



Mekong Sustainable Supply Chains Transformation and Advancement

- Manufacturing sector contribute to global greenhouse gas emissions (GhG).
- The Mekong region hosts a robust manufacturing base.
- Demand for the shift to lower carbon emissions.
- Well-established network of suppliers in Mekong Region
- Major sourcing for leading companies.
- Firms must comply with global environmental regulations, such as the EU’s Carbon Border Adjustment Mechanism (CBAM), to access market and sustain trade.
- Japan offers cutting-edge innovation and advanced environmental technologies tailored for SMEs.
- Japanese government supports clean energy strategies, aiming for carbon neutrality by 2050.



SPECIFIC OBJECTIVES



To assist **SME suppliers in adopting ESG practices**, aligning with the sustainability and competitiveness expectations of global and Japanese companies in the supply chain network.



To create avenue for **participation in the global supply chain**, including meeting the necessary standards defined by buyers, and enhancing capabilities in implementing ESG improvements.



To facilitate access to **ESG financing options** tailored for SMEs adopting green supply chain.



To provide **opportunities** for the adoption and integration of **environmental solutions**



To initiate **regional policy action** on ESG adoption in the Mekong region to foster a regional ESG ecosystem.

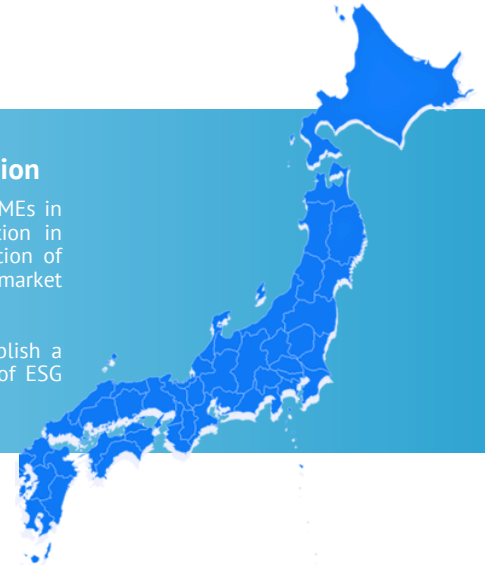


To **monitor ESG adoptions**, record and share progress in terms of **reduction in environmental footprints, social and governance** standards improvements, improved market access and other key parameters.

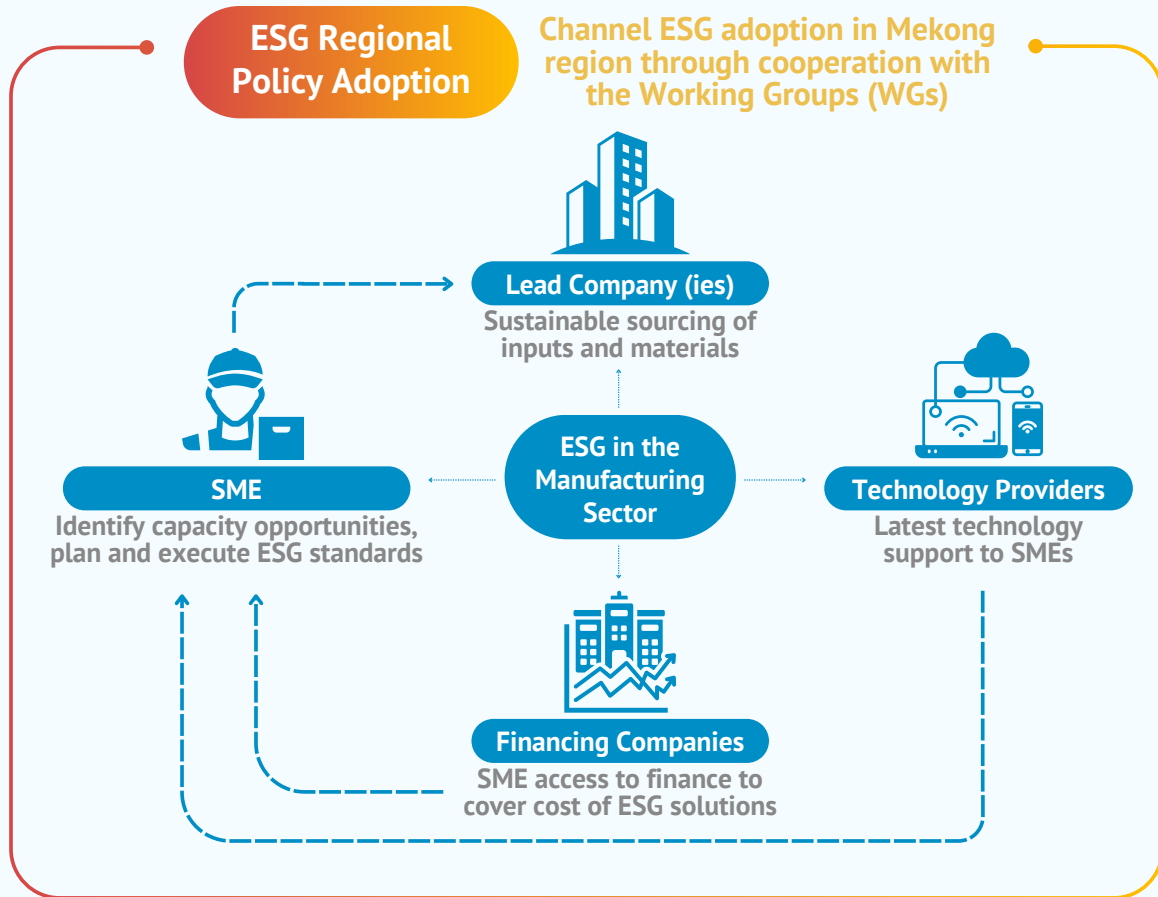
OBJECTIVE

Co-creation Project for ASEAN -Japan Vision

- Strengthen the resilience and competitiveness of SMEs in the Mekong countries, integrating their participation in supply chains of leading companies through adoption of ESG practices with a particular focus on meeting market demand.
- Drive country-specific and regional efforts to establish a comprehensive ecosystem for the implementation of ESG practices.



PROJECT CONCEPT

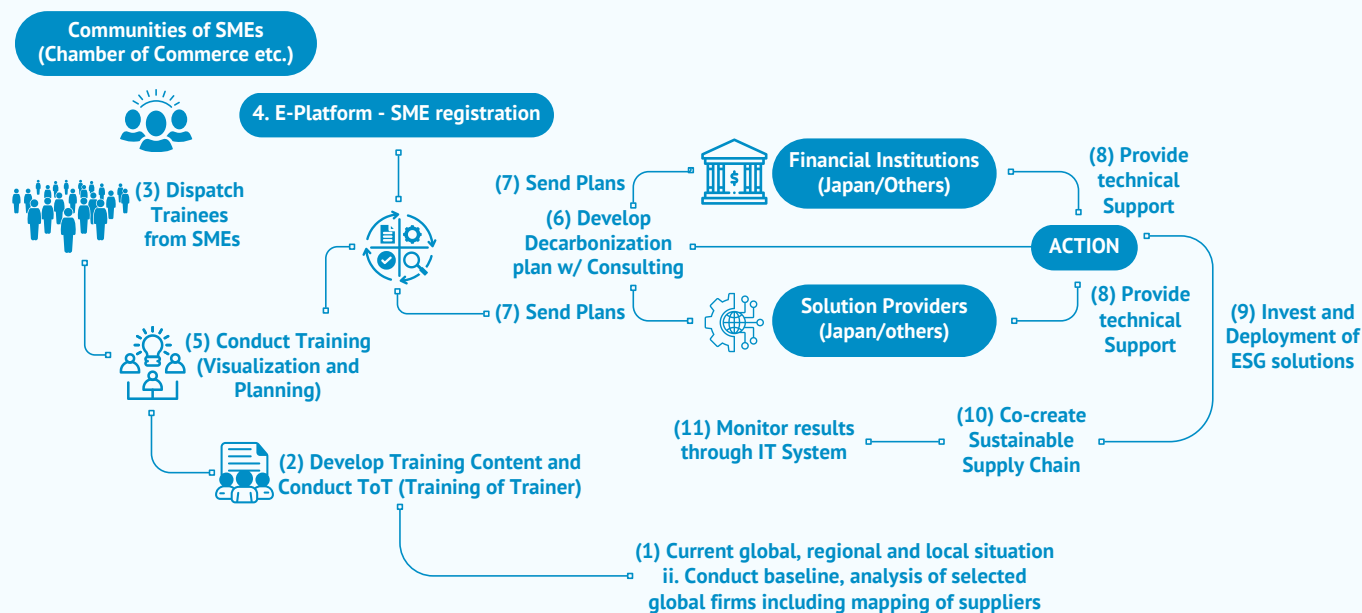


- Leading companies drive the ESG performance improvement ensuring sustainable sourcing from Mekong suppliers
- Companies have mandates for sustainable sourcing from their suppliers to comply with the sourcing standards
- For SMEs: Opportunities to enter the global supply chain meet buyers' standards and building capacity to execute ESG improvements
- Access to ESG financing cover cost of ESG solutions
- Technology: Opportunities to source Japanese technology

PROJECT FACTSHEET



PROJECT INTERVENTION STRATEGY



PROJECT ACTIVITIES (Sep 24 – Aug 2026)

- 1 Preparatory study on**

 - i. Current global, regional and local situation**
 - ii. Conduct baseline, analysis of selected global firms including mapping of suppliers:**
 - Overview of **global environmental rules**, firms must abide by to do the business in **key markets** (e.g., EU Carbon Border Adjustment Mechanism etc.).
 - Baseline and Mapping of SME suppliers** of leading companies, assess **procurement rules of global firms** in the Mekong region, **motivations and challenges of local SMEs** toward decarbonization, **roles and capacities of local institutions** such as training center, industry group etc., **Japanese and local solution providers and financial institutions**, incentives for adopting ESG principle and facilitating related investments etc.

The key outcome of the studies is to analyze the potential range of solutions for the targeted industry sectors (agriculture, auto components, and textile).
- 2 i. Training curriculum and ii. Training of Trainers (ToT)**

 - Training curriculum** focusing on global decarbonization trend, the method of **GHG visualization and analysis**, possible solutions for decreasing GHG emissions, **Carbon Accounting, carbon offset landscape**, with case studies catering to the specific industries.
 - ToT to create a **pool of experts** to deliver and coach SME suppliers in the Mekong countries.
- 3 i. Recruitment of SMEs, ii. IT system development**

 - Recruit **150 SME suppliers** operating in the auto components and assembly sector, agri and food processing and textile sector in the 5 Mekong countries.
 - Develop IT system to register SMEs and tracking to monitor progress and achievement developed.
- 4 i. Conduct trainings to 150 SME suppliers ii. Develop decarbonization plan iii. Facilitate matching with solution providers and financial institutions**

 - Introduce **voucher-based system** to conduct training to 150 SMEs auto components and assembly sector, agri and food processing and textile sector in Cambodia, Myanmar, Vietnam, Lao PDR and Thailand.
 - Develop **Decarbonization plan** of SMEs developed through one-on-one advisory to SMEs.
 - Facilitate matching with technology solution providers and green financing.
- 5 i. Monitoring and Evaluation ii. Reporting WEC- WG (Mekong-Japan)**

 - Establish robust **M&E system** utilizing the IT system to **track decarbonization plans progress** as per SME baseline information, reporting to AOTs- Japan and West East Corridor (WEC) WG of AEM-METI Economic and Industrial Cooperation Committee (AMEICC), Japan.



PROJECT OUTCOMES

- 1** **Outcome 1:** ESG standards and compliance in Mekong Supply chains are improved.
- 4** **Outcome 4:** Access to finance to adopt ESG in the supply chain sector improved.
- 2** **Outcome 2:** SME supplier's capacity to adopt ESG standards increased
- 5** **Outcome 5:** Regional policy action on ESG adoption to foster a regional ESG ecosystem initiated and advanced.
- 3** **Outcome 3:** ESG adoptions and performance conforming to buyers' requirements improved.
- 6** **Outcome 6:** M& E system for monitoring ESG adoption progress established.

ABOUT OUR PROJECT PARTNERS



AOTS - The Association for Overseas Technical Cooperation and Sustainable Partnerships

AOTS is an organization for human resources development in developing countries to promote technical cooperation through training, experts dispatch and other programs.



MEKONG INSTITUTE

Mekong Institute

Mekong Institute (MI) is an intergovernmental organization run by six governments in the Greater Mekong Subregion: Cambodia, People's Republic of China, Lao PDR, Myanmar, Thailand and Viet Nam. MI delivers various programs and activities focusing on human resource development and capacity building for regional cooperation and integration.



Abeam Consulting

ABeam Consulting is a leading consulting firm serving clients across Thailand, we offer a range of consulting services that include strategy, business process re-engineering (BPR), IT, human capital management, outsourcing, SAP consulting, ESG, and operational support.



Technology Promotion Association (Thai- Japan)

Technology Promotion Association (Thailand-Japan) leads industrial training centre for promoting knowledge, disseminating and transmitting new technology for the growth and advancement of the economy and industry.



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