



SERVICE AGREEMENT

Between Mekong Institute and Project Implementing Agency
For the Mekong-Republic of Korea Cooperation Fund



SERVICE AGREEMENT

This Service Agreement (“Agreement”) is made and entered into as of this day of (month) 2026, by and between:

Mekong Institute (MI) a Greater Mekong Subregion (GMS) inter-Governmental organisation with its Head quarter at Khon Kaen, Thailand, 123 Mittraphap Rd., Muang District, Khon Kaen 40002, THAILAND, Tel. : + 66 (0) 4320 241,1 Email: information@mekonginstitute.org

AND

....., (PIA Name), with its location at (Address), email
....., phone.....

1. Purpose of the Service Agreement

The purpose of this Service Agreement is to establish a clear and formal understanding between the Mekong Institute (“MI”) and the Project Implementing Agency (“PIA”) regarding the roles, responsibilities, and expectations of both parties in the implementation of development projects funded by Mekong-Republic of Korea Cooperation Fund (“MKCF”). This Agreement aims to facilitate collaborative efforts that enhance sustainable development in the Mekong region.

The Agreement outlines the objectives of the MKCF, which include promoting community empowerment, fostering innovation, ensuring social inclusion, and encouraging regional cooperation. By specifying the mutual responsibilities of the MKCF and the PIA, the Agreement ensures accountability, transparency, and effective project execution.

Additionally, it delineates the funding mechanisms, reporting requirements, and procedures for project closure and sustainability, thereby providing a comprehensive framework for managing resources and evaluating project outcomes. Ultimately, this Service Agreement serves as a foundational document that guides the partnership, ensuring both parties work towards shared goals and deliver measurable, impactful results for the communities they serve.

2. Background and Objective of the MKCF

Following the launch of the Mekong - ROK partnership in 2011, the MKCF was established in 2013 to encourage and support cooperation in six priority areas outlined in the *Han River Declaration* of 2011. It was agreed among five Mekong countries (Cambodia, Lao PDR, Myanmar, Viet Nam and Thailand) and the ROK that the MKCF will be financed through an annual contribution from the ROK to MI and will be managed by MI in accordance with the *Terms of Reference* (TOR) adopted at the 3rd Mekong – ROK Foreign Ministers’ Meeting in July 2013 in Bandar Seri Begawan, Brunei Darussalam. Moreover, at the 5th Mekong – ROK Foreign Ministers’ Meeting in August 2015 in Kuala Lumpur, Malaysia, the Ministers recognized the need for a more efficient management of the MKCF and agreed to task Mekong Institute to act as a Coordinator for the MKCF.



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The MKCF is established with a primary mission aimed at promoting sustainable development initiatives across the Mekong region. The Fund's objectives are centred around promoting regional cooperation, enhancing economic growth, fostering social equity, and achieving environmental sustainability through collaborative regional projects. The primary goals of the MKCF include, but are not limited to, the following:

2.1 Innovative Development Projects

- **Support for Innovative Solutions:** MKCF is committed to funding projects that employ innovative approaches to solving pressing regional challenges under the priority sectors identified in the Mekong- Republic of Korea (RoK) Plan of Action. By funding innovative solutions, MKCF aims to create models that can be replicated and scaled in other contexts within the Mekong region.
- **Community-Centric Initiatives:** Projects funded by the MKCF will prioritize community involvement and participation. Initiatives that empower local communities to take an active role in project development and implementation are favoured to ensure sustainability and relevance.

2.2 Regional Cooperation and Integration

- **Foster Multilateral Partnerships:** The MKCF acknowledges that regional challenges can rarely be addressed in isolation; thus, it seeks to foster collaborations among governments, NGOs, and international organizations. By promoting partnerships, MKCF aims to amplify resources and expertise across borders.
- **Cross-Border Projects:** The Fund encourages the development of projects that enhance cross-border cooperation in the priority sectors in the Mekong-Republic of Korea (RoK) Plan of Action (PoA).

2.3 Capacity Building

- **Empower Local Organizations:** The MKCF places a strong emphasis on strengthening local institutions and organizations that are responsible for executing development projects. By providing technical assistance, training, and resources, MKCF seeks to enhance the capacities of these organizations so that they can function independently and effectively.
- **Enhance Knowledge and Skills:** The Fund prioritizes the dissemination of knowledge and skills that will enable local entities to undertake developmental projects. Workshops, training sessions, and seminars will be organized to cover critical topics such as project management, financial accountability, and community engagement.

Through this Agreement, MKCF aims to allocate resources to the PIA for the successful implementation of identified projects that align with these strategic objectives, fostering sustainable development across the region.



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3. Accountability (Mutual Responsibilities of the PIA and MI)

3.1 Mutual Responsibilities

Both MI and the PIA recognize their responsibilities and obligations towards one another as part of this collaborative endeavours. The following outlines the expectations of each party regarding their roles and responsibilities:

3.1.1 Roles of the PIA (Project Implementing Agency)

The PIA plays a critical role in the successful execution of the projects funded by MKCF. The primary responsibilities include:

- **Implementation:** The PIA is accountable for the on-ground execution of the project as outlined in the project proposal approved by MKCF. This includes mobilizing resources, assigning tasks to team members, and ensuring project activities are carried out effectively within the defined work plan and timeline.
- **Monitoring and Evaluation:** The PIA must conduct regular monitoring of project activities, including assessing progress against set objectives and outcomes. This involves qualitative and quantitative assessments to identify areas for improvement and to ensure the project remains on track.
- **Fund utilisation:** PIA will execute project activities as per the approved workplan and budget, coordinates resources among stakeholders, and reports on progress and challenges. PIA will foster transparency and accountability. PIA ensures that resources are optimally deployed, stakeholder efforts are aligned, and project objectives are met, ultimately driving sustainable development outcomes.
- **Project information:** The PIA agrees to share relevant project data and outcomes with MKCF, including information regarding project implementation, impact assessments, and financial reports. This data will aid in the overall evaluation of the project and contribute to knowledge sharing within the MKCF network.
- **Confidentiality Considerations:** In sharing data, the PIA must ensure that sensitive information is handled in accordance with applicable data protection laws. Personal data of individuals involved in the project shall be anonymized to protect privacy.
- **Acknowledgment of Funding:** All project materials produced should acknowledge the support of the Mekong Republic of Korea Fund (MKCF) in a manner consistent with MKCF branding guidelines. This acknowledgment will ensure transparency and recognition of the financial support received for the initiatives.
- **Reporting:** The PIA agrees to provide timely and comprehensive reports to MKCF on project status, including challenges faced and strategies undertaken to mitigate



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these challenges. Reports must be clear, complete, and submitted in accordance with the reporting deadlines set by MKCF.

3.1.2 Roles of the MI (Mekong Institute)

The Mekong Institute being the coordinator of the MKCF acts as a supportive partner providing essential resources and guidance to ensure project success. The mutual responsibilities are as follows:

- **Advisory Support:** MI will offer technical assistance throughout the project lifecycle to facilitate the successful implementation of project activities. This includes providing expertise in areas such as project design, management practices, and evaluation methodologies.
- **Oversight:** MI will engage in periodic reviews of project status, offering feedback and suggestions to the PIA. This oversight includes participation in regular meetings to discuss project developments and address any emerging issues.
- **Resource Coordination:** MI is responsible for overseeing financial management of the project funds allocated to the PIA, ensuring compliance with budgetary guidelines, and conducting audits to track fund allocation and usage.
- **Use of Project Data:** MI may use shared project data for research, evaluation, and promotional purposes. This data may contribute to the development of future projects and initiatives aimed at continued regional development activities in the Mekong region.

3.2 Communication and Transparency

Both parties agree to uphold a standard of transparency and proactive communication throughout the duration of this Agreement. Regular meetings will be scheduled to discuss project progress, share updates, and address any challenges that may arise. Documentation of all communication will be maintained to ensure clarity and accountability.

4. Funds Provided by MI (MKCF Fund)

4.1 Overview of Funding

MI shall provide funding to the PIA for the implementation of approved projects. The basic information regarding funding includes:

4.1.1 Total Funding Amount: The total budget for the project is **USD**. This budget shall cover all costs associated with project implementation, including personnel, materials, training, and other relevant expenses.

4.1.2 Disbursement Schedule:



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Upon signing this Agreement, an initial disbursement of USD, will be made to facilitate project kick-off activities.

Subsequent disbursements will be contingent upon the submission and acceptance of interim progress reports, which should detail the usage of the initial funds and the progress made towards project objectives. A proposed disbursement schedule is outlined as follows:

- **First Disbursement (50%):** upon signing of the Agreement.
- **Second Disbursement (40%):** upon submission of the mid-term progress report (Technical and Financial), due(Date).
- **Final Disbursement (10%):** upon receipt of the final project report and evaluation, due(Date).

4.2 Budget Management

The PIA shall adhere to the financial management practices specified by MI, ensuring that all expenditures are documented and reported accurately. The PIA commits to:

- **Budget Adherence:** The PIA shall ensure all project expenditures remain within the approved budget. Any proposed changes to the budget must be submitted to MI for approval.
- **Record Keeping:** The PIA agrees to maintain accurate financial records that provide a clear and comprehensive account of all project expenditures. This includes receipts, invoices, and other documentation justifying costs.
- **Financial Audits:** MI reserves the right to audit the financial records of the project at any time to ensure compliance with financial management standards. The PIA must assist during audits by providing necessary documentation and access to financial records.

4.3 Financial Management Guidelines

To ensure accountability and transparency in managing funds disbursed by MI, the following guidelines will be observed:

- **Use of Funds:** Funds provided by MKCF must be used solely for the purposes outlined in the project proposal and described herein. Diversion of funds for unrelated activities is prohibited.
- **Reporting Requirements:** The PIA is obligated to submit financial reports as specified in Section 5. Reports (below). These reports should comprehensively outline expenditures against the project budget.



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- **Reimbursement Procedures:** If applicable, any expenses incurred by the PIA requiring reimbursement must be submitted with appropriate documentation, including receipts and expenditure justification.

5. Reports (PIA Responsibility)

5.1 Quarterly Report

The quarterly monitoring report should align with the respective result indicators and should include the following components: activities and outputs, workplan, progress status, brief remarks (i.e., a short description), and fund utilization. The fund utilization section should cover both the approved budget amount and actual expenditure incurred up to the reported quarter by the PIA. (Refer to Appendix 14 of the MKCF Manual.)

5.2 Mid-term Report

The purpose of the Mid-term Report in any MKCF project is to monitor progress, assess results, and ensure accountability, including financial transparency in the use of MKCF funds. The report also helps identify challenges early, inform necessary adjustments, and document overall project outcomes for evaluation and learning.

5.2.1 Mid-term Progress Report: The Mid-term Progress Report should provide a summary of the work completed to date, highlight the key outcomes achieved, and reflect on lessons learned and challenges encountered during project implementation. It should also describe the strategies developed to address these challenges and provide a brief overview of planned activities for the remainder of the project period. Any unforeseen problems, concerns, or issues arising during project implementation must be reported promptly to MI. If action is required, MI will consult with the PIA to determine the appropriate steps to be taken within the reporting or implementation periods.

5.2.2 Mid-term Financial Report: The Mid-term Financial Report should present the budgeted amount, the actual expenditure to date, and the remaining balance for each budget line item. Each of these three columns must include corresponding totals, along with explanations for any significant variances. In addition, the report must reflect the current bank account balance in relation to the total amounts received and disbursed and include reconciliations with the bank statements issued by the designated financial institutions.

5.3 Final Report

Upon completion of the project, the Project Implementing Agency (PIA) must submit a Final Completion Report and the Final Financial Report, to MI within 60 days. MI may request corrections or revisions to the report. Any unspent balance of the fund must be returned to MI's MKCF account in USD within 30 days after the Financial Report is approved by MI.

5.3.1 Final Report (technical part): The Final Completion Report must cover the full duration of the funded activities and include all relevant aspects outlined above. It should



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provide sufficient information to evaluate the project's achievements and overall impact. The report must clearly demonstrate that the entire scope of work, as outlined in the indicative project work plan, has been successfully completed. To this end, the report should present a technical narrative of project outcomes against the results framework, offer practical recommendations derived from the completed work, and describe outreach and dissemination activities. It must also include an explanation of the project's sustainability, including any partnerships established, as well as details on community engagement, capacity development, and identified funding opportunities. In addition, the PIA is required to submit, as separate attachments, any training or meeting materials that were distributed to participants, along with corresponding activity reports. Further guidance on the final evaluation requirements can be found in Section 6.1.

5.3.2 Final Report (financial part): A detailed final financial summary is required and must be submitted along with the Final Report, and should include an overview of the total funds utilized, a comparison between the approved budget and actual expenditure with explanations for any discrepancies, a detailed statement of all eligible costs, a comprehensive summary of the fund's receipts, expenditures, and payments received, as well as a disclosure of any leftover or unspent funds by the PIA, including any bank interest earned from the project bank account.

5.4 Format and submission guidelines

To ensure consistency and clarity in reporting, the PIA must adhere to the following submission guidelines:

- Financial reports must be formatted according to the templates provided by MI. This ensures comparability and ease of review.
- An IT platform, the Financial Application sheet, allows MKCF PIAs to record all project-related expenditures. It facilitates both the PIA and the MI-MKCF team in reviewing financial updates at any time and taking necessary measures to ensure compliance with the MKCF management manual. The PIA will be provided with system access (online link) and credentials, along with the initial project setup, which includes setting up the project team, uploading the project budget as per the approved activities, and linking it with the project outputs.
- All reports, whether quarterly, mid-term or final, must be submitted by the deadlines established in the disbursement schedule. Late submissions may result in delays in funding disbursement and project activities.
- MKCF reserves the right to review all submitted financial reports. Feedback will be provided promptly, and the PIA must address any identified issues or questions in a timely manner.

6. Project Closure and Post-Closure Responsibilities (PIA Responsibility)



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6.1 Project Closure Protocol

The PIA shall conduct a comprehensive final evaluation to assess the effectiveness of the project in relation to its original goals. This evaluation shall incorporate both quantitative metrics and qualitative stakeholder feedback to determine the project's impact on the target community and to document key lessons learned. The results of this evaluation shall support the Final Completion Report, as outlined in Section 5.3.1.

6.2 Post-Closure Responsibilities

Following the official closure of the project, the PIA is required to retain all essential project documentation—including financial records, evaluations, and supporting materials—for a minimum of five (5) years. These documents must be securely stored and made available to MI or authorized auditors upon request for future audits, follow-up evaluations, or funding reviews. The PIA is also encouraged to continue engaging with key community stakeholders in order to reinforce and maintain project benefits beyond the project period.

6.3 Project Sustainability

In line with sustainability principles already addressed in the Final Completion Report (Section 5.3.1), the PIA shall continue efforts to sustain project outcomes. These efforts may include:

6.3.1 Community Involvement:

- The PIA will engage local stakeholders in the development of sustainability plans. By involving the community in planning, local ownership is encouraged, and the likelihood of sustained benefits is enhanced.

6.3.2 Capacity Development:

- The PIA will provide training and resources to local personnel so that they can continue project activities post-closure. This might include training local leaders or volunteers to manage ongoing initiatives.

6.3.3 Partnerships for Sustainability:

- The PIA should seek to establish partnerships with local governments, NGOs, and private sector actors to create a broader support network that can help sustain the project outcomes.

6.3.4 Funding Opportunities:

- Identifying potential future funding opportunities through grants, donations, or local government support is essential for sustaining successful projects. The PIA should prepare proposals for additional funding based on project outcomes and community needs.

7. General Provisions

7.1 Compliance with Laws



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Both parties agree to comply with all applicable laws, regulations, and ethical standards while executing this Agreement. This commitment ensures that all project activities are conducted legally and ethically.

7.2 Amendments

Any modifications to this Agreement must be executed in writing and signed by both parties. Changes to the project scope, budget, or timeline must be discussed openly, and both parties must agree to any alterations to the original Agreement.

7.3 Dispute Resolution

In case of any disputes arising from this Agreement, both parties shall endeavour to resolve the matters amicably through mediation. Should mediation fail, the parties may pursue arbitration as an alternative resolution method before resorting to litigation.

7.4 Governing Law

This Agreement shall be governed by the laws of Thailand and any disputes will be subject to the exclusive jurisdiction of the courts located therein.

7.5 Independence of the Parties

Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the parties. Each party operates independently of the other, maintaining its own organizational structure and policies.

7.6 Force Majeure

Neither party shall be held liable for any failure to perform its obligations under this Agreement, if such failure is due to a force majeure event. A force majeure event is defined as any event beyond the reasonable control of either party, including but not limited to acts of God, wars, terrorism, labor disputes, or government regulations.

7.7 Confidentiality

Both parties agree to treat all information exchanged in relation to this Agreement as confidential. This obligation extends beyond the termination of the Agreement and applies to all proprietary information disclosed during the project.

8. Other Matters

Any matters not explicitly stipulated in this Service Agreement shall be governed by the Mekong Republic of Korea Fund (MKCF) Management Manual. The MKCF Management Manual serves as the regulatory framework for all MKCF-funded initiatives and should be consulted for any procedures or standards not covered in this document.



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This Service Agreement lays a comprehensive foundation for a collaborative effort between the MI and the PIA. The aim is to deliver impactful projects that benefit the communities within the Mekong region. Both parties are committed to fostering transparency, accountability, and sustainability throughout the project lifecycle.

Through the clearly defined mutual responsibilities, reporting obligations, and provisions for project closure and sustainability, the Agreement establishes a framework that supports effective partnership and enhances the potential for positive community impacts.

Both parties recognize the importance of compliance with the legal frameworks, open communication, and a commitment to shared goals as essential components in achieving the objectives set forth in this Agreement. With a focus on sustainable development, innovative solutions, and regional cooperation, the MKCF and PIA aim to create lasting benefits for the communities they serve, ensuring that the objectives of the Mekong Republic of Korea Fund are fulfilled.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date written above.

For MKCF:	For Project Implementing Agency:
Authorized Signatory: _____	Authorized Signatory: _____
Name:	Name: _____
Designation: Executive Director	Designation: _____
Date: _____	Date: _____
Place: _____	Place: _____

Witness:

For MKCF:	For Project Implementing Agency:
Witness: _____	Witness: _____
Name:	Name: _____
Designation: Director MKCF	Designation: _____
Date: _____	Date: _____
Place: _____	Place: _____

The document is signed at the bottom of each page by both the parties.