## [Full proposal package] Full Project proposal

**(1) Summary page**

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| **C:\Users\Administrator\Desktop\New_MKCF LOGO.png** | **Mekong-ROK Cooperation Fund (MKCF)****Project Proposal** |
| **Project Classification (check all that applies)** |
| □ Infrastructure□ Information Communication Technology (ICT)□ Green Growth□ Water Resource Development□ Agriculture and Rural Development□ Human Resource Development |
| **Project Title** |
| Enhance the capacity building of applying e-commerce in agriculture of Mekong region |
| **Brief Description of the Project** |
| E-commerce is believed to have the potential to increase profitability in agricultural markets by increasing sales and decreasing search and transactions costs. Hence, the business community and governments of Mekong region is in need of raising awareness on the application of e-commerce in agriculture. In order to recognize the barriers for the development of agricultural e-commerce in Mekong region, a research on the readiness of ICT and legal infrastructure will be implemented. The agribusinesses are facing common agricultural challenges, including weak access to effective advisory services, market information asymmetries, lack of access to market. Therefore, the two-day workshop is designed to give agribusinesses operations and governments an overview of the basic concepts and options for agricultural products The workshop will invite experts to provide information on the readiness of e-commerce in the region and aspects of agricultural e-commerce. The workshops will also feature presentations from successful agribusinesses in ASIA who use e-commerce to market their products and improve their operating efficiencies.  In addition to the presenting sessions, the workshop includes a tour of a local agribusiness that uses e-commerce to sell and distribute locally produced foods to retail and wholesale customers in the Vietnam. Agriculture is a specific economic sector, characterized by fragmented production with no substantial communication between farmers, processors and consumers. It is the application of communication models developed for using on the Internet that can bridge this gap. Thus, the farmers usually have the difficulties in reaching market for their products. Therefore, the project team will work directly with the focal point on trade promotion of each country in order to select agricultural products to promote in popular Korean e-commerce websites/e-marketplaces.  |
| **Country / Region** |
| Vietnam, Laos, Cambodia, Myanmar, and Thailand |
| **Estimated Budget** |
| 179,838 US$ |
| **Proponent** |
| Name | Bui Thi Thanh Hang |
| Address | Vietnam Ministry of Industry and TradeRoom 401, 25 Ngo Quyen, Hoan Kiem, Hanoi |
| **Date of Submission** | 20 July 2017 |

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| **C:\Users\Administrator\Desktop\New_MKCF LOGO.png** | **Mekong-ROK Cooperation Fund (MKCF)****Project Proposal** |
| **Brief Project Information** |
| 1.1. Project Title | Enhance the capacity of applying e-commerce in agriculture of Mekong region |
| 1.2. Country (ies) / Region | Vietnam, Laos, Cambodia, Myanmar and Thailand |
| 1.3. Date of Submission | June 12, 2017 |
| 1.4. Proponent Contact Details |
| Contact person, positionOrganizationEmail addressTelephone numberMailing address | - Ms. Bui Thi Thanh Hang, Vice Head of International Cooperation Division- Vietnam Agency of E-commerce and Information Technology, Ministry and Industry and Trade- hangbt@moit.gov.vn- (84) 3.222.05.486- 25 Ngo Quyen, Hoan Kiem, Ha Noi, Vietnam |
| 1.5. Project Area (check all that applies) |
| □ Infrastructure□ Information Communication Technology (ICT)□ Green Growth□ Water Resource Development□ Agriculture and Rural Development□ Human Resource Development |
| **Project Milestone** |
| Estimated implementation start dateEstimated implementation end dateProject lifespan | 01/01/201831/12/20181 year |
| **Description of Financial Elements** |
| *Estimated cost* | 179,838 US$ |
| **Background / Justification** |
| Electronic commerce has the potential to provide an extraordinary stimulus to the growth and trade of Mekong region. In 2016, the B2C e-commerce sales worldwide reached 1.9 trillion USD.[[1]](#footnote-1) It is forecasted that the global B2C e-commerce sales will be 4.058 trillion USD in 2020, accounted for 14.6% of global retail sales. In Mekong region, according to Vietnam Ministry of Industry and Trade, the B2C e-commerce sales of Vietnam was about 5 billion USD in 2016, accounted for 3.3% of total retail sales. Meanwhile, according to Statista, the retail e-commerce sales of Thailand were estimated to be 2.4 billion USD in 2016. The e-commerce average growth rates of these two countries are now both larger than 20%. The statistics of the rest 3 countries are not available in any sources yet. Hence, recognizing the key role that e-commerce would play in linking ASEAN countries, ASEAN established the working group on e-commerce in 2016. In fact, the consumption on agricultural product has increasingly become complex over time. Market requirements change rapidly, reflecting increasing demand, changing tastes and lifestyles, international product standards, technological advancements, innovations in financial engineering, and government policies. Under this context, e-commerce has been proved to be a useful support to facilitate the development of agriculture. For agriculture firms including producers, processors, retailers, and wholesalers, e-commerce can serve as an additional trade and marketing channel because agricultural e-commerce platform can provide good opportunity to extend supply chain. Generally, agricultural e-commerce may play an important role for enterprises, especially providing them an alternative communication medium with business partners and further developing their business activities through Internet. Considering the potential role of e-commerce in the development in regional agriculture and the gap of e-commerce development among Mekong countries, we propose the project “**Enhance the capacity of applying e-commerce in agriculture of Mekong region**”. The beneficiaries of this project will be the business community and governments of Mekong countries |
| **Problems (to be addressed)** |
| 1. The lack of awareness on e-commerce application in agriculture of government and business sector in Mekong region2. The lack of information on the status of ICT infrastructure for the development of e-commerce3. The lack of a review on the sufficiency of e-commerce legal framework in Mekong countries4. The inadequacy in connection of agribusinesses in Mekong region5. The inefficiency in promotion of agriculture products via cross-border e-commerce  |
| **Project Objective** |
| *Is it relevant to (1) national (2) regional priorities and (3) consistency to the MKCF Priorities?*In 2013, the Mekong-ROK Cooperation Fund (MKCF) was established to encourage and support cooperation on six priority areas, including: Infrastructure, ICT, Green Growth, Water Resource Development, Agriculture and Rural Development and Human Resource Development. This project will contribute to the second priority of Information Communication Technology and the fifth priority of Agricultural and Rural Development of MKCF. Thus, the agriculture has been proved to be one of the key sectors of Mekong countries in general and of Vietnam in particular. Therefore, the improvement of this sector would definitely bring the sustainable development for the whole Mekong region. Vietnam has made a lot of progress in ICT application and e-commerce. Viet Nam has issued two important policies in e-commerce with the aim of facilitating e-commerce application in business, particularly in export acvitities, which are known as “National E-commerce Development Programe in the period of 2014-2020” and “Master Plan for E-commerce in the period of five years 2016-2020”. Together with Viet Nam, Thailand showed their strong concern on e-commerce and digital economy with National program in Digital Economy. Three other Mekong countries including Laos, Cambodia and Myanmar) began to pay attention to create a legal infrastructure on e-commerce with the first law related to e-commerce. All there movement from public sector should be based on the demand from the market, from the actual concerns of private sector. Again, it is affirmed that e-commerce and ICT application play key role in trade and commerce nowadays. Consequently, this project will absolutely contribute to the success of related domestic policies and strategies for Mekong countries. During the project time, the implementing agency and experts will be encouraged but not limited to government agencies / associations related to e-commerce and agricultural sector in Mekong countries and even Korea for further consultation. *Short-term objectives:*- Recognizing the barriers for agricultural e-commerce in the region;- Improving the knowledge of government officials and MSMEs about the agricultural e-commerce; -The report will identify the barriers for MSMEs in Mekong countries to adopt e-commerce to enhance export capacities. Accordingly, the report will recommend collaboration among Mekong countries and between governments and governmental support organizations, public and private partnership to facilitate agricultural e-commerce and overcome the barriers such as localization restrictions for agricultural e-commerce;*Long-term objectives:* -Improving the quality of the ICT and the legal infrastructure in Mekong countries (the Report can be used as good and practical reference for policy makers to map out directions, strategies on ICT and related legal infrastructure); - Building the better support for MSMEs to apply e-commerce in agricultural business activities by policies;- Promoting the agricultural goods of Mekong countries. |
| **Project Description / Implementation Arrangement** |
| *Describe the main activities (Refer to (3) Indicative Work Plan)**Provide information on how the activities are linked to objectives that the project intends to achieve***(\*) Implementation Mechanism** To ensure the efficiency and smooth in communication and implementation of the project, it is highly recommended to hold Skype meeting in Project Working Group (PWG). The Project Working Group consists of: * Implementing Agency (Chair)
* Mekong Institute (Co-Chair)
* Representative of Mekong countries (from government agencies related to e-commerce or agricultural sector)

The Project Working Group will be established after the official endorsement of the Project. The skype call will be held at least three times during the implementation time. Besides, group email of the PWG will be created for fast communication. **(\*) Project Description** **Component 1: To issue Report on the readiness of ICT and legal infrastructure of Mekong countries for e-commerce and platforms of e-commerce** In order to recognize the barriers to the development of e-commerce in Mekong region, research on the readiness of ICT and legal infrastructure will be implemented. The report will have one part talking about the opportunities and challenges for e-commerce application in agricultural sector, which can be a good reference for the activity 2 and 3 of the project. The field trip will be done by experts to collect data and reference materials for the report. Moreover, desk research and e-commerce network of top executive and experts will be taken best use of for the report. Component 1 includes 2 activities to achieve: - Activity 1: Collect inputs, statistics, and information for writing the report 🡪 Output of this activity: desk research and field trips + build up outline of the Report - Activity 2: Analysis data, information from research for report 🡪 Output if this activity: Draft of full report to present in the workshop in component 2This report will be a good reference for policy makers in Mekong countries in mapping out any related strategies and policies. The report is most based on desk research and inputs from field trips and consultation from expert networking. It is not expected to build up a strategy for Mekong countries. Whereas, the report will help policy makers to have more inputs for their job. The Report will be presented in the two-day workshop (stated in Component 2) before finalizing and officially submitted to MI and Korean. **Component 2: To hold a two – day Workshop**The two-day workshop is designed as a public – private dialogue to give agribusinesses operations and governments an overview of the basic concepts and options for agricultural products, hence, helping to give better support for MSMEs to apply e-commerce in agricultural business activities. It will be regarded as a good opportunity for public sector and private sector to discuss the way forwards to facilitate e-commerce adoption in the agriculture sector. The speakers include both Korean experts and Mekong countries’ experts. The workshop will invite experts to provide information on the readiness of e-commerce in the region and aspects of agricultural e-commerce. The workshops will also feature presentations from successful agribusinesses in ASEAN who use e-commerce to market their products and improve their operating efficiencies. The participant of the workshop will include representatives from management authority relating to agriculture and trade promotion, as well as representatives of selected agribusinesses of Mekong countries. In order to ensure the participation of participants, accommodation and flight ticket will be offered for 5 participants of each Mekong country. In addition to the presenting sessions, the workshop includes a tour of a local agribusiness that uses e-commerce to sell and distribute locally produced foods to retail and wholesale customers in the Vietnam. After the tour, the participant will able to have a closer look at how the e-commerce is working in agriculture. Each Mekong country will have 5 funded participants from both public and private sectors in e-commerce or agricultural sector. Other active participants are encouraged. Five funded participants will be nominated by Representative of Mekong countries in the PWG. The expected participants of two day workshop is around 100 including both funded and active participants from public and private sector. At the end of workshop, an evaluation form will be circulated to participants and mentioned the feedback from audience in the Report of Component 2. **Component 3: To Promote selected agricultural products from Mekong countries in popular Korean e-commerce platforms.**This component needs close collaboration of Korean expert in approaching the e-commerce market of Korea and focal point of each Mekong country to select appropriate agricultural products and provider to participate the project. This activity will help addressing the objective of promoting more the agricultural products of Mekong countries to Korea. The component includes 2 activities: (i) market research on Korean market and select appropriate e-market places (ii) select appropriate products and provider of each Mekong countries to join the chosen Korean e-market places in (i). The collaboration mechanism will be discussed and established to support providers to join the e-market places and maximize the benefits of the project. These two jobs will be implemented in parallel and close connection to ensure the highest result. This component does not set out the number of business opportunity matching but it focuses more on how to maximize benefits of being account in e-marketplaces. Each Mekong country will choose around 10 MSMEs to join the chosen Korean e-marketplaces as members.  |
| **Value Added for the MKCF Involvement/Impact Potential** |
| *Please specify why the MKCF involvement is critical for the project and the potential of the project to contribute to the achievement of the Fund’s objectives*In recent years, Korea has always been one of the top 10 countries having the highest revenue on e-commerce. Moreover, it is not only the development of ICT in Korea is more advanced but also the application of ICT, such as Internet of Things, in agriculture has achieved many successes. Therefore, Korea has got the experiences and resources to support Mekong countries to develop this sector. The sector ICT, e-commerce, and Agriculture has always been top priorities of not only the MKCF but also the whole ASEAN region, which has many potentials in supporting the development of regional economy and linking member countries. The enhance in collaboration on e-commerce and agriculture would help promoting products and services to international market, thus help increasing the exporting revenue of Mekong countries.  |
| **Exit Strategy** |
| *Explain how the project sustainability will be ensured in the long run, after the project is implemented with support from the MKCF*The report will continue to serve as an informative document for all Mekong countries that want to review their readiness on ICT infrastructure and e-commerce legal framework and use it as a key tool to enhance export capability at the lowest cost. Furthermore, the ideas and contacts that being shared in the workshop might help generating new collaborative projects. We will make a list of participants, specifically the government officials since they might be the contact points for the development of agriculture e-commerce in future. Moreover, this project assists a number of Mekong’s enterprises to join Korean e-market place will be a good example to encourage private sector to apply e-commerce in their export strategy. The information on Korean websites may continuingly serve as an efficient promoting channel for expanding international market of agricultural products of Mekong countries. The list and contact point of enterprises that were chosen in this proposal will be sent among focal points of Mekong countries and themselves for further communication. Also, the information of Korean website will be sent to chosen enterprises and focal point of Mekong countries for reference. All the mentioned information and list will be sent to Mekong Institute for follow-up and reference after 2018.  |
| **Outcomes, Outputs, Activities, and Inputs at Project level** |
| **Expected Result** | **Indicator** | **Means of Verification** | **Target** | **Remarks** |
| Mid-term | Final |
| **Project outcomes** |
| **1. More inputs for policy makers to map out related national strategies** | - Providing current status of the legal infrastructure in ICT and e-commerce in Mekong countries as reference documents  | The report will be presented at the workshop and revised if necessary  | Mid-term: Facts and Figures on ICT and E-commerce of Mekong countries Final: Official and reliable regional report for public and private sector of Mekong countries to make reference. | - Current statusof the legal infrastructure in ICT and e-commerce in Mekong countries - Identified barriers for MSMEs in Mekong to adapt e-commerce to enhance export capacities - Recommendation for cooperation among Mekong and for MSMEs to high up their abilities |
| **2.** Building the better support for MSMEs to apply e-commerce in agricultural business activities by policies  | - Raising the awareness of public and private sector on how to apply e-commerce in agriculture sector | - An evaluation form will be given to the participants from public sector of the workshop | Mid-term: Capacity Building program for public and private sectors.Final: - Support for 80% - 100% participants basic skills on how to apply e-commerce and ICT in agricultural sector. - 100% policy makers understand and recognize the benefits of e-commerce and IT in agricultural sector  | For public sector, the workshop is a good dialogue for them to have a factual view on private sector and use it as good reference for policy making to facilitate e-commerce application in agriculture industry |
| **3.** Promoting the agricultural goods of Mekong countries to Korea | - The information of products posting in Korean e-market places | - The number of products posting in Korean website | Mid-term: Target to support 5 enterprises each Mekong countries to join e-market places Final: Target to support more 5 enterprises each Mekong countries to join e-marketplaces  |  |
| **Project outputs (that contribute to outcomes)** |
| **1.** Report on the current development of legal infrastructure of Mekong countries for e-commerce and the role of e-commerce in the development of the regional AVCs. | The report will be used as a reliable document for both public and private sectors to make any reference in their related job | - The workshop will have a chance to review the report before final submission and circulation  | Mid-term: Collecting information from all possible sourcesFinal: The information in the report serving well for the demand of both public and private sector | The report will be based on inputs from: Desk research Field trip(considering questionnaire) |
| **2. A Two-day** Workshop | - The number of participants in the workshop- Feedback of evaluation form after the workshop | - A completion report will be issued after the project completed | Mid-term: The workshop will give the participants a chance to review the report and to obtain information on how to apply e-commerce in the agriculture sector to enhance export capacities.Final: An evaluation survey will be done and ¾ participants have positive response.  | The public sector participants will have more information to make the policies facilitating the development of this sector. The private sector participants will acknowledge the benefit of agricultural e-commerce and be able to apply e-commerce in their businesses. An open dialogue between public and private sector will be created for discussion how to promote e-commerce application in agricultural export.  |
| **3.** The information of products posting in Korean websites.  | - The number of products posted to Korean website | - Linkages of websites will be provided in the completion report | Mid-term: Selecting the featured agricultural products of Mekong countriesFinal: Promote and facilitate cross-border e-commerce between Korea and Mekong region.  |  |
| **Activities** | **Description** |
| **1. Component 1:** To issue Report on the readiness of ICT and legal infrastructure of Mekong countries for e-commerce and platforms of e-commerce |  Duration: from Jan to Oct 2018 The project team will collaborate with high-reputation data providers who have long experiences of working in Mekong region, for example: Nielsen, McKinsey, Statista, E-marketer, etc. The collected data will be analyzed and served as inputs for the first draft of the report. Then the project team will have field-trips to Mekong countries to work with the management authorities on ICT and e-commerce to update the data and collect further information for the report. 2 small seminars will be hold in Hanoi / Hochiminh city to pool comments and inputs for: * Introduce the proposal
* Outline of research
* Second draft before presenting in the workshop (Component 2) and getting endorsement

The final draft will be presented in the workshop (Component 2) for comments and endorsement. The final report will be completed in October and circulated to focal points of Mekong countries and Mekong Institute.  |
| **2. Component 2:** To hold a two-day workshop  | Duration: from Jun to Oct 2018The workshop is expected to be held in early Oct 2018 in Hochiminh City / Hanoi, Viet Nam Logistics, Agenda and speakers will be prepared from June to SeptAdministrative Circular will be sent out in late August 2018 |
| **3. Component 3**: To promote selected agricultural products from Mekong countries in popular Korean e-commerce platforms | Duration: from Jun to Nov - Collect list of agricultural products of each Mekong countries to join Korean e-commerce platforms upon the request of Mekong countries and the demand of Korean market- Do research, filter and work with suitable Korean e-commerce platforms- Select providers and support them to join Korean e-commerce platforms and post their featured products on these e-market places. After that, printing ads about chosen Korean e-marketplace with guiding on how to operate on them which will be used in Viet Nam while e-print will be sent to focal points of Mekong countries for circulating concerned enterprises - Media to promote this Component and e-print will be applied in Viet Nam in the website of MOIT, VECITA and VnExpress – the most popular e-paper. - The e-content will be sent to focal points of Mekong countries for suitable mass media in their domestics. |
| **3. Completion Report** | Based on the result of activities and the evaluation form, the completion report will be prepared and be expected to submit in December 2018  |

1. https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-trillion-This-Year/1014369 [↑](#footnote-ref-1)