



# Annual Report 2018

Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (NEDA)



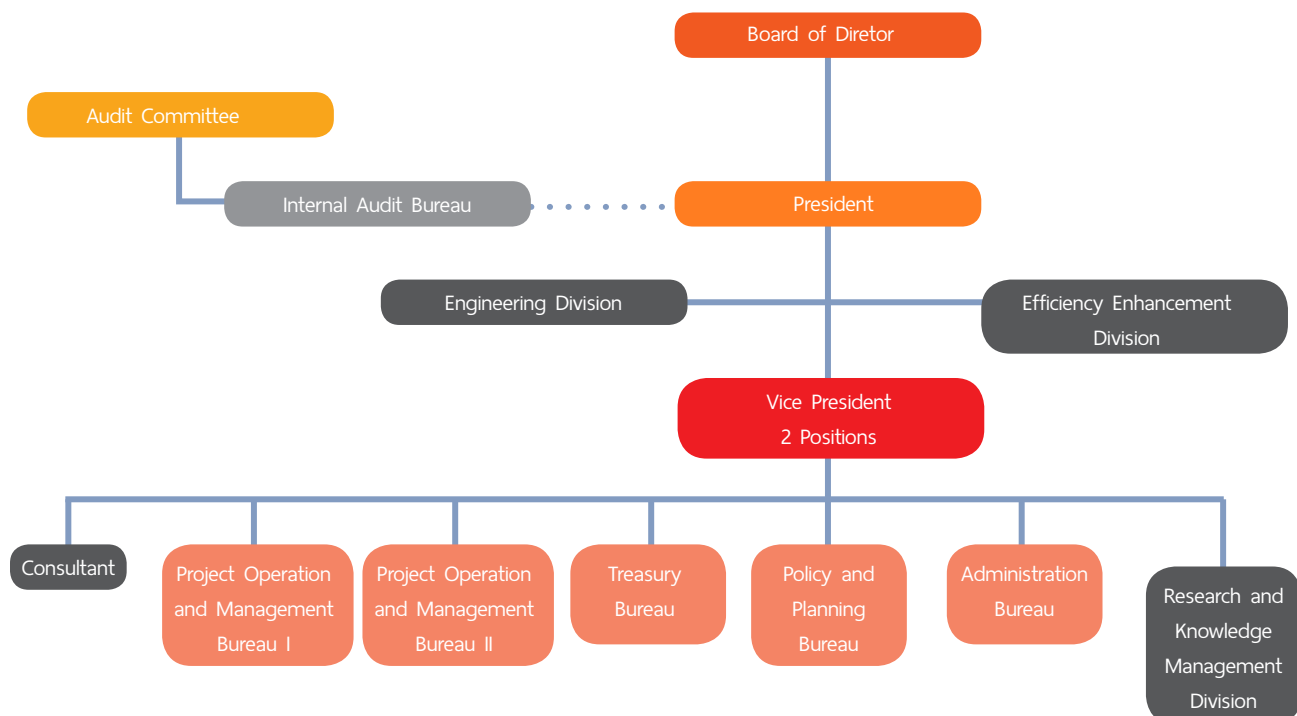
# Administration of Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (NEDA)

Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (NEDA) is a public organization under the supervision of Neighbouring Countries Economic Development Cooperation Agency Board of Directors (NEDB), whose operation is in line with the Royal Decree on Rules and Procedures for Good Governance, B.E. 2546 (2003), Official Information Act, B.E. 2540 (1997), and Good Corporate Governance of the Office of the Public Sector Development Commission. The meeting of NEDB is set to be held monthly to consider matters related to core missions and operational supports of NEDA both in financial and non-financial aspects.

NEDB is composed of one chairman, five members, who are the Permanent Secretary of the Ministry of Finance, the Permanent Secretary 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, four independent members, and NEDA's president as the secretary of the Board.

Furthermore, NEDB appoints its member as a chair or members of the various subcommittees to ensure compliance of NEDA's management and operation with the good governance principals and in line with NEDB's assignment.

## Organization Structure of NEDA



# Neighbouring Countries Economic Development Cooperation Agency Board of Directors (NEDB)

 Chairman of the Board



Ms. Chularat Suteethorn  
(June 1<sup>st</sup>, 2017 - Present)



 Board of Directors


**Mr. Narin Kalayanamit**

Deputy Permanent Secretary, Ministry of Finance  
Representative of Permanent Secretary,  
Ministry of Finance  
(October 17<sup>th</sup>, 2017 - Present)



**Mr. Pitchayaphant Charbhumidol**

Director General, Department of East Asian Affairs  
Representative of Permanent Secretary,  
Ministry of Foreign Affairs  
(June 12<sup>nd</sup>, 2018 - Present)



**Mrs. Pattama Teanravisitsagool**

Deputy Secretary General,  
Office of the National Economic and Social  
Development Board (NESDB)  
Representative of Secretary General,  
Office of the National Economic and Social  
Development Board (NESDB)  
(November 30<sup>th</sup>, 2016 - Present)



**Mr. Boonchai Charassangsomboon**

International Economic Advisor  
Representative of Director General,  
Fiscal Policy Office, Ministry of Finance  
(November 1<sup>st</sup>, 2015 - September 30<sup>th</sup>, 2018)



**Mr. Nikordej Balankura**

Deputy Director General,  
Department of International Economic Affairs  
Representative of Director General,  
Department of International Economic Affairs, Ministry of Foreign Affairs  
(September 20<sup>th</sup>, 2017 - Present)





## Independent Directors



**Mr. Pensak Chalarak**

Expert on International Relations Issues  
(January 26<sup>th</sup>, 2010 - Present)



**Mr. Kusol Yaemsa-ard**

Expert on Legal Issues  
(January 26<sup>th</sup>, 2010 - Present)



**Mr. Acksiri Buranasiri**

Expert on Financial and Fiscal Issues  
(April 20<sup>th</sup>, 2015 - Present)



**Mr. Theeraj Athanavanich**

Expert on Economic Development Issues  
(April 20<sup>th</sup>, 2015 - Present)



 NEDA Executives

President



**Mr. Newin Sinsiri**  
President  
(May 16<sup>th</sup>, 2014 - November 17<sup>th</sup>, 2017)



**Mr. Perames Vudthitornetraks**  
President  
(April 25<sup>th</sup>, 2018 - Present)  
Acting President  
(November 18<sup>th</sup>, 2017 - April 24<sup>th</sup>, 2018)

Vice President



**Colonel (Ret.) Saranyu Viriyavejakul, D.Sc.**  
Vice President  
(April 27<sup>th</sup>, 2017 - Present)



**Mr. Kirati Veruwan**  
Vice President  
(July 20<sup>th</sup>, 2018 - Present)



 Bureau Directors

**Mr. Kirati Veruwan**

Director, Treasury Management Bureau  
(January 15<sup>th</sup>, 2009 - July 19<sup>th</sup>, 2018)



**Ms. Hataitat Mahasukon**

Director, Project Management Bureau I  
(August 25<sup>th</sup>, 2009 - Present)



**Mr. Rapipit Promnart**

Director, Policy and Planning Bureau  
(October 1<sup>st</sup>, 2010 - Present)



**Ms. Dariwan Prempoomiwate**

Director, Project Management Bureau II  
(July 3<sup>rd</sup> 2013 - Present)







**Mr. Atiwat Lawapimol**  
Director, Internal Audit Bureau  
(October 1<sup>st</sup>, 2006 - Present)



**Mr. Nutthapol Prasobchoke**  
Director, Administration Bureau  
(August 7<sup>th</sup>, 2017 - Present)



**Ms. Sukuma Sarahong**  
Director, Efficiency Enhancement Division  
(April 1<sup>st</sup>, 2018 - Present)



## Neighbouring Countries Economic Development Cooperation Agency (NEDA)'s Operation in Fiscal Year 2018

Twenty eight was the first year of NEDA's operation under its Four-Year Strategic plan (2018-2021). The plan works as guidelines for NEDA's operation throughout four years. Thus, NEDA's action plan of fiscal year 2018 is in line with NEDA's Four-Year Strategic Plan, the Twenty-Year National Strategy, the 12<sup>th</sup> National Economic and Social Development Plan, and relevant policies of the government which aim to promote connectivity. All the strategies and plans will lead NEDA to achieve its vision as "a leading organization that cooperates with the neighbouring countries in economic and social development to expand trade and investment opportunities among Thailand and its neighbouring countries" which will eventually lead to sustainable prosperity among members.

NEDA is the government's crucial mechanism which provides technical and financial assistance through concessional loan and grant for the development project for neighbouring countries of Thailand. NEDA is also eager to cooperate with other development partners in the region for economic and social development in neighbouring countries. In the meantime, the organization still adheres to the operational principles of good governance.

In accordance with the strategic framework and work plan as mentioned above, NEDB approved budget for fiscal year 2018 at 1,211,596,967.00 Baht, of which 78,056,000.00 Baht was contributed by the government, 421,111,345.76 Bath was contributed by NEDA's accumulative fund, and 712,429,621.24 Baht was borrowed from financial institution.

In fiscal year 2018, NEDB had consistently assured NEDA's performance to be in line with the Royal Decree on Establishment of Neighbouring Countries Economic Development Cooperation Agency (Public Organization), B.E. 2548 (2005) Article 31 (1) which stated NEDA's status as a small organization with effectiveness and flexibility. NEDB had supervised NEDA's effective performance under manageable risk, as well as, continually encouraging NEDA to improve its human resource and administration system annually. NEDB had also supported NEDA's work procedures to be flexible, effective, and transparent by utilizing information technology system.

In fiscal year 2018, NEDA had faced some uncontrollable challenge and limitation. Despite those factors, NEDA's performance evaluation conducted by the Office of the Public Sector Development Commission (OPCD) resulted as average, which meant NEDA achieved important key indicators. The operation can be summarized as follows;



## Cooperation in Economic Development with Neighbouring Countries

Cooperation in economic development with neighbouring countries is NEDA's core mission. The cooperation is in form of financial and technical assistance provision to 7 neighbouring countries namely Cambodia, Lao PDR, Myanmar, Viet Nam, Bhutan, Sri Lanka, and Timor-Leste. The cooperation aims at seamless connectivity by focusing on infrastructure development, urban development along Greater Mekong Sub-region (GMS)'s economic corridors which are in compliance with Thailand's both bilateral and multilateral foreign and economic cooperation frameworks. NEDA's mission is to enhance trade and investment growth, decrease development gap in the region with the idea of "leaving no one behind", and, ultimately, achieve sustainable development goal. NEDA's cooperation in economic development with neighbouring countries in fiscal year 2018 is as follows;

### Cooperation with the Kingdom of Cambodia (Cambodia)

In fiscal year 2018, NEDA have one financial assistance project to Cambodia which was the Construction of Stung Bot Border Crossing Facility and Access Road to National Road No. 5. The project was in the procurement process. The project is expected to decrease congested transportation at Klong Luek-Poipet Border Checkpoint which will result in higher volume of trade and investment. Apart from financial assistance project, NEDA also provided grant for technical assistance project to Cambodia which was the Feasibility Study and Detailed Design of the Improvement of National Road No. 67 (NR67) (Siem Reap-Anlong Veng-Choam/Sa Ngam). Project is expected to be completed in fiscal year 2019.

### Cooperation with the Lao People's Democratic Republic (Lao PDR)

In fiscal year 2018, there were three on-going financial assistance projects with the total budget of 5,017 million Baht comprising of;

1. Ban Huag (Phayao)-Muang Khob-Muang Xing Hone and Muang Khob Ban Pakhob-Ban Kone Teun Road Improvement Project with a budget of 1,390 million Baht.
2. Lao-Thai Railway Construction Project Phase 2 (Thanaleng-Vientiane) with a budget of 1,650 million Baht.
3. Hongsa-Ban Chiang Man (Chom Phet, Luang Prabang District) Road Construction Project with a budget of 1,977 million Baht.

In This fiscal year, the cabinet also approved a financial assistance for the Construction of National Road No. 11 (R11) Section of Khok Kaodor-Non Savanh-Sanakam-Ban Vang-Ban Namsang Project with a budget of 1,826.50 million Baht.

Apart from financial assistance project, NEDA also agreed to provide technical assistance for the feasibility study and detailed design of the Improvement of National Road 12 (R12) Section of Thakhek to Na Phao Project with a budget of 17.84 million Baht.

## Cooperation with the Republic of the Union of Myanmar (Myanmar)

In fiscal year 2018, Myanmar requested for financial assistance from NEDA for 2 projects as follows; 1) Development of Two-lane Road Connecting Thailand-Myanmar Border at Phu Nam Ron to Dawei Project 2) Third Corridor Town Development Project. For the first project, NEDA considered to provide technical assistance for survey and detailed design of the project. For the second project, Myanmar's parliament has been considering requesting for loan. Hence, it was expected that financial assistance could be provided in fiscal year 2019.

## Cooperation with the Kingdom of Bhutan (Bhutan) Democratic Socialist Republic of Sri Lanka (Sri Lanka) Democratic Republic of Timor-Leste (Timor-Leste)

In fiscal year 2018, Bhutan, Sri Lanka, and Timor-Leste had not submitted any formal request to NEDA. Thus, NEDA had worked closely with related agencies of these countries to follow up the prioritized list of projects that would be in line with scope of NEDA's technical and/or financial assistance.

### **NEDA's Knowledge Sharing Programs**

In fiscal year 2018, NEDA conducted Knowledge Sharing Programs for neighbouring countries' officials. The purpose was to enhance knowledge and understanding of officials so they could utilize knowledge and experience gained from the Programs to sustainably manage financial assistance projects provided by NEDA. To efficiently conduct the programs, NEDA worked with related public and private organizations, international organizations, and educational institutions. NEDA conducted 2 Knowledge Sharing Programs as follows;

1. Training course on "Infrastructure Project Management" during 22-26 January 2018 in Bangkok and a study visit to Route No.12 in Phitsanulok and Phetchabun.
2. Training course on "Public Debt Management and Economic Issues" during 7-12 May 2018 in Bangkok and a study visit at the Government Housing Bank and Deposit Protection Agency.





Throughout fiscal year 2018, there were 26 attendees from 7 neighbouring countries; Cambodia, Lao PDR, Myanmar, Viet Nam, Bhutan, Sri Lanka, and Timor-Leste, and 9 attendees from NEDA.



## Economic Development Cooperation Strategies between NEDA and Neighbouring Countries (2019-2021)

In fiscal year 2018, NEDA laid out its Country Strategy for 2019-2021 to be a guideline to work with 7 neighbouring countries which are Cambodia, Lao PDR, Myanmar, Viet Nam, Bhutan, Sri Lanka, and Timor-Leste. Recommended sectors of collaboration under NEDA's Country Strategy for 2019-2021 could be summarized as follows:

|   |   |   |
|---|---|---|
|  <p><b>Cambodia</b></p>                    |  <p><b>Lao PDR</b></p>   |  <p><b>Myanmar</b></p>   |
| <ol style="list-style-type: none"> <li>1.Connectivity</li> <li>2.Urban Development</li> <li>3.Social Development</li> </ol> | <ol style="list-style-type: none"> <li>1.Connectivity</li> <li>2.Energy</li> <li>3.Urban Development and Border Area Development</li> <li>4.Human Resource Development</li> </ol> | <ol style="list-style-type: none"> <li>1.Connectivity</li> <li>2.Urban Development</li> <li>3.Energy</li> <li>4.Human Resource Development</li> </ol> |

|   |   |  |   |
|---|---|--|---|
|  <p><b>Viet Nam</b></p>                              |  <p><b>Bhutan</b></p>                                |  <p><b>Sri Lanka</b></p> |  <p><b>Timor-Leste</b></p> |
| <ol style="list-style-type: none"> <li>1.Infrastructure Development</li> <li>2.Human Resource Development/ Capacity Building</li> </ol> | <ol style="list-style-type: none"> <li>1.Transportation Standard Development</li> <li>2.Urban and Rural Development Planning</li> </ol> | <ol style="list-style-type: none"> <li>1.Connectivity</li> <li>2.Urban Development</li> </ol>                | <p>Promote human resource development through technical assistance in form of grant aids</p>                    |

### **Effective and Sufficient Budget Management for Operation**

In fiscal year 2018, NEDB approved budget for the fiscal year at 1,211,596,967.00 Baht, of which 78,056,000.00 Baht allocated from the government budget, 421,111,345.76 Baht allocated from NEDA's accumulative fund, and 712,429,621.24 Baht was borrowed from financial institution. However, on 27 April 2018, Office of the Public Sector Development Commission (OPDC) agreed to allow NEDA to adjust its disbursement goal of this fiscal year budget due to uncontrollable delay occurred with Lao-Thai Railway Construction Project Phase 2 (Thanaleng-Vientiane) with the amount of 194,850,000.00 Baht, resulted in decreasing budget of fiscal year 2018 to the total amount of 1,016,746,967.00 Baht.

Throughout the fiscal year, NEDA made total disbursement of 773,096,558.45 Baht, which accounted for 76.04% of total budget allocation. The remaining amount of budget that could not be disbursed was for the Construction of Stung Bot Border Crossing Facility and Access Road to National Road No. 5, Cambodia Project as the project had been on its procurement procedure. In fiscal year 2018 NEDA received a return of 6,494,755.77 Baht from its fund management with accumulative revenue of 1.22% per year. NEDA's accumulative fund in the fiscal year was 345,312,001.16 Baht.

### **Budget Management to Reduce Dependency on Government and NEDA's Credit Rating**

NEDA's budget management was continuously focusing on reduction of dependency on government. In fiscal year 2018, NEDA borrowed from 2 financial institutions; Bank of Ayudhya Public Company Limited with amount of 1,581,600,000.00 Baht with fixed interest rate of 2.90% per year and loan period of 5 years for the Construction of Road from Hongsa to Ban Chiang Man (Chom Phet, Luang Prabang District) Project; and Export-Import Bank of Thailand with amount of 928,110,681.00 Baht with fixed interest rate of 2.00% per year and loan period of 5 years for the Construction of Stung Bot Border Crossing Facility and Access Road to National Road No. 5, Cambodia Project.

For fiscal year 2018, NEDA's has planned to issue long-term bond for debt restructuring. However, The bond had not yet been issued since NEDA was still covered by banks' loans. NEDA's credit rating was AAA by Tris Rating Co., Ltd.

## Debt Collection and Management

### 1. Debt Collection

NEDA has provided financial assistance to neighbouring countries with the amount of 12,611,281,424.68 Baht in total, of which 10,683,343,230.87 Baht is concessional loan, and 1,927,938,193.81 Baht as grant. NEDA already collected 1,132,330,252.21 Baht of principle repayment while overall outstanding is 9,551,012,978.66 Baht. In fiscal year 2018, NEDA completely collected due debts for 41 times with the amount of 358,086,716.93 Baht, of which 236,370,447.96 Baht was principle, and 121,716,268.97 Baht was interest.

### 2. Debt Management

NEDA has borrowed from 3 financial institutions; Government Saving Bank, Export-Import Bank of Thailand, and Bank of Ayudhya Public Company Limited for further lending to neighboring countries. NEDA is responsible for interest rate gap between borrowing and lending. In fiscal year 2018, NEDA made 24 times of debt settlement in total amount of 102,952,713.58 Baht, of which 42,200,000.00 Baht was principle, and 60,752,713.58 Baht was interest.

## Cooperation with Development Partners

Integration with development partners was under NEDA's operational strategy no.1 "Cooperation with domestic and foreign government and private sector on economic and social development in the region". This was to promote economic and social development integration in Greater Mekong Sub-region with regional leading development partners. In fiscal year 2018, NEDA complied with its strategy by cooperate with development partners for the 8<sup>th</sup> CEXIM EDCF JICA and NEDA Annual Meeting under the theme "Post-loan Management for Overseas Projects-Theory, Challenges & Practice" during 10-12 September 2018 in Beijing, China. The meeting aimed to discuss and exchange operation experience among members especially regarding monitoring and evaluation process, ensuring that the objective of the project was met, preventing undesired impacts that might occur during the construction period, and applying lesson-learned to the future projects as a result of post-evaluation. The members include CEXIM of China, EDCF of South Korea, JICA of Japan, and NEDA of Thailand.

### **Operation Result according to Key Performance Indicator of Fiscal Year 2018**

In fiscal year 2018, NEDA supervised to ensure its operation was in line with Article 31(1) of the Royal Decree on Establishment of Neighbouring Countries Economic Development Cooperation Agency (Public Organization), B.E. 2548, stating NEDA's status as a small organization with effectiveness and flexibility work process. Plus, NEDA's operation was also in line with relevant law and regulation. NEDB supervised NEDA's effective performance under manageable risk and also encouraged NEDA to develop its human resource and administration system annually. NEDB also supported NEDA's work procedures to be flexible, effective, and transparent by utilizing information technology system. In fiscal year 2018, NEDA faced some uncontrollable challenge and limitation. Despite those factors, NEDA's performance evaluation conducted by the Office of the Public Sector Development Commission was average, which meant NEDA achieved important key indicators.

### **Organizational Risk Management**

According to its risk management and internal audit plan of fiscal year 2018, NEDA assessed risk of the projects in 4 dimensions which were 1) operational risk, 2) financial risk, 3) human resources and 4) reputation risk, and compliance risk. This assessment of risks led to risk management measures; proactive cooperation with neighboring countries, plan for state of emergency, crowdfunding plan, human resource management plan, and procurement supervision. This resulted in achievement of NEDA's effective operation in fiscal year 2018.

### **NEDA's Action Plan for Fiscal Year 2019**

On 22 August 2018, NEDB approved the review of NEDA's four-year strategic plan (2018-2021) that NEDA could seamlessly continue its operation from NEDA's three-year strategic plan (2015-2017) and achieve its goal. NEDA's four-year strategic plan (2018-2021) was to be used as guideline for NEDA's operation. NEDB also approved NEDA's Action Plan for fiscal year 2019, covering 36 activities which were correspondent with the organization's vision, mission, and NEDA's four-year strategic plan (2018-2021).





**Strategy 1: Develop financial and technical cooperation with neighbouring countries to international standards.**

NEDA's action plan under strategy 1 consisted of 9 activities such as; review of four-year country strategy (2019-2021), and formulation of four-year list of potential assistance projects which complied with NEDA's Country Strategy. The assistance project would be diversified among neighboring countries namely Cambodia, Lao PDR, and Myanmar and the training programs would be related with financial and technical assistance projects.

**Strategy 2: Integration with other sectors to maximize economic development with neighbouring countries.**

NEDA's action plan under strategy 2 consisted of 6 activities which are formulation of neighboring countries risk assessment, exchange of information regarding neighboring countries, work process, strategy, and views toward social and economic development in those countries among NEDA and development partners, integration with various agencies, and meeting with partners both in bilateral and multilateral level to mutually promote mutual benefits.

**Strategy 3: Managing financial resources for sustainability in operations.**

NEDA's action plan under strategy 3 consisted of 6 activities; such as study and formulation of NEDA and financial institution/international organization cooperation guideline, and enhancement of effectiveness in budget management for sustainability.

**Strategy 4: Continuously develop the organization and enhance its performance.**

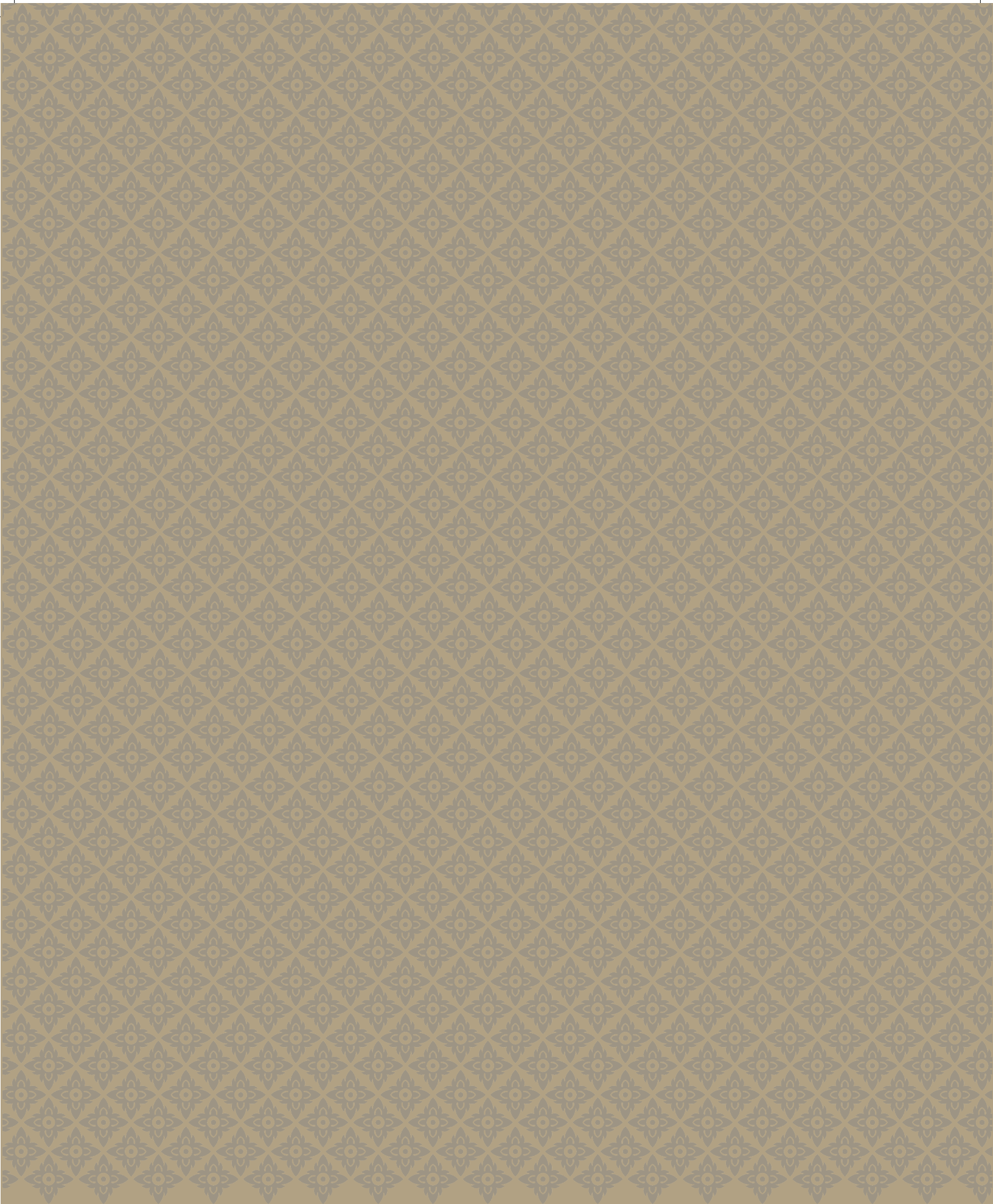
NEDA's action plan under strategy 4 consisted of 14 activities such as; standardization of human resource management, review of organization structure, integrity and transparency assessment, core competency training, and ensuring NEDA's good governance and transparency.

In fiscal year 2019, NEDB approved budget of 902,431,700.00 Baht, of which 155,855,800.00 Baht allocated from NEDA's fund, 5,000,000.00 Baht loaned from financial institution, and 741,575,900.00 Baht allocated from the government budget.









**Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (NEDA)**  
123 Suntower Bldg.A 14th Fl., Vibhavadi-Rangsit Rd, Chompol, Chatuchak, Bangkok, Thailand 10900  
Tel. +662 617 7676 Fax. +662 617 7683-4  
[www.neda.or.th](http://www.neda.or.th)