



NEDA^{TI}

(Summary)

Annual Report

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

2017

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 appointed 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.



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

Chairman of the Board



Assoc. Prof. Varakorn Samakoses, Ph.D.

(January 26th, 2010 - May 31st, 2017)



Jurarat Sutetorn

(June 1st, 2017 - Present)

Board of Directors



Prasit Suebchana

Inspector General of Ministry of Finance,
Representative of Permanent Secretary,
Ministry of Finance
(October 26th, 2015 - Present)



Singtong Lapisatepun

Director General, Department of East Asian Affairs,
Representative of Permanent Secretary,
Ministry of Foreign Affairs
(March 29th, 2016 - Present)



Pattama Teanavisitsagool

Deputy Secretary General, National Economic
and Social Development Board,
Representative of Secretary General, National
Economic and Social Development Board
(January 30th, 2016 - Present)



Boonchai Charassaangsomboon

International Economic Advisor,
Representative of Director General,
Fiscal Policy Office, Ministry of Finance
(November 1st, 2015 - Present)



Eksiri Pintaruchi

Deputy Director General,
Representative of Director General,
Department of International Economic Affairs
(June 17th, 2015 - Present)

Independent Directors



Pensak Chalarak

Expert on International Relations Issues
(January 26th, 2010 - Present)



Kusol Yaemsa-ard

Expert on Legal Issues
(January 26th, 2010 - Present)



Acksiri Buranasiri

Expert on Financial Issues
(April 20th, 2015 - Present)



Theeraj Athanavanich

Expert on Financial Issues
(April 20th, 2015 - Present)

NEDA Executives



Newin Sinsiri
President of NEDA
(May 16th, 2014 - Present)



Perames Vudthitometiraks
Vice President of NEDA
(August 28th, 2009 - Present)



Chuwit Mitrchob
Vice President of NEDA
(March 1st, 2016 - January 30th, 2017)



Colonel Saranyu Viriyavejakul, D.Sc.
Vice President of NEDA
(April 27th, 2017 - Present)

Bureau Directors



Atiwat Lawapimol

Director, Internal Audit Bureau
(October 1st, 2006 - Present)



Kirati Veruwan

Director, Treasury Bureau
(January 15th, 2009 - Present)



Hataitat Mahasukon

Director, Project Management Bureau I
(December 23rd, 2015 - Present)



Rapipit Promnart

Director, Policy and Planning Bureau
(December 23rd, 2015 - Present)



Dariwan Prempoomiwate

Director, Project Management Bureau II
(July 3rd, 2013 - Present)



Nutthapol Prasobchoke

Director, Administration Bureau
(August 7th, 2017 - Present)

Operational Performance of Neighbouring Countries Economic Development Cooperation Agency (NEDA) in Fiscal Year 2017

In fiscal Year 2017, it is the last year of NEDA's operation under its three-year strategic plan (2015-2017). The policy and operational plans for fiscal year 2017 are in line with the three-year strategic plan to achieve NEDA's 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". In order to promote income distribution, decrease disparity gap among people, and promote regional and sub-regional sustainable development, NEDA's aims to provide financial and technical assistance focusing on transportation infrastructure development and urban development sector i.e. water supply system development, road and railway development, etc. Moreover, NEDA also give precedence to collaborate 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, together with an effort to reduce the burden of the government.

In accordance with the policy and work plan as mentioned above, NEDB approved budget for fiscal year 2017 at 1,264,590,492.80 Baht, of which 227,345,000.00 Baht was contributed by the government, 339,140,583.00 Bath was contributed by NEDA's fund, and 698,104,909.80 Baht loaned from financial institution.

In fiscal year 2017, NEDB has 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 "In managing the affairs of the Office, the President shall comply with the rules and procedures of good governance and administration prescribed by the royal decree on Good Governance in 2003 (B.E. 2546)...". NEDB has supervised NEDA's effective performance under manageable risk and has also encouraged NEDA to develop its human resource and administration system annually. NEDB has also supported NEDA's operational procedures to be flexible, effective, and transparent by applying information technology system.

In fiscal year 2017, NEDA faced some uncontrollable challenge and limitation. Despite those factors, NEDA's performance evaluation conducted by the Office of the Public Sector Development Commission resulted as Effective, which meant NEDA achieved all key indicators. The overall operational performance can be summarized as follow;

Economic Development Cooperation 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. The cooperation focuses on infrastructure development, urban development, and Greater Mekong Sub-region (GMS)'s economic corridor town development, which are in compliance with Thailand foreign and economic cooperation policy. Especially, the cooperation promotes transport connectivity in sub-regional and in ASEAN, which will enhance trade and investment growth, decrease development gap in the region, and, ultimately, achieve sustainable development goal. NEDA's cooperation in economic development with neighbouring countries in fiscal year 2017 is as follows;

1. Cooperation with the Kingdom of Cambodia (Cambodia)

In fiscal year 2017, NEDA provided concessional loan to Cambodia in the amount of 928.11 million Baht for the Construction of Stung Bot Border Crossing Facility and Access Road to National Road No. 5, Cambodia Project. Purposes of the Project are to facilitate international trade and investment, support the growing volume of logistics of people and commodity, and decrease congested transportation at Klong Luek-Poipet Checkpoint. Moreover, in fiscal year 2017, NEDA and executing agencies of Cambodia jointly conduct the fact finding mission on Provincial Roads Connecting National Road No. 56 and National Road No. 58 in Banteay Meanchey Province and Uddar Meanchey Province, Cambodia Project to primarily assessed potentiality of the Project before request for technical and financial assistance.

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

In fiscal year 2017, there were 3 on-going financial assistance projects with the total budget of 5,017 million Baht comprising of;

2.1 Ban Huag (Phayao)-Muang Khob-Muang Xing Hone and Muang Khob Ban Pakhob-Ban. Kone Teun Road Improvement Project with budget of 1,390 million Baht.

2.2 Lao-Thai Railway Construction Project Phase 2 (Thanaleng-Vientiane) with budget of 1,650 million Baht.

2.3 Construction of Road from Hongsa to Ban Chiang Man (Chom Phet, Luang Prabang District) Project with budget of 1,977 million Baht.

3. Cooperation with the Republic of the Union of Myanmar (Myanmar)

In fiscal year 2017, Myanmar has been in the process of consideration to submit formal requests for financial assistance from NEDA for projects in transportation infrastructure development sector and urban development sector. The projects under consideration are;

1. Development of Two-lane Road Connecting Thai-Myanmar Border at Phu Nam Ron to Dawei Project, and The Three Pagodas Pass / Payatongsue - Thanphyuzayat Road Construction Project (Section of Payatongsue Town - Thanphyuzayat).
2. Third Corridor Town Development Project, and Power System Development in Yangon City Project (North Okkalapa and North Dagon Township).

4. Cooperation with the Kingdom of Bhutan (Bhutan), the Democratic Socialist Republic of Sri Lanka, and the Democratic Republic of Timor-Leste (Timor-Leste)

In fiscal year 2017, Bhutan, Sri Lanka, and Timor-Leste had not submitted formal request for NEDA's assistance. Thus, NEDA worked closely with related agencies of these countries to follow up the potential list of projects that would require NEDA's technical and/or financial assistance. Moreover, NEDA provided Bhutan, Sri Lanka, and Timor-Leste technical assistance in terms of human resource development through knowledge sharing programs. NEDA's capacity building programs could be the first step of cooperation that would extend to financial assistance. In 2017, there were 6 officials from Bhutan's government and 4 officials from Sri Lanka's government attended NEDA's knowledge sharing programs.

NEDA's Knowledge Sharing Programs

In fiscal year 2017, NEDA conducted Knowledge Sharing Programs for neighbouring countries' officials. The purpose is to enhance knowledge and understanding of officials so they could utilize knowledge and experience gained from the Programs to efficiently manage financial assistance projects provided by NEDA. NEDA conducted 3 Knowledge Sharing Programs in fiscal year 2017, and invited related government agencies, and international organizations to be guest speakers/lecturers. The Programs are;

1. Training course on "Project Risk Management in Infrastructure Projects" during December 19-24, 2016 in Bangkok and Sa Kaeo Province for study visit.

2. Training course on "Project Monitoring and Evaluation in Infrastructure Projects" during March 13-22, 2017 in Bangkok and Sa Kaeo Province and Prachinburi Province for study visit.

3. Training course on "Debt Management and Fiscal Issues" during June 19-23, 2017 in Bangkok. Study visit at SET, Bloomberg, and Reuters.

Throughout the fiscal year 2017, there were 46 attendees from 6 neighbouring countries; Cambodia, Lao PDR, Bhutan, Myanmar, Sri Lanka, and Vietnam, and 10 attendees from NEDA with total budget for 3 courses at 2,565,066.86 Baht.

Economic Development Cooperation Strategies between NEDA and Neighbouring Countries (2016-2018)

In fiscal year 2017, NEDA's operation was complied with Economic Development Cooperation Strategies between NEDA and Neighbouring Countries (2016-2018). NEDA's 7 neighbouring countries consists of Cambodia, Lao PDR, Myanmar, Vietnam, Bhutan, Sri Lanka, and Timor-Leste. Economic Development Cooperation Strategies between NEDA and Neighbouring Countries (2016-2018) could be summarized as follows;

Economic Development Cooperation Strategies between NEDA and Neighbouring Countries (2016-2018)



Cambodia

- Promote development of Special Economic Zones and Sorridor towns
- Promote transportation linkage



Lao PDR

- Promote transportation linkage
- Promote cooperation on energy sector
- Promote development of corridor towns



Myanmar

- Promote transportation linkage
- Promote development of corridor towns



Vietnam

- Promote transportation linkage
- Promote development of urban, infrastructure, health care sector



Sri Lanka

- Promote transportation linkage
- Promote urban development



Bhutan

- Promote transportation standardization
- Promote development of agricultural sector
- Promote urban and rural development planning



Timor-Leste

- Promote human resources development through technical assistance



Effective and Sufficient Budget Management

In fiscal year 2017, NEDB approved budget for the fiscal year at 1,264,590,492.80 Baht, of which 227,345,000.00 Baht allocated from the government budget, 339,140,583.00 Baht allocated from NEDA's fund, and 698,104,909.80 Baht loaned from financial institution.

Throughout the fiscal year, NEDA made total disbursement of 1,140,345,889.39 Baht, which equaled to 90.18% 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. NEDA received a return of 8,284,750.64 Baht from its fund management with accumulative revenue of 1.30% per year. NEDA's accumulative fund in the fiscal year was 377,787,933.21 Baht.

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

NEDA's budget management continuously focusing on reduction of dependency on government. In fiscal year 2017, NEDA borrowed from 2 financial institutions; Bank of Ayudhya Public Company Limited, and Export-Import Bank of Thailand. From fiscal year 2017 onwards, NEDA's debt restructuring has been effectively planned. NEDA would issue its long-term bond to cover existing balloon loans. Moreover, in the fiscal year, NEDA's credit rating was rated 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 10,662,208,247.99 Baht in total, of which 8,977,035,445.11 Baht is concessional loan, and 1,685,172,802.88 Baht as grant. NEDA already collected 887,796,804.25 Baht of principle repayment while overall outstanding is 8,089,238,640.86 Baht. In fiscal year 2017, NEDA completely collected due debts for 40 times with the amount of 320,984,815.12 Baht, of which 207,825,458.11 Baht was principle, and 113,159,357.01 Baht for 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 neighbouring countries. NEDA is responsible for interest rate gap between borrowing and lending. In fiscal year 2017, NEDA made 85,179,834.15 Baht of debt repayment, of which 36,566,422.00 Baht was principle, and 48,613,412.15 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 and exchange of experiences, useful information, and human resource development. In fiscal year 2017, NEDA's cooperation with development partners are as follows;

1. Minutes of Discussions regarding cooperation on the Construction of Stung Bot Border Crossing Facility and Access Road to National Road No. 5, Cambodia Project of NEDA and the Construction of National Road No. 5 (R5) (Thlea Ma'am – Battambang and Sri Sophorn – Poipet) Project of Japan International Cooperation Agency (JICA).

2. The 7th Annual Meeting among the Export-Import Bank of China (CEXIM), Economic Development Cooperation Fund (EDCF), JICA, and NEDA during September 4-6, 2017. The purpose was to discuss and exchange information regarding regional development.

NEDA's Action Plan for Fiscal Year 2018

On August 30, 2017, NEDB approved NEDA's four-year strategic plan (2018-2021) that NEDA can 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) will be used as guideline for NEDA's operation. NEDB also approved NEDA's Action Plan for fiscal year 2018, covering 35 activities which are correspondent with the organization's vision, mission, and NEDA's four-year strategic plan (2018-2021).

Vision

NEDA is a leading organization that cooperates with neighbouring countries in economic development to expand trade and investment opportunities among Thailand and its neighbouring countries.

Missions

1. Operate as Thai Government's mechanism for economic cooperation with neighbouring countries through financial and technical assistance towards neighbouring countries' governments, state enterprises, and financial institutions.

2. Integrate with government and private agencies, both domestic and overseas, to promote economic development in neighbouring countries to expand trade and investment opportunities.

Main targets

1. Cooperate with neighbouring countries through financial and technical assistance.
2. Integrate with government and private agencies, both domestic and overseas, to promote economic development in neighbouring countries to expand trade and investment opportunities.
3. Manage financial assistance for sustainable cooperation
4. Enhance organizational management efficiency to meet the international standards.

Strategies

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

NEDA's associated action plan comprises 10 activities such as; formulation of four-year country strategy (2018-2021) by discussion with 7 neighbouring countries, formulation of financial and technical assistance cooperation plan, exchanges of information regarding neighbouring countries economic and social development in multilateral forum and cooperation framework, cooperation with development partners, and post evaluation on completed projects.

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

NEDA's action plan under strategy 2 consists of 6 activities such as; attendance of the CEXIM-EDCF-JICA-NEDA Annual Meeting for information and experience sharing, integration with related agencies to promote regional cooperation framework both at bilateral and multilateral levels, gathering experience with development partners in order to apply to NEDA's future project implementation.

Strategy 3: Manage financial resources for sustainability in operations.

NEDA's action plan under strategy 3 has 5 activities; preparation of NEDA's bond issuance in 2018-2019, debt restructuring, development of NEDA's database system and projects, review of NEDA's financial structure, formulate long-term financial plan, and implementing Road Show events to promote NEDA's bond, etc.

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

NEDA's action plan under strategy 4 has 14 activities such as; standardization of workflow for each bureau, development working system using IT, ensuring staff's morality and ethics, and reinforcing NEDA's good governance and transparency, etc.

In fiscal year 2018, NEDB approved budget of 1,211,596,967.00 Baht, of which 421,111,345.76 Baht allocated from NEDA's fund, 712,429,621.24 Baht loaned from financial institutions, and 78,056,000.00 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