

Operating Results of Neighbouring Countries Economic Development Cooperation Agency (NEDA)

Neighbouring Countries Economic Development Cooperation Agency (NEDA) is an organization under the supervision of Neighbouring Countries Economic Development Cooperation Board (NEDB) whose operation is in the line with the Royal Decree on Rules and Procedures for Good Governance, B.E. 2546, Official Information Act, B.E. 2540 and Good Corporate Governance Policy of the Office of the Public Sector Development Commission. The meeting of NEDB is set to be held every month. NEDB considers matter related to core functions and supporting operations of NEDA both financial and nonfinancial matters.

NEDB is composed of one President and five board members who are the Permanent Secretary of the Ministry of Finance, the Permanent Secretary of the Ministry of Foreign Affairs, the Secretary General of the National Economic and Social Development Board, the Director General of the Fiscal Policy Office and the Director General of the Department of International Economic Affairs and three independent board members who supervise the works of NEDA.

Furthermore, NEDB appointed its members as a Chair of the subcommittee or members of various subcommittees to ensure that operations of NEDA is sound and comply with the good governance principles in line with NEDB's assignment

Neighbouring Countries Economic Development Cooperation Board : NEDB



Chairman of the Board

Assoc. Prof. Varakorn Samakoses, Ph.D.
(January 26th 2010 – Present)

Board of Directors



Mr. Chakkrit Parapuntakul
Deputy Permanent Secretary
Representative of Permanent Secretary,
Ministry of Finance
(November 14th 2012 – 2014)



Mr. Damrong Kraikruan
Director-General Department of
East Asian Affairs Representative
of Permanent Secretary,
Ministry of Foreign Affairs
(November 9th 2012 – 2014)



Mr. Porametee Vimolsiri, Ph.D.
Deputy Secretary General
Representative of Secretary
General, Office of the National
Economic and Social Development Board
(January 30th 2006 – Present)



Mrs. Rattikul Chansuriya
Deputy Director General
Representative of Director
General, Department of
International Economic Affairs
(March 30th 2012 - Present)



Mrs. Philaslak Yuktasemwong
Executive Director of the
International Economic Policy
Bureau Representative of Executive
Director of The Fiscal Policy Office
(November 9th 2012 – Present)

Independent Directors



Mr. Pensak Chalarak
Independent Director
(January 26th 2010 – Present)



Mr. Kusol Yaemsa-ard
Independent Director
(January 26th 2010 – Present)



Mr. Narong Pomlaktong, Ph.D.
Independent Director
(January 26th 2010 - Present)

NEDA Executives



Mr. Newin Sinsiri
President of NEDA
(16 May 2014 - Present)



Mr. Teerasak Mongkolpod
Senior Vice President of NEDA
The Supervisor of Policy and Planning
Bureau, Technical Assistance Bureau
and Administration Bureau



Mr. Perames Vudthitornetiraks
Vice President of NEDA
The Supervisor of Project Management Bureau
and Treasury Bureau

Results of NEDA in Fiscal Year 2014

In fiscal year 2014, NEDB introduced a policy and approved NEDA's annual action plan to carry out 10 work programs. NEDB focuses on extending financial and technical assistance to all 7 countries under the scope of work of NEDA. Such action plan will be carried out taking into consideration the policy to diversify NEDA's economic and social development assistance for to neighbouring countries into the areas other than transport sector such as water supply, urban development, public health and education. The important policy in the fiscal year 2014 is reducing dependence on government budget and collaborating with both domestic and foreign agencies. NEDB encourages NEDA to have a sustainable financial management to reduce its dependence on the government budget, by using accumulated funds of NEDA as well as raise funds from other sources to provide assistance to neighbouring countries and support operations of the organization. NEDA will work closely with domestic and foreign agencies to jointly support the economic and social development in the region. Additionally, NEDB gave importance on the proactive public relations to create an awareness of NEDA among other public and private agencies and general public in Thailand and neighbouring countries.

In accordance with to the policy and action plan stated above, NEDB has approved the budget of 1,483,427,000.00 baht, composed of 475,180,100.00 baht of government budget and 1,008,246,900.00 baht of NEDA's accumulated funds.

The operating results under the action plan of the fiscal year 2014 is 97.37% of all action plans, higher than the target of 95%. NEDA has entered into the Performance Commitment in the fiscal year 2014 with the Office of Public Sector Development Commission to specify the keys performance indicators, dividing into 4 dimensions with success equivalent to 4.9888 points or 99.77%. The operating results in accordance with the policy of NEDB can be concluded as follows:

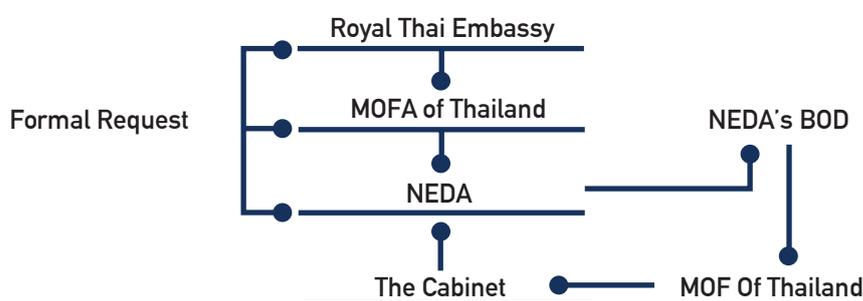
The Cooperation in Economic and Social Development with Neighboring Countries

The key mission of NEDA is to cooperate with neighbouring countries in economic development by providing technical and financial assistance in a bid to maximize the economic potential and strength in the region. The cooperation focuses on the development of economic infrastructure and transport connectivity between Thailand and neighbouring countries as well as enhancing the quality of life of the people in the neighbouring countries with shared borders to be at the same level of other ASEAN countries.

The Guidelines for Receiving Assistance from NEDA

The financial assistance from NEDA is in the form of assistance between governments to government. The government from the country that needs assistance can submit a formal request to the Royal Thai Embassy, Ministry of Foreign Affairs of Thailand or directly to NEDA. NEDB will then consider the request. After NEDB's approval, NEDA will propose the matter to the Minister of Finance and to the Cabinet for consideration. The details are provided in the diagram below:

The Methods of Receiving Financial Assistance from NEDA

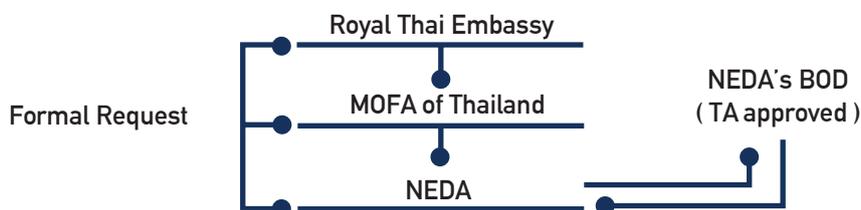


MOFA = Ministry of Foreign Affairs
 MOF = Ministry of Finance
 BOD = Board of Director

The technical assistance from NEDA is in the form of assistance between governments to government, similar to the financial assistance. The government from the country that needs assistance can submit a formal request to the Royal Thai Embassy, Ministry of Foreign Affairs of Thailand or directly to NEDA. NEDB will consider the request and after approval NEDA will provide the technical assistance to the requesting country. The details are provided in the diagram below:

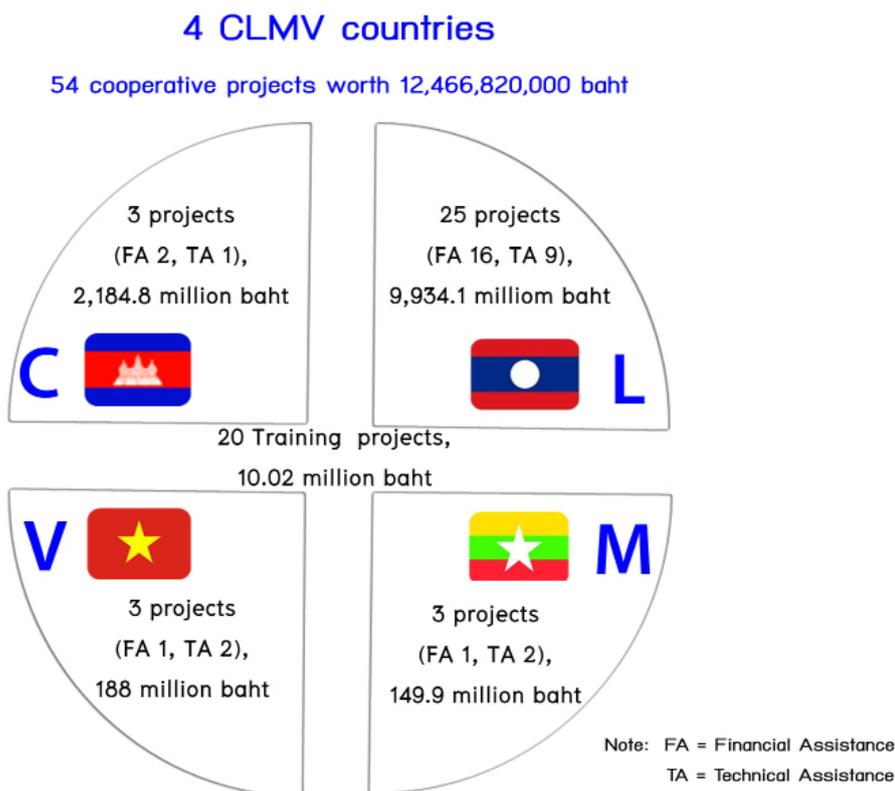
The Methods of Receiving Technical Assistance from NEDA

MOFA = Ministry of Foreign Affairs
BOD = Board of Director



The Overview of Operating Results of NEDA

Since its establishment until September 2014, NEDA has provided financial and technical assistance to four neighbouring countries (Cambodia, Lao PDR, Myanmar, Vietnam: CLMV) through 54 projects with the total amount of 12,466,820,000 baht.



The Results of Financial and Technical Assistance Operations in Fiscal Year 2014

The results of financial and technical assistance operations in the fiscal year 2014 can be concluded as follows:

1. Financial assistance

NEDB has approved 2 projects financial assistance projects to neighbouring countries with a total amount of 2.922 billion baht. However, this year, NEDA commitment for 7 financial assistance projects with a total budget of 1.241 billion baht for fiscal year 2014.

1.1 New Financial Assistance Projects Approved by NEDB

In fiscal year 2014, NEDB has approved the 2 financial assistance projects to neighbouring countries. The projects have to be proposed for the Cabinet's consideration.

Unit: billion baht

Projects	Country	Budget	Note
Power System Development in Yangon City Project (North Okkalapa and North Dagon Township)	Myanmar	1.785	- NEDB has approved the project on 20 November 2013 - The project is awaiting Myanmar's parliament's approval.
Construction of Nam Thong - Bokeo 115 Kv Transmission Line Project	Lao PDR	1.137	- NEDB has approved the project on 17 September 2014
Total		2.922	

1.2 The on-going Financial Assistance projects

NEDA is in implementing 7 financial assistance projects which already had financial commitment. The budget for fiscal year 2014 is 1,241,230,000 baht which consists of:

Unit: million baht

Projects	Country	Budget	Note
National Road No.11 (NR 11) Road Improvement Project (Ban Tad Thong - Nam Sang Bridge and to Sang Thong District)	Lao PDR	284.97	Completed in July 2014 and delivered and handed over and official opened for public use on 15 August 2014
Poodoo-Paklay Road Construction Project	Lao PDR	462.68	Completed in August 2014 and handed over and official opened for public use on 26 June 2014.
The Construction of Drainage System in Vientiane Capital City Project	Lao PDR	52.99	Completed in June 2014.
Pakse Airport Improvement Project Phase II	Lao PDR	103.10	Completed in September 2014.
Ban Thanaleng-Vientiane Railways Project in Lao PDR (Agreement 1)	Lao PDR	180.10	Expected to be completed in 2017.
Ban Huag (Phayao) - Muang Khob - Muang Xiang Hone and Muang Khob - Baan Pakkhob - Ban Koneteun Road Improvement Project	Lao PDR	157.39	4.29% completed.
Water Supply Construction Project for Five Districts in Lao PDR	Lao PDR	-	Since it is a new project, no budget was allocated for fiscal year 2014.
Total		1,241.23	

2. Technical Assistance

NEDA has provided technical assistance to neighbouring countries in two forms: technical assistance for project preparation and technical assistance for training and knowledge sharing among officials of neighbouring countries. In fiscal year 2014, NEDA has provided technical assistance to the neighbouring countries as follows:

1. Providing technical assistance grant for project preparation by engaging Thai consultants to prepare project feasibility study, preliminary design, survey and detailed design of construction and conducting bidding documents for 8 projects with the total amount of 134 million baht.

1.1 Supervision and acceptance of project studies

Unit: million baht

Project	Country	Budget
Feasibility Study and Conceptual Design of Power System Development in Yangon City Project (North Okkalapa and North Dagon Township)	Myanmar	13.00
Feasibility Study and Detailed Design of Construction of Nam Thong - Bokeo 115 Kv Transmission Line	Lao PDR	15.00
Feasibility Study and Detailed Design of The Development of Stung Bot Border Crossing Facilities and the Access Road to National Road No.5	Cambodia	17.00
Feasibility Study and Detailed Design of Than Hoa Obstetrics and Gynecology Hospital, Thanh Hoa Province	Vietnam	18.00
Feasibility Study and Detailed Design of The Three Pagodas Pass / Payatongsue - Thanphuyuzayat (Section of Payatongsue Town - Chaungson) and the Border Crossing Facilities	Myanmar	14.00

1.2 The preliminary assessment of projects for consideration for technical assistance

Unit: million baht

Project	Country	Budget
Feasibility Study on The Upgrading of the National Road No.48 (R48) (Section of Koh Kong-Sre Amble)	Myanmar	15.00
Detailed design of development of National Road 11 (R11) Section of Krok Khaodor-Ban Nonsavanh-Sanakham District-Ban Vang - Ban Nam Sang	Lao PDR	20.00
Feasibility Study and Detailed Design of The Three Pagodas Pass Thanphuyuzayat (Section of Chaungson-Thet Kaw)	Myanmar	22.00

2. NEDA organized knowledge sharing programs for officials of neighbouring countries through 4 courses with a total of 43 participants and with the cost amounting to 2.89 million baht.

Unit: million baht

Topic	Period	Number of participants (person)	Budget
“Project Management, Monitoring and Evaluation”	9 - 14 Dec 2013	12	1.24
“Conventional Navigation Aids: ILS Maintenance”	24 Feb - 4 Mar 2014	12	0.75

Unit: million baht

Topic	Period	Number of participants (person)	Budget
“Debt Management and Government Bond Issuance”	25-30 June 2014	16	0.74
“Sophisticated Waterworks System”	3-9 August 2014	3	0.16

Furthermore, NEDA has provided a grant assistance to Myanmar under the cooperative project aimed to enhance the service of the National Blood Centre of Myanmar by providing blood service bus and standard and modern equipment for blood collection totaling 10 million baht. The blood service bus is set to be delivered in the fiscal year 2015.



◀ 17 October 2013: Signing of a record of discussions with the Ministry of Public Works and Transport, Kingdom of Cambodia for the Feasibility Study and Detailed Design of The Development of Stung Bot Border Crossing Facilities and Access Road to National Road No.5

▶ 14 January 2014: Attending the meeting with Thanh Hoa Provincial People’s Committee (PPC), Socialist Republic of Vietnam to consider the inception report and public hearing to Feasibility Study and Detailed Design of Than Hoa Obstetrics and Gynecology Hospital, Thanh Hoa Province



◀ 11 March 2014: Signing a Memorandum of Understanding with the Faculty of Commerce and Accountancy, Thammasat University to jointly organize academic activities in Thailand and neighbouring countries in the area related to accountancy education.



21 July 2014: Attending the meeting with the representatives from the Ministry of Construction, Republic of the Union of Myanmar to consider the interim report and survey an appropriate border checkpoints for the Feasibility Study and Detailed Design of The Three Pagodas Pass / Payatongsue - Thanphyuzayat (Section of Payatongsue Town - Chaung-son) and the Border Crossing Facilities

12 September 2014: Attending the meeting with the representatives from the Ministry of Public Works and Transport, Kingdom of Cambodia to consider the draft final report and public hearing for the Feasibility Study and Detailed Design of The Development of Stung Bot Border Control Facilities and the Access Road to National Road No.5



The Operating Results According to Key Performance Indicator (KPI) in fiscal year 2014

In the fiscal year 2014, NEDB has supervised NEDA to operate in accordance with Establishment of Neighbouring Countries Economic Development Cooperation Agency (Public Organization) Act, B.E. 2548 and related laws including other regulations. NEDB also encourages NEDA to continuously develop the human resources streamline and improve work process to ensure timeliness, flexibility and transparency and accountability; and fully utilize information technology in the operations.

According to the performance evaluation of the Office of the Public Sector Development Commission this year, NEDA under the supervision and suggestion of NEDB were able to achieve good results based on the key performance indicators. The overall result was 4.9888 from 5.0000 points, or 99.77%. The details are in the following table.

Unit: points

Indicator	Results at fiscal year-end		
	2012	2013	2014
Dimension 1 : Effectiveness of operations	5.0000	5.0000	5.0000
Dimension 2 : Quality of service	5.0000	5.0000	5.0000
Dimension 3 : Efficiency of operations	4.5000	5.0000	5.0000
Dimension 4: Operation supervision and development of organization	4.9000	4.9973	4.9250
Total	4.8800	4.9996	4.9888
Percent	97.60	99.99	99.77

Effectively and Sufficiently Financial Management for operation

In the fiscal year 2014, NEDB has approved the budget of 1,483,427,000.00 baht which consists of government budget of 475,180,100.00 baht and NEDA's saving accumulated funds of 1,008,246,900.00 baht. In 2014, NEDA has spent 1,437,322,752.59 baht, or 96.89% of the budget NEDB approved. The administration expenses was 100% carried out. In the fiscal year 2014, NEDA was able to save 14,157,790.24 baht on its operational expenditures.

In the fiscal year 2014, NEDA receives a return of 59,677,137.14 baht on its fund management. At the end of the fiscal year 2014, NEDA has a total accumulated funds of 1,180,522,085.11 baht with financial commitment of 628,174,808.12 baht.

Other Capital Management to Reduce Dependence on Government Budget

NEDA has spent its accumulated funds for its administration cost since the fiscal year 2013 to reduce its requirement on the government budget. The administration cost consists of personnel budget, operational budget and investment budget. Furthermore, NEDA is responsible for loan interest of the projects where NEDA borrows from the government specialized financial institutions. NEDA also spends its accumulated funds on research projects and knowledge sharing programs for officials of the neighbouring countries. The details are as follows:

Unit: baht

Saving	Financial amount
Administration costs	59,055,202.98
Loan interest payments	25,655,766.11
Research projects	15,202,000.00
Knowledge - sharing with neighboring countries projects	2,888,567.04
Total	102,801,563.13

Debt Collection and Management

1. Debt collection

NEDA has provided a financial assistance in the form of concessional loans to the neighbouring countries with a total disbursement of 7,084,866,586.32 baht. NEDA has collected 212,462,751.14 baht in debt principle and the current outstanding debt amounts is 6,872,403,835.18 baht. In the fiscal year 2014, NEDA has monitored and collected all debts in accordance with the contract. The debts are collected 32 times, with the total of 211,825,325 baht. This amount consists of debt principal of 138,491,245.45 baht and interest payment of 73,334,079.55 baht.

2. Debt management

NEDA has raised funds by borrowing from Export-Import Bank of Thailand and Government Savings Bank for on-lending. NEDA is responsible for the interest rate difference. In the fiscal year 2014, NEDA is responsible for paying the interest difference and loan interest of 66,925,249.61 baht.

Public Relations

NEDA has conducted public relations in many forms such as media interview, publication press tour to survey project areas as well as carrying out Corporate Social Responsibility (CSR) program. This year, NEDB has approved 4 million baht budget for public relations.

In the fiscal year 2014, NEDA has spent total of 3,038,671 baht on public relations. Public relations in media was carried out in newspaper, television, radio and NEDA's website. The website attracted 7,022 viewers. Additionally, NEDA organized a seminar with the press and private sector to publicize its projects in Trad Province. At the same time, NEDA also held a press tour, and CSR, in the area of Koh Kong Sre Ambel Road Improvement Project (Route No. 48) in Cambodia. Under the CSR program, NEDA renovated Tatai School and Tra Paing Rong School located in the mentioned area and donated school supplies and sport equipment to the schools on 25-27 September 2014.



Operations in Compliance with Good Governance

NEDB has set a policy on supervision and monitoring the organization to ensure that NEDA's Management carry out its operations to produce effective and acceptable results and achieve the objectives of NEDA in compliance with good governance, both terms of financial and operation management. NEDB will not intervene in the work of the management in a bid to create freedom and balance of policy and administration.

According to the aforementioned policy of good governance, NEDA has allocated the budget for 2014 to put the policy of good governance into action. The activities can be concluded as follows:

- Organizing a seminar for executives and staff of NEDA to support and enhance work efficiency and to be in line with the good governance principles such as public works principles for executives, organizational performance management at the agencies and personnel levels, procurement and contract management, prescribing and declaring median price according to the regulations of the National Anti-Corruption Commission (NACC) and operation in e-GP system, etc.

- Supervising the operations of NEDA to be transparent and balanced by appointing internal and inspector from the Office of the Auditor General of Thailand to inspect the NEDA's works.

- Carrying out the procurement of NEDA is in accordance with the regulations of NACC regarding the criteria procedure, and declaration of the project account when a person or juristic person is a contract partner with state agency (B.E. 2554). NEDA has invited the representatives from potential external agencies to be members of the committee in the process of hiring, supervising and inspecting consultants. Furthermore, the procurement of the contract under the financial assistance must comply with the procurement regulations of the recipient countries. NEDA has sent its officials to monitor the bidding process of the neighbouring countries as well.

- Preparing information to be posted on NEDA's website for easy access of the public. This includes information about the NEDA's financial and technical assistance projects, project completion reports, and assessments of the financial assistance project 3-5 years after completion of projects.

Action plan of NEDA in fiscal year 2015

On 20 August 2014, NEDB has approved the three-year strategy of NEDA (from 2015 to 2017) to be used as a guideline for NEDA's operation during the fiscal year 2015 to 2017. In the fiscal year 2015, NEDA has started its three-year strategy (2015-2017) and operated under the 2015 action plan in line with the strategy that can be summarized as follows:

Vision : To be a leading organization in the region in economic and social development cooperation with the neighbouring countries in a bid to expand trade and investment opportunities between Thailand and neighbouring countries.

Mission :

1. Supporting government's policy regarding sustainable economic development cooperations with neighbouring countries by providing financial and technical assistance taking into consideration the mutual benefits on trade and investment with least dependence on the government budget.

2. Collaborating/coordinating closely with domestic and foreign public and private sector agencies by becoming a development partner to promote economic and social connectivity in the region.

Key objectives :

1. Cooperating with neighbouring countries on economic and social development by providing financial and technical assistance

2. Collaborating/coordinating with domestic and foreign public and private sector agencies in economic and social development cooperation with neighbouring countries

3. Developing knowledge on project management which was carried out with neighbouring countries and encouraging the participation of private sector.

4. Promoting organizational management efficiency by developing personnel, system and technology to enhance service to the international standard.

Strategy :

First strategy: Cooperation with domestic and foreign government and private sector agencies on economic and social development in the region

Developing a strategy and cooperative plan with neighbouring countries regarding financial and technical assistance and cooperating with government agencies and private sector in Thailand and neighbouring countries and other developmental organizations

Second strategy: Enhancing the financial and technical cooperation with neighbouring countries to attain international standard and quality

Reviewing criteria, regulations and workflow regarding financial and technical assistance in a bid to to enhance efficiency of the cooperation and meet international standard as well as developing an action plan to diversify financial and technical assistance in more dimensions. Cooperating with private sector and conducting a more proactive public relations.

Third strategy: Financial management to sustain operations

Managing funds to be adequate for NEDA's operations by conducting a ten-year cash flow estimation, and developing debt payment plan and fund mobilization plan for operations in the fiscal year 2015. Moreover, reviewing of financial assistance terms and studying investment innovations for NEDA will be required to reduce dependence on the government budget.

Fourth strategy: Developing good governance and learning organization

Developing a working system by enhancing knowledge body of NEDA; organizing academic seminars and lunch talks; and reviewing and developing manuals as well as strengthening databases and data dissemination system in a bid to become a learning organization. Developing a system to enhance work efficiency of staff, hand-in-hand with good governance.

According to the said plan, NEDB has approved the budget of 2015 to NEDA for the amount of 1,666,036,047.03 baht for fiscal year 2015 for NEDA which consists of NEDA's accumulated funds of 909,963,747.03 baht, loan from financial institutions of 100,000,000.00 baht and government budget of 656,072,300.00 baht.