

Enhancing Provincial and Local Chambers of Commerce Capacities in Trade and Investment Facilitation along East-West Economic Corridor



Implemented by



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Acronyms and abbreviations

ADB	Asian Development Bank
AEC	ASEAN Economic Community
ASEAN	Associations of Southeast Asian Nations
B2B	Business-to-Business
CBT	Cross Border Trade
CBTA	Cross Border Transport Agreement
CCI	Chamber of Commerce and Industry
ECs	Economic Corridors
EWEC	East – West Economic Corridor
FRETA	GMS Freight Transport Association
GMS	Greater Mekong Sub-region
GMS SF	GMS Strategic Framework
JAIF	Japan ASEAN Integration Fund
MI	Mekong Institute
MOU	Memorandum of Understanding
PDIC	Product Displays and Information Centers
SMEs	Small and Medium Sized Enterprises
TI	Trade and Investment
ToT	Training of Trainer
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific

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Executive Summary

The Project “Enhancing Provincial and Local Chambers of Commerce Capacities in Trade and Investment Facilitation along East-West Economic Corridor” was implemented by Mekong Institute from January 2011 to December 2012, in collaboration with ADB Thailand Residential Mission and Private Sector Development Unit of Trade and Investment Promotion Division of UNESCAP. The project was funded by the Japan Government through Japan-ASEAN Integration Fund (JAIF), ASEAN Secretariat. The aim of this private sector development is to promote inter and intra trade and investment in and between 11 provinces along East-West Economic Corridor encompassing Vietnam, Laos, Thailand and Myanmar.

EWEC was chosen for this development intervention because it is the least developed corridor in the Greater Mekong Subregion (GMS). It covered 11 commercial nodes along EWEC. They are Myewaddy, Maesot, Phitsanulok, KhonKaen, Kalasin, Mukdahan, Savannakhet, Dansawanh, Dong Ha (including Lao Bao Special Economic Zone) , Hue and Da Nang (including three border nodes: Mae Sot – Myewaddy, Mukdahan – Savannakhet, and Dan Sawanh – Lao Bao)

Major activities carried out in the last two years include: a) Executive Seminars/Policy Dialogues, Structured Learning Visits and networking events for Decision Makers and Exporters; b) a series of capacity building programs (modular training approach) on priority areas related to trade and investment in the sub-region for Core Group of key staff of Chambers of Commerce and Industries (CCIs) and SME associations; and c) Business information system, database and exchange.

Major outcomes of this project are:

1. **EWEC Business Network.** The project is very successful in promoting business network among SMEs and members of CCI along EWEC. This is evidenced by the establishment of EWEC Business Network; regular exchange visits and joint business events among the CCIs; an annual EWEC Trade Fair which commenced in 2012 hosted by Danang CCI and, for 2013, to be hosted by KhonKaen CCI.
2. **EWEC Biz Database.** This Biz Database is the outcome of a modular training program on Conducting Business Research and Market Intelligence. It was developed jointly with 11 Provincial Chambers of Commerce and Industries and contains provincial profiles and investment potentials of every province on EWEC and over 1200 company profiles. The database is being updated by the respective CCIs.
3. **Improved Websites of GMS Business Forum and CCIs.** The project team provided training to and worked with the GMS Business Forum and selected Chambers of Commerce in improving their respective websites and install summary page in English.
4. **EWEC Product Displays and Information Center.** Three EWEC Product Displays and Information Centers (PDIC) have been set up, one at KhonKaen CCI, one at KhonKaen Airport arrival hall and one at Savannakhet CCI. The PDIC provide opportunity for SMEs of EWEC to display their products and provide information about their services.
5. **EWEC Private Sector Development Repository System.** The project team compiled all documents generated by three private sector development projects, i.e. a) ADB Thailand

Resident Mission project on “Strengthening Local Chamber of Commerce and Industry (CCIs) along the East West Economic Corridor to Promote Trade, Investment and Value Chains”, b) UNESCAP Research and Policy Recommendations on “Business for Development: Capacity building of SMEs in the Greater Mekong Subregion for their effective penetration into regional and global markets” and this project. The archives are placed at MI GMS Resource Center and are available for public in hard copies and electronic files. It comprises research papers, manuals, training packages, reports and projects information. MI Trade and Investment Glossary (MITIF) developed under this project are also made available at this corner.

To continue to provide technical support and backstopping to CCIs and Provincial authorities on EWEC after the project end, MI has contracted one consultant – Trade and Investment Expert to assist EWEC Biz Network to: a) conduct cross-border value chain analysis and mapping of three commodities: Glutinous rice of Nakhon Phnom; Khammoune, Arabica coffee of Lao Bao – Dansavanh; and maize of Myewaddy – Maesot; b) organize, in collaboration with Khon Kaen Governor Office and Khon Kaen CCI “EWEC Silk Executive Seminar and Investor Forum”; and c) provide technical support and backstopping to CCIs on trade and investment opportunities.

The final evaluation results showed that the project is highly relevant, effective, efficient but too small and too short duration to create clear impact. Lessons learned from and good practices of this project are being replicated and expanded to Southern Economic Corridor and North-South Economic Corridor of the Mekong Subregion. This initiative also caught the attention of development partners and as a result, Swiss Agency for Development and Cooperation has agreed to provide multi-year funding for a regional development project on EWEC.

1. Introduction

The Mekong Institute completed the implementation of the two-year project on “Enhancing Provincial and Local Chambers of Commerce Capacities in Trade and Investment Facilitation along East-West Economic Corridor” from January 2011 to December 2012. The project aimed to enhance the institutional and human resource capacities of the identified Provincial and Local Chambers of Commerce and SME Associations in order to facilitate and promote trade and investment along the EWEC.

The project achieved its outcomes through:

- 1.1 Improved cooperation and closer business relationship between decision makers and senior officials of CCIs, SME Associations and concerned provincial authorities. Regional, national and cross-border networking of decision-makers and executives from relevant partner organisations are established and strengthened. They contribute effectively to the exchange of experiences on policies, strategies, promotion programmes and adequate organisational structures for the enhancement of trade and investment, and thus support the GMS regional integration;
- 1.2 Key personnel of CCIs acquired knowledge, skills and practical experiences in local economic profile development and business research, trade and investment promotions, and other identified priority topics (such as cross-border value chains, SME cluster development and Business-to-Business networking, formulation of local economic development plan, CBTA, bilateral and multi-lateral agreements);
- 1.3 Information and Knowledge Management with Provincial Business Profile and Trade and Investment Database has been developed, maintained and utilized by targeted CCIs members;
- 1.4 Key stakeholders of EWEC utilized the project research findings and recommendations to improve policies and services.

The project had four interrelated components as follows:

- A. Project Management
- B. Component 1: Executive Seminars/Policy Dialogues and Structured Learning Visits
- C. Component 2: Design and Initiate Trade and Investment Promotion Programs
- D. Component 3: Practical Training on Business Research and Information Management

Each component is accompanied by a set of outputs. The completion report presents all key outcomes achieved during the two year of the project’s implementation.

2. Report structure

The report is structured into two parts. The first part deals with the key activities conducted in 2011 and 2012 and the second part presents the final project evaluation report as annexure of this completion report.

1.1 Key Activities in 2011

1.1.1 Component C1a. Executive Seminars and Study Visit in Khon Kaen

The seminar focused on emerging opportunities with the formation of ASEAN economic Community (AEC) 2015 and the development potentials of the Mekong countries particularly in trade and investment in the EWEC.

Experts representing both Government and private sector from the region deliberated on business development potentials in EWEC provinces in Thailand, Vietnam, Myanmar and Laos.

The seminar outlined the opportunities and constraints of both hard and soft infrastructure for connectivity and integration of the GMS economy into the AEC 2015. It urged the policy makers of the EWEC countries to enhance competitiveness of the EWEC through support in both hard and soft infrastructures. Specific recommendations were made to enhance competitiveness in emerging sectors mainly agriculture, food processing and tourism.

1.1.2 Component C2a. Regional Training Program on "Trade Event Promotion"

This modular training programme introduced participants to various aspects of trade promotion and the need and importance of export trade for business growth and expansion. The training introduced new knowledge and techniques to plan and conduct effective trade events and also to monitor the success of such events. Action plans to organize joint trade events was one of the major outcome of the training.

1.1.3 Component C2b. Technical and Program Assistant to 11 Trade and Investment Promotion Events (Trade Fair & Business Matching at Danang Spring Fair)

As part of the action plan implementation of the modular training on Trade Event Promotion, field events were conducted by the members of Chamber of Commerce in the EWEC. SME owners from Mukdahan, Tak, Khon Kaen, Kalasin, and Savannakhet exhibited their products in the Danang Spring Fair. The event was successful in providing new markets to the participating SMEs in the EWEC. It recorded a total of 14 business contracts concluded during and after the event, especially on products such as dry flower, smoked fish sausage, rice crackers and herbs.

Similar events on business matching were organized in Mukdahan, Thailand in the sidelines of the Executive Seminar marking the opening of the third Lao-Thai Friendship Bridge – Nakhon Phanom (Thailand) Khammouan (Laos). This event was coordinated by the Chambers of

Commerce of Khon Kaen, Nakhonratchasima, Tak, Mukdahan provinces. A number of SME with products including handicrafts, agricultural products and dry seafood joined the event. The success of the event triggered to organize similar events by CCIs for business networking and information exchange among the SMEs in the EWEC.

1.1.4 Component C3a. Business Research and Information Management for CCI and Business Associations along EWEC

This one week modular training aimed at developing the basic skills to conduct business and trade research and to analyze results of business research for development of provincial business profiles and organization member profiles. This modular training facilitated the development of EWEC data base comprising of over 1,200 company profiles and 11 provincial profiles of the corridor. The site can be accessed online at www.ewecbiz.com.

The EWEC Business data base site is linked with the websites of all the national chamber of commerce in the EWEC countries, GMS Business forum and the provincial CCIs in the EWEC.

1.1.5 Component C3b. Technical Assistance to CCIs in Building Local Economic Development Profile, T&I Database and website

The participants trained on business research, conducted field research to gather relevant information for developing the local economic development profile of the EWEC provinces along with information of members of CCI and business association in the EWEC. Technical assistance was provided to collect information related business and macroeconomic data and necessary back stopping support was provided to the provincial teams for developing the data base.

1.1.6 Component C1c. Structured Learning Visit (SLV) for Business to Business (B2B)

To promote business to business networking, a structured learning visit was organized along EWEC in Thailand, Laos and Vietnam. The visit gave opportunity to the SMEs to gain knowledge on cross border trade particularly in the twin border provinces in Thailand, Laos and Vietnam. Interactions with custom officials and government agencies enhanced their knowledge on trade rules and regulations and also the potentials for business investment in the EWEC provinces. Another outcome of the visit was the collaborative business ventures concluded during the business meetings and also post SLV business deals on raw material, machinery imports and finished products.

1.1.7 Project Management

1.1.7.1 Steering committee meeting

A Joint Programme Steering Committee was formed, comprising of representatives of three agencies implementing similar projects in the region. This included ADB Thailand, UNESCAP

and MI with the objective to coordinate the activities, synergies and coherence of the three projects. MI was elected as the secretariat for coordinating the overall programme.

1.1.7.2 Mid Term Evaluation

The mid-term evaluation of the project observed that the project's activities are relevant for the development of EWEC region. Some activities, e.g. SLVs, Trade Fair and Business Database Development, yielded positive outcomes including trade relations and business information sharing among participants. The evaluation revealed that there is a need to increase participation by involving medium and large companies in order to promote cross-border investment along EWEC. Networking among CCIs of Provinces needed to be strengthened by promoting EWEC products showcase in the corridor. With regard to capacity development activities, it was recommended to organize ToT for ICT-staff of CCI on investment rules and customs procedures and develop manual on EWEC business database in 4 languages: Thai, Vietnamese, Laos and Myanmar language.

1.2 Key Activities in 2012

1.2.1 Component C1b: Workshop and Study Visit on Agriculture Value Chains

The workshop cum structured learning visit was organized with the aim at encouraging small scale agricultural production groups to add value to their products through the processing, packaging and marketing clusters and connecting these SMEs into Regional Value Chains by promoting the business Network and Export Consortia. The workshop and SLV on "Agriculture Sector Value Chains and SME Export Consortia" was one of the efforts to share the knowledge, experiences and the best practices with twenty-five participants from Chamber of Commerce and Industries, SME Associations, and leaders of small production groups from EWEC countries, namely Lao PDR, Myanmar, Thailand and Vietnam.

By visiting different businesses, the participants were able to learn from the best practices in agri-business and non agri-business in the region. Also, they were able to interact with well-established export consortia in Nakhon Rachasima, Ayutthaya and in the Central Provinces of Thailand.

1.2.2 Component C2b. Technical and Program Assistance for Trade and Investment Promotion Events (EWEC Project Display and Investor Forum)

1. Products Display and EWEC Information Center. In collaboration with the Chamber of commerce, EWEC SME Products Display and Information Center (PDIC) has been set up in Khon Kaen Airport arrival hall and Chamber of Commerce in Khon Kaen and Savannakhet. The EWEC PDIC showcases the agricultural and handicraft products for marketing of the SME products from the EWEC provinces. The centre facilitates SME products linkages with the regional and international buyers.

2. Technical Assistance to CCIs and EWEC Biz Network. With the request of Khon Kaen Governor, Khon Kaen CCI, and GMS Business Forum, the project has commissioned one Trade and Investment Expert, Dr. Vissarout Krabaunsob for one year to:
 - a. Conduct cross-border value chain analysis and mapping of selected commodities in three border crossing points: i) Glutinous rice in Nakhon Phanom of Thailand and Khammoune of Lao PDR; ii) Arabica coffee in Lao Bao of Vietnam and Dansavanh of Lao PDR; and iii) Maize in Mae Sot of Thailand and Myewaddy of Myanmar.
 - b. Provide Technical Assistance to CCIs and EWEC Biz Network in trade and investment opportunities and B2B network
 - c. In collaboration with Khon Kaen Governor Office and line agencies organize “EWEC Silk Executive Seminar” and Investor Forum. Cooperative Agreement between the project and the Governor Office has been signed and a Coordinating Committee has been set up by the Governor to carry out this event.

1.2.3 Component C2c Conduct Synthesis and Evaluation Workshop

The two year project activities finally culminated with the Synthesis workshop to review and share lessons and identify way forward for future development initiatives in the corridor. The results of the final evaluation of the project laid the foundation to assess the outcomes and lessons learnt.

A longer duration project on capacity building for private sector development in the EWEC by introducing new measures was recommended by the project stakeholders and strategic partners to boost trade and investment activities in the region. A glossary of terms on Trade and Investment was launched for the practitioners and SMEs in export business.

1.2.4 Component C3c Business Research and CCI Information Management and Data Interchange

Information and data inter change among CCI has been established by facilitating access of the EWEC business database through the websites of the provincial CCI including the national CCI websites. The limitation of information access due to different languages among EWEC countries has been overcome with the translation of the websites summary pages in English. This has facilitated information access across the EWEC provinces through the websites of CCI. Furthermore, the data base of GMS Business forum Freight Transporters Association (GMS FRETA) has been developed to boost logistic services information to facilitate trade and investment in the EWEC.

1.2.5 Project management

1.2.5.1 Steering committee meeting

The meeting reviewed the joint activities of three inter-related projects by UNESCAP, ADB and MI conducted during 2011. The findings of the mid-term evaluation of the project were the basis of the discussion to review the progress and suggest necessary adjustments. The meeting also identified areas for further cooperation among the three participating agencies and the stakeholders particularly in sharing the knowledge materials, reports and other publication for documentation and sharing, improving the means of delivery, participant recruitment among others. The meeting also identified lessons learnt and experiences gained with a view to provide inputs for the remaining part of the project.

1.2.5.2 Final Evaluation of the project

The final evaluation of the project was conducted to review and evaluate overall performance of the project's implementation. The study identified the lessons learnt and experiences and captured and documented the best practices and learning content and suggested ways and means to replicate and/or scale up such practices and identify market driven capacity development activities of CCI for the second phase of the EWEC project.

The final project evaluation report is annexed for reference.

Annexure I: Report on the Final Evaluation of the Project



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