, during Jan-Dec 2022, MI will implement 33 projects (long-term: 8, short-term: 17, and one-off activity: 8) to be funded by 18 donor organizations. Aggregated by countries, the top three giving the majority of the contribution would be P.R. China (34.3%) followed by Republic of Korea (30.4%) and New Zealand (22.1%).

46. MI is in transition toward Results-Based Management (RBM). MI Secretariat realizes that without working with its member countries on monitoring and evaluation, the Secretariat alone cannot achieve its broader goal of capacity development of GMS member countries and measuring the country-specific results. MI therefore discussed the concept of the Joint Monitoring Committee with the members of CAs of the six member countries in the meeting held on 20 June 2022. All CA members acknowledged the importance of this joint monitoring committee and agreed to work with the MI Secretariat to achieve higher-level results and measure the expected outcomes and impacts from MI's capacity development initiatives for the GMS. The structure and activities for establishing the joint monitoring committee were presented to the Steering Committee members. The idea of joint monitoring was appreciated and encouraged by the representatives of the member countries.

47. The Meeting endorsed the concept of establishing a Joint Monitoring Committee, comprising representatives from MI HQ, Steering Committee and CA members. The committee will be responsible for reviewing progress of the Strategic Plan and provide recommendations for implementation to achieve the goals as well as necessary refinements resulting from the evolving situation in the GMS.

### Comments from the Steering Committee Members

**Mrs. Arunee Hiam**, Director, Development Promotion and Coordination Division, Thailand International Cooperation Agency, Ministry of Foreign Affairs

48. Mrs. Arunee requested the MI Secretariat to further clarify the roles of Steering Committee members, CA members and focal points under the joint monitoring committee. Since there are many layers under central government, it would be better to make clear the roles for proper functioning of the committee.

### 6.2 Budget Revision 2022

49. Total Annual Revenue is expected to increase from the original budget due to increased opportunity funds and the carrying forward of projects from the previous year. However, a few projects were excluded from the original budget, decreasing the total estimated. MI expects to have positive financial performance at the end of 2022.

50. The revenue and expenses at the end of June 2022 were US\$1,072,499 and US\$983,891, which are 35.1% and 33.8% of the proposed budget, respectively. The financial balance was US\$88,608 (in cash) and US\$51,380 (after non-cash). The annual contributions have so far been received from Cambodia, Lao PDR and Viet Nam.

51. The Meeting endorsed the revised 2022 budget for submission to the Council for their consideration and approval. The Meeting requested the remaining countries to make their annual contribution at their earliest convenience to ensure cash flow of the MI operation.

### 6.3 Audited Financial Report 2021

52. The Meeting endorsed the audited financial report 2021 by the PriceWaterhouseCooper Company Limited submitted on May 30, 2022 as well as Comparison of Forecast 2021 and Actual Cost (audit report 2021). There was no material audit finding on MI's Financial Statement 2021. MI's estimated project direct cost was less than forecast. MI's operations' cost decreased due to

some vacant positions. In 2021, MI's Total Revenue was US\$ 2,045,953 and Total Expenditure was US\$ 1,948,406. MI earned US\$ 97,547 at the end of 2021.

53. The Meeting endorsed the audited financial report 2021 for submission to the Council for their consideration and approval.

#### 6.4 ASEAN Prize Award presentation and advocacy

54. On the **ASEAN Prize 2021 award presentation**, the Meeting noted that the ceremony will be held on August 3, 2022 on the sidelines of the 55<sup>th</sup> ASEAN Foreign Ministers' Meeting in Phnom Penh, Cambodia. MI will be represented by the Executive Director. There will be advocacy activities via MI's social media on the receipt of this award. The Meeting requested the Council to nominate a CA focal person to work with MI HQ in advocating and raising the profile of MI as the ASEAN Prize recipient.

#### 6.5 Draft Concept Note on MI collaborating centers in GMS countries

55. MI Secretariat proposes the establishment of Collaborating Centers as it strives to become an office of MI's Technical Implementing Agency in the six (6) GMS countries.

56. The background to MI collaborating centers forms part of an interinstitutional collaborative network set up by MI in support of its program at the country, inter-country, and regional levels, as appropriate. In line with the MI strategic plan 2021-2025, a MI collaborating center must also participate in the strengthening of country resources, in terms of information, research and training, conference and forums, logistics/financial services, in support of MI's work toward development and cooperation in the GMS

57. The Meeting reviewed the **concept note on MI's collaborating centers in GMS countries** but the endorsement by the Council was withheld in order to address the matters arising. Specifically, it is suggested that a further evaluation of the collaborating center models be made, and the concept note should be refined to ensure that such collaborating centers will contribute to MI's mandate, be considered on an ad-hoc basis and not cause additional financial burden to MI.

### Comments from the Steering Committee Members

#### Mr. Ke Yousheng

58. Mr. Ke Yousheng requested for further clarifications on the functions of the collaborating centers to differentiate its roles from the Steering Committee and the proposed Monitoring Committee. He also asked that the financial transaction support of which the collaborating centers will be in charge be clarified and for consideration of the possible operating costs they will incur if these serve as in-country offices of MI. It was also suggested to limit the sectoral categories of eligible collaborating centers as the proposed ones are too diversified and may implicate the delineation of functions later on.

59. Before pushing the agenda forward, a further study on the establishment of MI Collaborating Centers in the GMS was recommended, taking into consideration the possible limitations it will bring in terms of the Institute's national influence, partnership initiatives and networking opportunities. Mr. Ke Yousheng proposed that work be carried out to determine which model of collaboration would be beneficial for MI – 1) cooperation with project-related institutions on an ad hoc basis; or 2) establishing one or two collaborating centers per GMS country.

#### Mr. Nguyen Viet Ha, Officer

Foreign Economic Relations Department, Ministry of Planning and Investment, Viet Nam

60. Mr. Nguyen Viet Ha supported China's recommendations for ensuring the cost efficiency and performance effectiveness of establishing the collaborating centers. He suggested MI to consider collaborations on an ad hoc basis as this may be more efficient in terms of networking and operations.

## Responses

### Dr. Narongchai Akrasanee

61. As MI is growing and more projects are being implemented, Dr. Narongchai pointed out the need for support in implementing in-country project activities which the collaborating center in each GMS country will be tasked to provide. As the situation will vary from one country to another, the sectoral categories were diversified to ensure that appropriate support is provided for each project specification. In addition, more categories were provided to give each country the liberty to select which institution(s) to appoint as (a) MI collaborating center(s).

### Mr. Suriyan Vichitlekarn

62. Mr. Suriyan clarified that the collaborating centers will only be mandated to support MI HQ in implementing in-country project activities to address future challenges on limited mobility and to save costs incurred from delays in financial transactions and currency rates. The collaborating centers will differ from the other committees as they will not be involved in the MI structure but are instead more local or ground working teams. Nonetheless, MI will further strengthen its justification for the collaborating center model and will conduct further assessment on the cost and efficiency of the proposed model.

## ITEM 7: COUNTRY REPORTS OF STEERING COMMITTEE MEMBERS

**See Annex 1** for the official statements of the six GMS Steering Committee members.

63. The Chair invited each of the MI Steering Committee members to make their remarks in alphabetical order (i.e., in the order of Cambodia, P.R. China, Lao PDR, Myanmar, Thailand and Viet Nam).

## ITEM 8: DATE AND VENUE OF GOVERNING BOARD MEETING 1/2022 (Anne)

64. The Executive Director proposed that the Governing Board Meeting 2/2022 be held on December 20-21, 2022. The exact venue will be advised later by the Chair of the Council.

## ITEM 9: OTHER MATTERS

65. The committee Chair Dr. Narongchai introduced a new modality regarding the minutes of Steering Committee meeting. Instead of presenting detailed minutes, he mentioned that the Secretariat will present only a summary of the meeting after a 15-minute break. The Meeting will review and agree before presenting the minutes to the Council Meeting in the next day. The detailed minutes will be shared with members for their review and comments and put forward for approval at the next Governing Board meeting to be held in December 2022.

66. The MI Executive Director presented the summary of the Meeting to the members. The summary was accepted by the members for presentation at the Council meeting the following day.

67. As there were no other matters for discussion, the Chair closed the Meeting at 6:00 pm.

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## ANNEX 1: COUNTRY REPORTS OF STEERING COMMITTEE MEMBERS

### Mr. Hang Suvidhya

Deputy Secretary-General  
General Secretariat for Population and Development  
Ministry of Planning

Ladies and Gentlemen, good afternoon from Cambodia. It is my great pleasure to be part of MI and to work with you all as a member of the MI Steering Committee.

Mr. Hang congratulated MI for receiving the ASEAN Prize Award. He acknowledged that the role of MI in fostering cooperation among MI member countries and beyond is absolutely crucial in such areas as human resource development and cross-border trade facilitation for the prosperity of GMS countries.

Cambodia would like to join with other member countries in congratulating MI on its performance and achievements so far despite the challenges from the COVID-19 pandemic, and support the positive spirit in working towards achieving the goals and targets of core programs as well as the flagship program set out in the Strategic Plan 2021-2025.

Finally, he reaffirmed continued cooperation with MI, other countries in the region and DPs to jointly implement programs, projects, and activities highlighted in the Strategic Plan 2021-2025 and flagship program for mutual interests and benefits.

### Mr. Ke Yousheng

Permanent Representative  
Permanent Mission of China to UNESCAP  
Embassy of P. R. China, Bangkok

Mr. Ke stated that China recognizes the progress MI made in the first half of 2022, and looks forward to strengthening cooperation with MI and members to jointly promote sustainable development and post-pandemic recovery in the subregion.

China has always been an important participant, constructor and contributor to the Greater Mekong Subregional Cooperation. In facing the COVID-19 pandemic, China and the Mekong countries have stood by each other. China supports the construction of medical systems in the Mekong countries, and has provided more than 200 million doses of vaccines to the Mekong countries. China has also fully utilized the Lancang-Mekong Cooperation Special Fund for Public Health and trained more than 1,300 Traditional Chinese Medicine personnel for the Mekong countries, enhancing their health and safety systems.

Facing the pressure of economic recovery, China and the Mekong countries are promoting high-quality connectivity. The opening of the China-Laos Railway has helped turn Lao PDR from a "land-locked country" to a "land-linked country", which is of great significance for the land and sea connectivity of Southeast Asia as a whole in the future. Until now, the railway has moved nearly 800,000 tons of cross-border cargo with more than 100 kinds of goods. The trade volume between China and the five Mekong countries reached US\$ 398 billion in 2021, up 23% year-on-year; in the first half of this year, the trade volume between the two sides exceeded US\$ 194.2 billion. China supports MI to carry out projects in poverty reduction, digital connectivity and other areas through special funds, the Lancang-Mekong Cooperation Fund and corporate cooperation, injecting strong momentum to promote economic recovery in the subregion.

Earlier this month, Chinese State Counsellor and Foreign Minister Wang Yi attended the 7th Lancang-Mekong Cooperation Foreign Ministers' Meeting and announced that China will implement six plans benefiting the Lancang-Mekong countries, including the Hundred, Thousand, Ten Thousand Action Plan on Lancang-Mekong Agricultural Cooperation, the Plan on Lancang-Mekong Water Resources Benefiting the People, the Cooperation Plan on Lancang-Mekong Digital Economy, the Lancang-Mekong Space Cooperation Plan, the Lancang-Mekong Talent Plan, and the Lancang-Mekong Public Health Cooperation Plan. China believes that the

new plans will help to strengthen and promote Lancang-Mekong cooperation and open up the next "golden five years" of the Lancang-Mekong cooperation.

The pandemic has swallowed years of global development gains, the implementation of the 2030 Agenda for Sustainable Development has been hampered, the North-South divide continues to widen, and a crisis in food and energy security has emerged. The calls for international justice are becoming stronger, and people's desire for development cooperation is becoming more urgent. Last year, Chinese President Xi Jinping solemnly proposed the Global Development Initiative (GDI), aiming to unite the international community to refocus on development issues. So far, the GDI has been warmly received by more than 100 countries and international organizations, and more than 50 countries have joined the Group of Friends of the Global Development Initiative. Last month, President Xi Jinping hosted the High-level Dialogue on Global Development virtually and delivered an important speech, further proposing to foster a development paradigm featuring benefits for all, balance, coordination, inclusiveness, win-win cooperation and common prosperity. President Xi Jinping also announced China's important measures to implement the GDI, including setting up the Global Development and South-South Cooperation Fund, enhancing support for the China-UN Peace and Development Fund and other initiatives to promote the implementation of the 2030 Agenda for Sustainable Development.

Recently, the consequences of the pandemic, regional conflicts, climate change, and unilateral sanctions have significantly driven up food prices, with global food security facing serious challenges. At the G20 Foreign Ministers' Meeting held earlier this month, State Counsellor and Foreign Minister Wang Yi, put forward China's Cooperation Initiative on global food security, including 8 proposals such as supporting the central role of the United Nations in coordination, major food-producing and net food-exporting countries to release their own export potential, supporting the Consultative Group on International Agricultural Research and cooperation among countries in agricultural science and technology innovation, reducing food loss and waste, and helping developing countries to enhance their capacity for food production, storage and loss reduction in terms of capital, technology, market and others. China is willing to work with all parties to implement the initiative and enhance global and regional food security.

"Drinking from the same river, sharing Lancang-Mekong emotions." In the face of the complex international situation and diverse challenges, China is willing to work with Mekong countries and MI, to uphold the Lancang-Mekong concept of "development first, equality, practicality and efficiency, openness and inclusiveness". He added that the countries and MI should capitalize on the opportunities brought by booming regional cooperation, upgrade and drive the Lancang-Mekong Cooperation towards higher quality, make the Lancang-Mekong region a region of demonstration for high-quality Belt and Road cooperation and a region of pioneering efforts under the GDI. Equally, global food security cooperation should be strengthened and maintained for a bright future of peace, stability, development and prosperity for the subregion, and joint efforts should be made to build an even closer community with a shared future for the Lancang-Mekong Cooperation countries.

**Mrs. Phonekeo Sakdavong**

Director of Regional Economic Cooperation  
Department of Economic Affairs  
Ministry of Foreign Affairs  
(Representative of MI Steering Committee Member for Lao PDR)

Mrs. Sakdavong acknowledged MI's hard work over the past six months in implementing the programs in the core thematic areas and the Strategic Plan of 2021-2025. Acknowledging the progress of a number of training courses organized by MI for GMS member countries, she took the opportunity to express appreciation to MI for conducting the secondment programs for GMS member countries, including Lao PDR.

The program enhanced the capacity building of government officials, who have a chance to work in MI and join in MI programs. They shared their working experience with the MI Secretariat after

returning to the office. She proposed MI to consider conducting regular secondment programs to increase the number of participants of GMS members countries to work and learn at the MI Secretariat, as well as attend the physical training courses.

Lao PDR is looking forward to working closely with MI to focus on national social economic development and the implementation of the MI Strategic Plan, which will bring tangible benefits and progress of human development.

**Mrs. Moh Moh Naing**

Director

Foreign Economic Relations Department

Ministry of Investment and Foreign Economic Relations of Myanmar

Mrs. Moh Moh Naing acknowledged the progress MI made in the half of 2022. The representative likewise acknowledged the 2022 annual work plan of MI and expressed her appreciation for the 6 activities organized such as Digitalization, GAP Development, Food Safety, SMEs Development and Global Value Chain Development and so forth which Myanmar participants had the opportunity to join.

She reiterated the request of Myanmar to recruit participants through the coordinating agency-FERD channel in order to track human capacity development activities, and send the announcement letters to them at least 3 weeks in advance to facilitate the inter-ministerial coordination procedures.

Mrs. Moh Moh Naing congratulated MI for expanding its work with other regional integration and cooperation initiatives. She also praised MI for receiving the 2021 ASEAN Prize and the progress of MI's work on the establishment of GMS Knowledge Network under the good leadership of Dr. Narongchai and Mr. Suriyan.

She concluded her remarks by announcing that Myanmar will send its administrative procedures for participant recruitment and proposed capacity development programs.

**Director Arunee Hiam**

Director

Development Promotion and Coordination Division

Thailand International Cooperation Agency

Ministry of Foreign Affairs, Thailand

Mrs. Arunee Hiam shared that the Royal Thai Government places great importance to development cooperation with Mekong countries, namely Cambodia, Lao PDR, Myanmar and Viet Nam. With the COVID-19 pandemic, TICA has launched the Post COVID-19 Development Cooperation Policy and Direction to promote 'Security' and 'Resilience' in this region by sharing Thailand's expertises in various forms of activities, for instance, development projects, online training, and Thai volunteers or experts in four areas namely 1) Health Security 2) Job Security 3) Food Security and 4) Energy and environment Security.

In the area of human resource development, Thailand provided support to CLMV by offering scholarships and fellowships as part of Thailand International Postgraduate Programme (TIPP) and Annual International Training Courses (AITC) which would be conducted every year in five (5) themes, which are (1) Sufficiency Economy Philosophy (SEP), (2) Food Security, (3) Climate Change, (4) Public Health, and (5) SDGs and BCG's related areas.

In terms of trilateral cooperation, she iterated that further trilateral cooperation with potential donors would be sought to advance cooperation development in the Mekong subregion.

**Mr. Nguyen Viet Ha**

Official

Foreign Economic Relations Department  
Ministry of Planning and Investment, Viet Nam

Mr. Ha joined other members in congratulating MI for its performance in the 2021 and the first half of 2022, despite the very difficult situation brought about by the pandemic. He mentioned that Viet Nam was also affected by COVID-19, but had largely recovered now. Viet Nam's growth rate has increased to 6.42% compared to the same period last year. Viet Nam expects that very soon everything will be as it was prior to COVID. However, Viet Nam is facing inflation and a lack of manual workers for the manufacturing sectors. It is therefore looking forward to integrating with other countries to handle some global issues from the current inflation and other barriers to export. Viet Nam has also turned its attention to developing the Mekong Delta region following the regional master plan for 2030, attracting investments from the donors and from other domestic sources. Viet Nam will collaborate with various regional and GMS development frameworks for its development. Mr. Ha considers MI to be a very effective and efficient platform to coordinate with all regional corporation framework as the focal point.