



Capacity Building Programme

In 2017, the Capacity Building Programme continued its efforts to strengthen the relationship between government officials in Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV) and ERIA research and expertise. The programme also reached out to work with outside organisations in support of its programmes – the Malaysia Productivity Corporation and United Nations Centre for Alleviation of Poverty through Sustainable Agriculture (UN CAPSA) – and for the first time, targeted academics as participants for a particular activity.

These successes were achieved through the implementation of a range of activities, including on-going participation in research started in 2016, workshops organised around specific themes, and training workshops designed to increase the capacity of government officials to conduct policy research for themselves.

Over the year, 10 activities were held for 120 government officials from the CLMV participating countries. An additional 35 officials participated in each of three workshops held in Cambodia on trade negotiation issues. Through these activities, the programme continued to enjoy a strong relationship with counterpart ministries in each CLMV country, so enabling their officials to be better attuned and prepared to address priority issues for the region and their countries.

Generous funding from the Government of Australia continued to make the Capacity Building Programme possible.

Over the year, programme activities fell into one of three components.

Component 1: Capacity Building through Participation in Research

Integrating government officials in research alongside national and international academics allows officials to gain a strong understanding of the complexity of issues, exchange data, promote a policy focus to the study, and network with peers from the region and beyond. In FY2017, officials continued their participation in two ERIA studies started in FY2016.

1) Global Production Value Chain, Cities and Urban Amenities: Implications for Services Trade Liberalisation in East Asia and ASEAN

A 12-country study, this research looks at the relationship between the growth of cities, trade, and the global production value chain – key to understanding how cities can become the focal point for trade, investment, and the services liberalisation required to support it. At the third workshop of this study, held in October 2017, academics presented their research findings, which government officials were asked to comment on as well as discuss policy issues and implications for their own countries.

2) Distributional Effects of Disasters and Climate Change on Food Security

Concerted efforts are needed to address the issue of climate change-induced disasters and their impact on socio-economic development, health, and the environment. At this follow-up workshop, held in July 2017, researchers presented papers on the estimation



of damage and losses on food production due to disasters and climate change, and the identification and assessment of strategies needed to develop agricultural resilience and food security. Participating government officials presented papers based on their own country strategies. This 2-day workshop was held back-to-back with a joint ERIA–UN CAPSA workshop on the transfer of agricultural technology around agricultural resilience.

Component 2: Increasing Understanding of Technical Issues

In 2017, the Capacity Building Programme facilitated two workshops on issues critical for the future economic growth of CLMV. The first workshop, 'Issues around FDI for Economic Growth', was held in Bangkok in May 2017; the second workshop, 'Strengthening Fiscal Policy for infrastructure Delivery in the Mekong Region', was held in Ha Noi in January 2018.

Five participants from each of the four countries were invited to attend these 2-day interactive workshops consisting of presentations and group exercises. The workshops were facilitated by renowned experts



in the field: Shujiro Urata (ERIA), Mitsuyo Ando (Keio University), and Wisarn Pupphavesa (Thailand Development Research Institute) for the workshop on FDI; and Mukul Asher (Lee Kuan Yew School of Public Policy, National University of Singapore), Fauziah Zen (ERIA), and Astrid Dita (World Bank, Deloitte) for the workshop on infrastructure delivery.

In response to a request from the Ministry of Commerce of Cambodia, ERIA also facilitated three workshops for officials from a range of ministries on trade negotiation-related issues.

Component 3: Increased Research Capacity

1) Policy Modelling Workshop Series

The year began with the final event of the 'Trade, Growth, and Policy Modelling' workshop series, designed in cooperation with the Ministry of Planning and Investment of Lao PDR, for 20 officials from eight ministries. In the workshop series, participants learned how to apply advanced modelling techniques to their work. Divided into teams, prizes were awarded to the best papers by the Vice Minister, Minister of Planning and Investment, H.E. Kikeo Chantaboury. The first prize went to a study on 'The Impact of Infrastructure Development and Poverty Reduction in Lao PDR'.

The year also saw the start of the follow-up workshop series, 'Sustainable Development and Policy Modelling'. At these two workshops were participants from both Cambodia and Lao PDR, involving around 40 government officials from selected ministries from each country. ERIA is partnering with the Asian Growth Research Centre, Ngee-Ann Adelaide Education Centre, to implement the policy modelling workshops.

2) Reducing Unnecessary Regulatory Burdens with Cost–Benefit Analysis

In 2015, ERIA started a nine-country study on reducing unnecessary regulatory burdens (RURB), with each country study focusing on a priority sector based on its export potential. RURB is seen as a key way to foster a conducive business and investment environment. The RURB methodology involves identifying regulatory burdens and proposing options to address each burden. To be effective, each option proposed needs to be costed through cost–benefit analysis (CBA).

As CBA was not included in the 2015–2016 study, through the Capacity Building Programme, Cambodia, Lao PDR, Myanmar, and Brunei Darussalam were invited to extend their studies by revisiting the RURB methodology and including CBA in their analysis. The Malaysia Productivity Corporation, regional pioneers of the RURB approach, facilitated a 2-day workshop, in December 2017, at which the CBA methodology was explained. The four country research teams are now applying this to their studies. To increase awareness of the RURB and the CBA approach, ERIA invited an additional academic from each country to join the study teams which are composed of academics and government officials.