

SUMMARY AND CONCLUSION

STEERING COMMITTEE MEETING NO. 1/2024

July 16, 2024 | 02:00 PM – 04:15 PM (UTC+7 BKK Time)

Online Meeting via Zoom

INTRODUCTION

1. Chaired by Dr. Narongchai Akrasanee, the first Steering Committee Meeting of 2024 was successfully convened online via Zoom on July 16, 2024, from 2:00 PM to 4:15 PM (UTC+7 BKK Time).
2. The minutes of SC Meeting No. 2/2023 were reviewed along with the progress of recommendations from the Governing Board (GB) Meeting 2/2023. The minutes and progress reports were adopted as presented.

MATTERS FOR ACKNOWLEDGEMENT

A. Activity Report 1H 2024

3. The Activity Report for the first half of the year gave the committee an overview of MI's activities, highlighting achievements, challenges, and lessons learned. The Committee noted various programmatic highlights, among others, including:
 - a. Completion of over 60% of approved activities despite a late start.
 - b. Greater adoption of climate-smart agricultural practices and technologies by MI alumni.
 - c. MI received the Aziz-UI Haq Rural Development Medal 2024 from the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) for its contributions to integrated rural development and sustainable development in the Asia-Pacific region.
 - d. Enhanced visibility as an ASEAN Prize Awardee.
4. MI implemented 22 projects and organized 19 capacity development events, engaging 702 participants -- 49% female and 51% male. Of these participants, 29% came from the private sector and 71% from the public sector.
5. On human resource management, MI maintained 49 individuals from 11 nationalities, with a gender distribution of 39% female and 61% male, emphasizing GMS representation and gender equality in recruitment.
6. The financial statement from January to June 2024 detailed revenue sources, including long and short-term projects, one-off activities, GMS contributions, and others, totaling \$1,427,047. The total cost of project delivery, program administration, business development, and operation expenditures resulted in a net deficit of \$155,407, which is expected to be offset by a \$1 million project budget approval. Key financial management strategies and country contributions were also discussed.

7. The percent share of MI revenues by country was as follows: China (31.2%), Republic of Korea (22.2%), Australia (16.5%), Multinational Organizations (11%), Thailand (10%), Germany (4%), Lao PDR (1.6%), Norway (1.4%), and Vietnam, Myanmar, and Cambodia each at 0.7%. Project implementation was the largest revenue contributor at 80.95%, followed by GMS contributions at 18%, and other sources at 1.05%.
8. **The reports and presentations were acknowledged with commendations for the progress made. The Committee noted challenges in unclear funding from the traditional funding sources, which affected the progress of activities and financial performance in 2024. Recommendations were made to further improve the MI's recruitment of participants including attracting more qualified training applications and reducing mismatches, and increasing representation from Myanmar, as well as seek additional funding opportunities.**

B. Mekong Forum 2024

9. The MI Secretariat discussed the preparations for the upcoming Mekong Forum. The committee was provided with information about the forum's theme, agenda, speakers, and schedule. **Given its importance, the Chair encouraged all members to actively support and participate in the Mekong Forum. The Chair highlighted that their contributions would help shape the discussions and outcomes of the forum.**

C. Implementation of Midterm Review (MTR) of MI Strategic Plan 2021-2025

10. The Committee was informed of the Council's decision at GB 2/2023 meeting to form a subcommittee to review the MTR recommendations for submission to the Council for consideration. The subcommittee members comprise members from Cambodia, China, Lao PDR, and New Zealand, with the MI Executive Director serving as Secretary.
11. **The Chair was informed that the results of the subcommittee's work will not be presented. The work is still in progress and is expected to be delayed until after the Council meeting. The Chair acknowledged this and suggested setting a timeline for the end-of-year meeting in Cambodia. The secretariat confirmed that the report should be ready by the second Council meeting.**

D. MI's Role in Private Sector Engagement

12. The Committee was informed of MI's potential to engage and collaborate with the private sector to address development issues in the GMS. Key points included: development and global challenges, investment opportunities, support for SMEs, climate change adaptation, industry collaboration, agriculture development, public-private partnership, and future projects. **The Chair appreciated the presentation as a guideline for future projects involving the private sector.**

E. Completion of Lancang Mekong Business Forum Project

13. The Committee was informed of a recently concluded long-term project, the Lancang Mekong Business Forum, with the aim to strengthen regional value chains and enhance business linkages in the agribusiness sector. The project was funded by the Lancang-Mekong Cooperation Special Fund (LMCSF).
14. Key achievements of the forum over five years, include:
- a. Organized six events over five years with 631 participants from Cambodia, Laos, Myanmar, Vietnam, Thailand, and China.
 - b. Provided a platform for market trends, innovative products, and investment opportunities in low-carbon and green technologies.
 - c. Facilitated business matching opportunities and showcasing innovative food products and technologies.
 - d. Generated industry data and enabling continuous business interactions through a dynamic, interactive web platform.
15. Despite COVID-19 challenges, the forum achieved significant collaborations and investments, and MI is now exploring a new project focused on an AI-based e-commerce marketplace for SMEs.
16. The Chair expressed gratitude to China for supporting the project and highlighted the significant outcome of having over 600 participants. This engagement is expected to foster numerous future collaborations. The Chair acknowledged that these participants, representing various companies, will likely lead to meaningful developments. **No additional questions were raised by members, and the presentation was acknowledged and appreciated for being highly informative.**

F. Results of ED Performance Evaluation 2023

17. The Committee was informed of the recommendations by the subcommittee on the ED Performance Evaluation for 2023, which was conducted on February 2, 2024, at the Ministry of Foreign Affairs in Thailand.
18. The subcommittee rated the ED's performance at 90% based on the indicators set for 2023. Additionally, the subcommittee reviewed and adjusted the KPIs for 2024.
19. **The Chair noted that the committee could only endorse these recommendations to be submitted to the GB for final approval. With no objections raised, it was agreed to submit the recommendations to the Council during the scheduled GB meeting by the end of the month.**

MATTERS FOR CONSIDERATION

20. The meeting also discussed several matters for consideration of the committee including presentations and updates on the following: Revised Activity Plan of 2H 2024; Budget Revision 2024; and Audited Financial Report 2023. All these matters were comprehensively reported to the SC by the MI Secretariat. **The committee approved the items for endorsement to the Council and instructed the MI Secretariat to**

prepare an explanation for the Council outlining the cause of the earnings deficit and the proposed solutions.

A. Revised Activity Plan 2H 2024

21. The committee reviewed and discussed the revised activity plan for the second half of 2024. Adjustments to existing plans and resource allocation were made based on feedback from the first half of the year to address challenges and maximize impact.
22. MI is set to manage a total of 25 projects, including 10 long-term, 7 short-term, and 8 one-off activities. These projects are distributed as follows: 6 under the Agriculture Development and Commercialization Department, 8 under the Trade and Investment Facilitation Department, 2 under the Sustainable Energy and Environment Department, 1 under Social Inclusion and Vulnerability, and 8 under Contribution to the Broader GMS Cooperation Framework.
23. Under human resource management, MI plans to hire several regular contract positions, including a Program Director for ADC to replace retired staff, a MEL Manager and a MEL Officer for GMCA (both onboarding), a Program Coordinator and a Program Officer for TIF (both re-announced), and an HR Officer (re-announced). A recruitment plan will be under the new project (RPHL & MI) supported by the Global Fund.

B. Budget Revision 2024

24. Proposed revisions to the 2024 budget were presented by the MI Secretariat. Necessary adjustments were made to align with the priorities for the remainder of the year.
25. Initially, the 2024 annual budget targeted a revenue of \$3,695,595, but this was revised to \$3,677,075, resulting in a variance of -\$18,520. For expenses, the initially programmed amount was \$3,622,300, revised to \$3,624,225, with a variance of \$1,925. Earnings were expected to be \$73,295 but were revised to \$52,850, showing a decrease of \$20,445.
26. The project opportunity fund was projected at \$1,642,868, but the actual amount received was \$518,015, representing only 32% of the target achievement.
27. It was reported that MI's financial performance in 2024 is expected to be positive, provided that the opportunity fund of US\$ 1,111,570 is received from traditional funding sources (NZAP and China), and non-traditional sources (RPHLN).
28. The most challenging issue has been the funding uncertainty from New Zealand. For China, the MI Secretariat clarified that the delay in the funding transfer this year was due to technical and procedural processes. However, the transfer of China's funding support to the Mekong Forum 2024 has been made while the remaining fund transfer is expected to be made in August 2024.

C. Audited Financial Report 2023

29. The audited financial report for 2023 was presented, offering an overview of MI's financial health and compliance with regulatory requirements.
30. There were no material audit findings in MI's Financial Statement for 2023. The total revenue exceeded the forecasted revenue due to the inclusion of a few approved projects that were not originally accounted for in the forecast. The review confirmed MI's strong financial standing in 2023 and will guide future budgeting and planning.

COUNTRY REPORTS

31. All SC members delivered the highlights of their respective country reports, which generally emphasized and reiterated each GMS government's support for MI. **The Chair requested the members to share the complete report to the MI Secretariat.**

SETTING THE NEXT MEETING

32. As a matter of practice, the next series of GB meetings were tentatively scheduled as follows:
- a. **Online SC Meeting 2/2024: November 19, 2024 (14:00 - 16:30)**
 - b. **Special SC Meeting 2/2024: December 16, 2024 (16:00 - 17:00)**
 - c. **Council Meeting 2/2024: December 17, 2024 (09:00 - 12:00)**

OTHER MATTERS

33. The SC members were briefed about the schedule of upcoming activities including MI Governing Board Members and Experts Dialogue, Special Steering Committee Meeting, MI Council Meeting 1/2024, and the Mekong Forum, all happening between July 31 to August 1, 2024.

ADJOURNMENT

34. In conclusion, the Chair thanked all members for their active participation and valuable contributions. The meeting ended with a reaffirmation of the commitment to advancing the discussed initiatives and enhancing cooperation among members.