

Annual Report 2010

Entrepreneurship, Business & Economic Development
Corporate Social Responsibility
Innovative Education
Sustainable Tourism
Public Health



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Vision

To become the leading provider of services for sustainable development in Southeast Asia.

Mission

- Promote results-oriented, sustainable development in Asia with an emphasis on the Greater Mekong Subregion, by providing project management, consulting, training, and research services on behalf of our corporate, government and multilateral clients; and,
 - Provide opportunities for our team of professionals to make meaningful contributions to society.
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Values

- Stakeholder ownership - providing for participation by clients, partners and beneficiaries
 - Good governance - high ethical standards, strong internal processes and external auditing
 - Results oriented - credible and measurable results for all projects
 - Service to society - activities that provide sustainable improvements to society and the environment
 - Commitment to employees - providing opportunities for dedicated professionals with diverse backgrounds to contribute meaningfully to the improvement of the economic, social and environmental conditions in the region
 - Respect for local cultures - understanding and respect for Asian cultures
 - Belief in free market mechanisms for development – using the vibrancy of free enterprise to meet development challenges by supporting corporate social responsibility, microfinance, entrepreneurship and small and medium - sized business development
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Services

Consulting

Providing world-class business consulting services for small and medium-sized companies as well as policy and evaluation consulting for government and multi-lateral agencies. Areas of special capability include: business planning, franchise market entry, integrated sustainable development master planning, sustainable tourism planning, corporate social responsibility (CSR) strategy and organizational development, business cluster and value chain development for improved competitiveness.

Project Management

Managing projects in a cost-effective manner from project design to impact assessment. Areas of special project management capability include: small business development, sustainable tourism, educational improvement, public health improvement and CSR. K.I.Asia has both the financial and management systems, as well as the experienced people, to assure project transparency and effectiveness.

Training

Building development capacity in the region through effective, non-degree training and training of trainers. Areas of special capability include: entrepreneurship, personal financial management, small business financial management, business cluster facilitation, management of CSR programs, using IT for better learning, inquiry-based science education methodology, disaster management and planning, public health planning, and microfinance organization management.

Research

Practical development research useful in designing projects and policies, and developing case studies in areas such as sustainable tourism development, intellectual property rights, cluster development and CSR. Curriculum development is conducted for middle and secondary school, technical schools and universities in the areas of science, math, intellectual property and CSR.

Message from the Chairman

Extending Sustainable Development Expertise to the Region

In 2010, the Kenan Institute Asia stepped up its work providing high-value development expertise to the Southeast Asia region. During the year, we worked on over 30 projects that directly benefited nearly 6,000 individuals, with indirect benefits for many more. With support from key donors such as the Royal Thai Government, the US Agency for International Development (USAID), the United Nations, as well as corporate donors, we have significantly expanded our regional activities, research projects and curriculum development. Our partnership with the University of North Carolina at Chapel Hill remains strong as we worked together on projects in public health, corporate social responsibility and sustainable tourism.

Of particular importance was the new USAID program, Greater Mekong Sub-region – Responses to Infectious Disease (GMS-RID), which was awarded to K.I.Asia at the end of 2009. This five-year program builds on our decade of experience in regional public health with a particular focus on activities that span the boundaries between countries in the region and the divisions between human and animal health. Work has focused on key economic corridors connecting the GMS countries of Cambodia, China, Laos, Myanmar (Burma), Thailand and Vietnam. The project enables improved cooperation between human and animal health officials under the concept of "One Health." This is critical to meeting the challenges of emerging diseases such

as avian influenza that move from animals to humans. In addition, the project links the public and private sectors through the establishment of "global development alliances" that bring companies, including Colgate-Palmolive and DTAC, money and capabilities into the fight against infectious disease in the region.

Beginning this year, we extended our expertise in corporate social responsibility (CSR) to Vietnam under a project funded by the United Nations Development Programme (UNDP). This project, in cooperation with the Vietnamese Chamber of Commerce and Industry, has created new curriculum, materials, research and case studies to help Vietnamese universities incorporate good CSR practices into their business and economic courses.

K.I.Asia is also working to support development through the Association of Southeast Asian Nations (ASEAN). With support from the Thai government and the European Commission, regional projects are helping small companies prepare for ASEAN free trade regimes and establishing a regional SME development fund. We also assessed the likely impact of a free trade agreement with the European Union. Under USAID's Valuing ASEAN Linkages under Economic Integration (VALUE) Project, we are working to create and strengthen business links in the region, especially in the textile and tourism industries.

Although K.I.Asia is not primarily a research organization, we are increasingly asked to undertake action research projects meant to support project design, institutional development and government policy. This year, our research has covered issues such as the development of creative industries, Thailand's development experience, CSR, intellectual property, free trade agreements, tourism development in southern Thailand, and business cluster development.

Another area of growing activity is the development of curricula that turn K.I.Asia experience and expertise into courses for middle schools, high schools and universities. In the past year, K.I.Asia has developed courses in math, science, intellectual property rights, creative economy, and CSR. In addition, K.I.Asia developed training programs on subjects such as SME management, CSR branding and communications, entrepreneurship, and project design and evaluation.

I am particularly pleased that private companies have appreciated our work and in 2010 extended or expanded their projects with us. We are proud to be working on privately-funded projects that improve science teaching techniques, integrate IT into the classroom, train entrepreneurs, educate SME managers and give financial management skills to disadvantaged women. These projects are funded by world-class corporations, including MSD (Thailand), Boeing, Microsoft and Citl, that typically provide skilled and enthusiastic corporate volunteers to assist in project implementation.

With our long-term supporters and our increasing regional reach, we look forward to further expansion and extension of activities in 2011.



Nitaya Pilbulsonggram
Chairman



History

K.I.Asia – Supporting Sustainable Development in Southeast Asia

Since 1996, the Kenan Institute Asia (K.I.Asia) has gained experience and capability that have reinforced its founding idea that the development challenges facing Southeast Asia can be met through free enterprise mechanisms, boundary-spanning partnerships and practical expertise. Established with support from the Thai government, the US government, the William R. Kenan Jr. Charitable Trust and the Frank Hawkins Kenan Institute of Private Enterprise at the University of North Carolina, K.I.Asia is proud that relationships with all four organizations are closer than ever.



K.I.Asia's first Board of Trustees



K.I.Asia was selected by the U.S. government to manage a program of economic recovery and reform called Accelerating Economic Recovery in Asia (AERA) in 1999

With former Prime Minister Anand Panyarachun as its inspirational founding chairman, the Institute began by fostering partnerships between U.S. and Thai organizations. Projects included recycling steel slag, producing low-cost HIV diagnostic kits, designing a waste water treatment plant, and generating electricity from landfill gas. Numerous training projects built capacity in public health, environmental management, municipal management and information technology.

When the region was hit by the 1997 financial crisis, K.I.Asia responded by working with major U.S. companies in Thailand to retrain those left unemployed by the crisis under a program called American Corporations for Thailand (ACT). Under ACT, K.I.Asia designed, funded and implemented more than 50 projects serving some 700 trainers and about 27,000 trainees, helping a high percentage of them to find new jobs. Today, K.I.Asia works with individual corporations to provide branded corporate social responsibility projects in areas such as education, community development and entrepreneurship.

In 1999, the U.S. government selected K.I.Asia to manage a program of economic recovery and reform called Accelerating Economic Recovery in Asia (AERA). Over the ensuing decade, the Institute implemented a wide variety of development projects that included: customized banking training for approximately 2,000 managers and 18,000 officers at government-owned banks; more than 30 partnerships between U.S. and Thai organizations that raised the standards of business practices, accounting, dispute resolution, bankruptcy adjudication, auditing and ethics; business consulting and training assistance to more than 300 small and medium-sized companies; and mechanisms to prevent the spread of multi-drug resistant malaria and influenza pandemic in the region.

Based on expertise built under the AERA program, K.I.Asia has continued to deliver services in SME and entrepreneurship development, franchising, competitive cluster research and facilitation, free trade agreements research and awareness building, and intellectual property for clients including the Thai Ministry of Commerce, Ministry of Industry and National Economic and Social Development Board.

In response to the Asian tsunami which devastated southern Thailand on December 26, 2004, K.I.Asia, with the support of the Kenan Institute of Private Enterprise (KIPE), launched the Tsunami Recovery Action Initiative (TRAJ) on July 15, 2005, with generous funding and support from the William R. Kenan Jr. Charitable Trust. TRAJ promoted sustainable tourism in Phang-nga with particular focus on the targeted community of Lam Kaen / Kuk Kak. In addition, K.I.Asia was able to develop complementary programming in Phang-nga with the support of the Bush-Clinton Tsunami Recovery Fund, UN World Tourism Organization, European Commission, Microsoft, and MSD (Thailand). Over the course of five years, nearly 5,000 individuals participated in TRAJ program activities.

Building on its experience with ACT, K.I.Asia shifted its emphasis to corporate-branded CSR projects with firms such as GE Money, Dow Chemical and American Express. In addition, in 2003, it formed a partnership with the Center for Corporate Citizenship at Boston College to deliver corporate community involvement training in 2003-2004. Today, K.I.Asia is implementing a number of major company-branded projects with corporate donors such as MSD (Thailand), Microsoft, Citi and Boeing, and delivers public and customized CSR training in local language.

K.I.Asia's first project in the region introduced North Carolina environmental technologies to Vietnam in 1999. Subsequently, a number of activities under the AERA program were expanded regionally, including SME capacity building in Vietnam, IT competitiveness cluster development in Vietnam, capacity building for Vietnamese judges, exporting packaged foods by ASEAN SMEs and GMS avian influenza prevention activities. More recently, K.I.Asia has been funded by the New Zealand AID to plan for sustainable tourism in Laos and by The United Nations Development Programme (UNDP) to develop CSR curriculum in Vietnam. K.I.Asia has also worked on ASEAN research projects on patent offices and regional SME financing.

In 2009, K.I.Asia won a new competitive bid for a USAID public health project in the Greater Mekong Subregion (GMS) and began other projects to support business linkages, SME development and trade within ASEAN. In 2010, K.I.Asia extended its regional capabilities with major new projects in Laos PDR and Vietnam.

Today, the Institute uses the expertise and experience gained during its first 14 years to support sustainable development in Southeast Asia. K.I.Asia employs more than 50 professional sustainable development experts in Thailand, with project consultants working in Thailand, Vietnam and Laos PDR on innovative education, entrepreneurship, business and economic development, CSR, public health and sustainable tourism. K.I.Asia's projects in 2010 attracted funding from USAID, the Royal Thai Government, UNDP, UN Democracy Fund and corporate donors such as MSD (Thailand), Microsoft, Citi and Boeing. These projects have allowed K.I.Asia to extend its development expertise to ASEAN, improving economies, communities, the environment and the quality of life for millions of people.



Community members in Ratchaburi province were trained on best practices for community finance under the Citi Microfinance Community Savings Group Project.

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Innovative Education

One of the best long-term investments in sustainable development a country can make is the investment in their youth through education and workforce development. In the past year, K.I.Asia has worked with the government and corporate sector to upgrade the teaching and learning of science, mathematics, intellectual property rights (IPR) and information and communications technology (ICT). The Institute has also developed programs to improve the job skills of people in local communities in areas such as entrepreneurship, technical skills and ICT.

Building Employability through Technology and Entrepreneurship Resources (BETTER)



Young social entrepreneurs are selling Upland Holistic Development Project's handicrafts at Microsoft (Thailand)



Workers using Internet Explorer for the first time in a BETTER road show in their factory

In an effort to tackle unemployment and to bridge the digital divide in the workplace, the Department of Skills Development (DSD), Microsoft (Thailand) and K.I.Asia initiated a three-year project known as "BETTER" or "Building Employability through Technology and Entrepreneurship Resources". BETTER equips Thai workers, both formal and non-formal, with the necessary information and communication technology (ICT) skills to cope with rapid technological changes in the 21st century and improve employment and job-advancement opportunities. BETTER also provides entrepreneurship training for those who want to start their own small businesses. The project encourages businesses to focus on building skills for their workers in order to upgrade their human capital and strengthen their competitive advantage. The project was launched on May 1, 2009 with generous funding from Microsoft.

K.I.Asia trainers teach new content and techniques to DSD staff covering Microsoft courses on ICT and K.I.Asia courses on entrepreneurship. DSD oversees the entire training process and covers staffing costs. K.I.Asia manages the project, engages stakeholders, mobilizes resources, and conducts PR campaigns and outreach activities. In collaboration with local government, universities and local NGOs, BETTER has initiated a social entrepreneurship capacity building model for community members and university students. Students focus on helping communities market and distribute local products. The model has been piloted in Chiang Mai, Khon Kaen and Phang-nga, with K.I.Asia providing training and consulting. K.I.Asia gathered feedback from the pilot effort in order to adjust the model before presenting it to DSD, the universities and government agencies responsible for promoting social entrepreneurship.

The BETTER team conducted road shows in factories and in department stores for the underserved workforce. K.I.Asia will evaluate the impact of these activities on the workforce before DSD expands the project throughout their 77 centers nationwide.

IPR Curriculum

This one-year project, funded by the Department of Intellectual Property in the Ministry of Commerce, researched best practices in teaching and learning on intellectual property (IP). A model IP curriculum was developed and is being piloted in test schools for basic and vocational education. The project team worked closely with the Office of the Basic Education Commission (OBEC) and the Vocational Education Commission (VEC). The team conducted on-site seminars in five provinces and organized three teacher trainings for 104 teachers in October 2010. It collected on-site data for evaluation and held a final seminar chaired by Mr. Alongkorn Ponlaboot. The project's key outputs were:

- Comparative research on IPR Education in the United States, the United Kingdom, Australia, Japan, Korea, Singapore and Vietnam;
- An IPR Curriculum aligned with the Thai basic education curriculum;
- Teaching materials, including a teacher handbook, a student handbook, readings and presentations;
- A second IPR Curriculum aligned with the Thai vocational education curriculum including customized teaching material;
- Train-the-trainer workshops for teachers; and,
- A stakeholder's workshop.

Boeing One Computer Classroom (OCC)

The Boeing – OCC (One Computer Classroom) project is designed to meet Boeing's Global Corporate Citizenship objectives in education by promoting the development of quality learning in math, science and literacy necessary for future success in the workforce and in life. The project promotes the integration of ICT into the learning environment and the maximization of limited ICT resources. It focuses on teacher development by providing training on how to use a computer in the classroom to create engaging learning activities, develop learning objectives, assess students' performance, and otherwise support teaching and student learning. More effective use of ICT in the classroom enhances higher order thinking skills for teachers and students, and the maximization of ICT resources in the classroom. It is especially beneficial for small and disadvantaged schools.

A Memorandum of Understanding between Boeing, the Bangkok Metropolitan Administration (BMA) Schools and K.I.Asia was signed on January 19, 2010. The project organized a leadership workshop for 20 school principals as well as professional development activities on OCC concepts and teaching strategies for 80 master teachers. Master teachers came from 10 BMA schools and 10 IT Princess Project schools in Nakhon Nayok. A desktop computer, LCD projector and printer were provided to each of the participating schools.

MSD IN-STEP

With on-going efforts from all stakeholders, the MSD Inquiry-based Science and Technology Education Program (IN-STEP) completed its first three-year phase and began its second in 2010. Phase II of MSD IN-STEP is designed to develop an effective

and replicable model of inquiry-based science education for Thailand. It also aims to extend and leverage the current MSD IN-STEP project by completing a full-cycle of program implementation, advocating for policy reforms in Thailand and transferring the IN-STEP model to the Ministry of Education for implementation in other provinces.

To date, 143 teachers have been trained and have implemented IN-STEP modules for over 10,000 students in 52 lower secondary schools within Phang-nga. K.I.Asia and the project evaluation team have collected and analyzed teacher and student data, including Ordinary National Educational Test scores and students' attitudes, in order to see how IN-STEP has impacted students' achievement. Not only will this improve the program's sustainability after Phase II in Phang-nga, it also increases the probability of adoption of IN-STEP in other provinces.

Based on the teachers' feedback, one of the main obstacles preventing teachers from fully implementing IN-STEP was lack of time to prepare materials. To address this issue, MSD-IN-STEP organized a "Lab Boys and Girls Workshop." The workshop trained 56 students to assist teachers in preparing teaching materials and taking care of the storage and maintenance of material kits. In addition, these assistants act as facilitators when teachers introduce group activities in the classroom.

The project also identified a group of active science student leaders who helped organize science shows. Schools in the area frequently invited these students to organize science investigation activities during science fairs. These events extended IN-STEP activities from the classroom to non-formal learning settings, which not only increased awareness of science, but also strengthened the network of teachers and student leaders who organize the science activities for their communities.

Upgrading Teaching and Learning Skills in Mathematics and Science (UPGRADE)

This year, K.I.Asia partnered with the Institute for the Promotion of Teaching Science and Technology (IPST), the University of North Carolina at Chapel Hill (UNC) and the Teacher College (TC), Columbia University to develop a program to improve teaching and learning in science and mathematics. The "UPGRADE" program aims to strengthen the capacity of science and mathematics teachers through stakeholder engagement, policy advocacy, well-designed instructional media and tools, professional development for teacher trainers, mentors and principals. It also includes non-formal education activities to increase awareness of best practices in mathematics and science education.

This project leverages K.I.Asia's experience implementing inquiry-based science education in Phang-nga with IPST's experience in implementing an inquiry-based science teacher network in ten provinces. Based on institutional experience and good educational practices, K.I.Asia and IPST worked closely with UNC and TC experts in developing a program to fit the Thai context. The program will build a professional network of 280 master teachers to support 280 schools with 1,400 teachers in the seven pilot provinces of Chiang Mai, Khon Kaen, Nakhon Pathom, Nonthaburi, Rayong, Songkhla and Nakhon Si Thammarat. K.I.Asia has engaged provincial stakeholders to mobilize resources to support the program.



Boeing's OCC project MOU signing ceremony (From left: Mr. Pyabutr Chokjarn, Vice chairman of K.I.Asia; Mr. Sukhumthand Baraporn, Bangkok Governor; and Mr. Ralph "Ship" Boyce, President of Boeing Southeast Asia)



Students in the 2nd Lab Boy and Girl workshop



A science master teacher is presenting her investigation in the UPGRADE primary workshop

Corporate Social Responsibility

K.I.Asia believes that corporate social responsibility (CSR) is an important factor in corporate sustainability. Since 2003, our CSR consulting team has worked with corporate executives to improve corporate CSR practices in Thailand and the rest of the GMS region. K.I.Asia offers training, strategy development, program design, project implementation, curriculum development, evaluation, and research services to equip public and private companies with practical tools to implement strategic corporate citizenship programs, and advise governments on CSR policy.

CSR Consultancy on Community Engagement

This year, our CSR program provided consulting services to Thailand's biggest sugar exporter. K.I.Asia interviewed sugarcane farmers and families in Suphan Buri, Kanchanaburi, Uthai Thani and Chal Nat in order to understand and assess their needs and concerns. The results were used to design strategic community engagement programs to strengthen trust and mutual benefit between the company and these key stakeholders.

CSR Strategic Plan Development

K.I.Asia worked with a post company in Thailand to create their CSR programming and CSR strategic development plan. Key tasks included providing a complete analysis of the company's current CSR program, conducting executive brainstorming sessions, identifying the competitive advantages of the company's services, developing a CSR strategic plan and providing recommendations for a signature CSR program.

CSR Training

K.I.Asia's CSR team continued its role as a leading trainer of corporate CSR managers in the region, conducting trainings to equip our clients with the tools necessary to implement effective and meaningful CSR strategies that align business objectives with stakeholder needs. In 2010, the CSR team conducted public CSR training courses: "Strategic CSR from talk to action", focused on developing CSR managers' and executives' understanding of strategic CSR. The branding and communications class provided participants with practical skills on internal and external communications for CSR, as well as using the latest social media tools. In addition, K.I.Asia organized CSR in-house trainings for Thailand Post Co. Ltd. and Mitr Phol Co. Ltd., focusing on CSR implementation and stakeholder engagement techniques.



Dialogue sessions were conducted to understand current needs and concerns of sugarcane farmers and families in Suphan Buri Province



Executive brainstorming sessions were conducted in order to develop and write up a CSR strategic plan



Strategic CSR from talk to action training

"The lessons I learned in this workshop are very useful. I am glad to have met new friends here as well."
Participant from EICC from Talk to Action Training.

Socially Responsible Schools' Curriculum Development

K.I.Asia and the Thailand Moral Center designed a curriculum, based on ISO 26000 guidelines, for school administrators to introduce the concept of social responsibility in schools. Twenty administrators from 10 schools recognized as leaders in teaching ethics and proper behavior participated in the project. The administrators engaged in two days of training that provided knowledge on social responsibility, especially in the area of school and community development. The participants also planned social responsibility projects for implementation in both the classroom and daily administration of their schools.



K.I.Asia held Training of Teachers (TOT) on CSR curriculum at Hanoi School of Business (HSB), Vietnam.



Professors from Hanoi School of Business shared their opinions on CSR modules.

"The TOT moments were so memorable. We all are very impressed with new ideas of the micro teaching method. I myself learned a lot."
Phung Thanh Binh, Faculty of Development Economics, University of Economics, HCMC, Vietnam

Embedding CSR in Vietnamese University Curriculum

K.I.Asia partnered with the Vietnamese Chamber of Commerce and Industry and the Global Compact Network Vietnam, with financial support from the United Nations Development Programme, to implement the "Embedding CSR in Vietnam through Research, Training and Curriculum Development" project. The project developed responsible management education, or CSR, curriculum and training for future managers and business leaders in Vietnam.

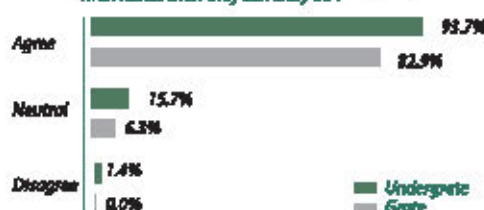
Experts from K.I.Asia, the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill and the University of London completed an assessment of CSR education in Vietnam, six CSR modules, two CSR core courses, 10 case studies, four research studies, six training-of-teacher workshops, stakeholder workshops, and a roundtable discussion for establishing the responsible education network. The curriculum was piloted with four leading Vietnamese universities: the Foreign Trade University, Hanoi School of Business, Vietnam National University, University of Economics Ho Chi Minh City, and Thai Nguyen University.

The project partners engaged key stakeholders, including the universities, the Ministry of Education and Training and the Ministry of Labor, Invalids and Social Affairs, in embedding the materials in the university curriculums. The university faculty members and students showed great enthusiasm in learning CSR concepts and piloting the CSR modules in the classroom.

Student Survey

K.I.Asia conducted research on more than 1,900 students from four leading Vietnamese universities to investigate existing CSR courses and activities and their understanding and attitudes towards CSR education. The survey results indicated that there are few comprehensive responsible management courses available at the university level. Also, almost 90 percent of the respondents wanted their universities to place more emphasis on CSR. The students also believe that companies should be more socially responsible. The results highlighted the need for CSR curriculum development in Vietnam.

Q: Vietnamese universities should place more emphasis on training socially and environmentally responsible individuals than they currently do?



Looking Back-Corporate Employee Volunteer Training

The Swift Company Limited, an organic-vegetables export company, has been doing business with the corporate ideal that "everyone deserves good things, especially food" for more than 30 years. The Swift Company was one of 15 partner companies participating in K.I.Asia's 'Corporate Employee Volunteer Program' in 2009. Working closely with our CSR consulting team, Swift came up with the idea for the "fewer plastic bags, more enjoyable food, nothing left to harm the environment" project, which focused on environmental conservation by encouraging employees and local communities to use fewer plastic bags.

Khun Paphavee Suthavivat, Swift Managing Director, said that the company survives in the global agricultural products market because the company maintains a strong will to do good. Corporate business objectives are integrated with the concept of social and environmental responsibility without overlooking the needs of stakeholders.

"Our business target is not about taking high profits; rather, we are determined to give some good things back to society," she said.

Because of such determination, the Swift Company has been awarded numerous CSR awards, including the CSR DIW Prize from the Department of Industry and the SR Mark Award from the Ministry of Commerce. In addition, the company's farm has been selected as an example farm by the United Nations Food and Agriculture Organization (FAO).

Sustainable Tourism

KIAsia understands that sustainable tourism development provides economic benefits for local community members while simultaneously protecting the environment, maintaining local culture and providing opportunities for local participation in development. Since 2005, KIAsia has implemented numerous activities to develop the sustainability of the tourism industry in Thailand and the region.

Sustainability in the Accommodation Sector

KIAsia managed two workshops on behalf of the United Nations Development Programme (UNDP) and its partner organization, the Tourism Authority of Thailand.

The first workshop was held in Phuket and included sessions on "Sustainability in the Accommodation Sector: Practical tools for integrating biodiversity practices in tourism businesses," and "Presenting solutions for the accommodation sector in the Andaman Coast," hosted by the Agence Française de Développement. The second workshop, "Sustainability in the Accommodation Sector: Practical tools for integrating environmental practices in hotels," was held in Chiang Mai.

The workshops built the capacity of the 113 hotel owners and managers who participated, increasing their ability to identify, assess, adapt and adopt better technologies and operating practices to improve their environmental performance. Participants were trained to use the Envirotel software program to make meaningful environmental improvements at their hotels. Over 130 technical booklets, Envirotel software and resource booklets were distributed to the participants, media and Thai government.

University of North Carolina-Chapel Hill Summer Interns

For the fifth year in a row, KIAsia hosted business administration undergraduate and master's student interns from the University of North Carolina – Chapel Hill as part of the Tsunami Recovery Action Initiative (TRA) project. The ten-week internship took place in the U.S. and in Phang-nga, with five interns directly assisting in the TRA program. At the beginning of the program, the interns spent a week in Bangkok for an orientation organized by KIAsia in partnership with King Mongkut's University of Technology at Thonburi to familiarize the interns with Thai culture, economy and learning environment.

Two Bachelor of Science in Business Administration (BSBA) Interns worked together with the Thai Muang National Park creating marketing brochures, improving the park's website, and designing promotional road signs to lead more tourists to the park. Another two interns, one Master of Business Administration (MBA) and one BSBA, worked on promoting sustainable tourism in hotels in Phang-nga. They researched green certifications as well as measures for

hotels to become more green, and compiled their findings into a handbook for distribution to hotels and resorts in the region. An MBA Intern continued the accessible tourism work from the year before, creating an accessible tourism handbook for Khao Lak. Specifically, the handbook covers tour operators and agents that cater to tourists with special needs, transportation options for travelers with disabilities, especially for those in a wheel chair, the more accessible accommodations and attractions, and a list of medical services.



A brainstorming session was conducted with local Chiang Mai hotel owners



University of North Carolina-Chapel Hill Summer Interns in Phang-Nga province

Entrepreneurship, Business and Economic Development

K.I.Asia has successfully built the capacity of SMEs and entrepreneurs as well as government agencies, microfinance institutions and organizations supporting SMEs, for over a decade. Our team of business advisors has developed targeted, customized programs that are being utilized to assist SMEs to ensure their success. K.I.Asia's specialized entrepreneurship programming has been designed to build and support existing and potential entrepreneurs from any background and educational level through project management, consulting, and training programs. K.I.Asia has also developed specialized training and research tools to assist microfinance institutions, government agencies and business organizations supporting SMEs and entrepreneurs and to ensure effective economic development.

Cluster Training for Provincial Ministry of Industry Officers

For the third year in a row, K.I.Asia, with funding support from the Thailand Office of the Permanent Secretary at the Ministry of Industry, provided cluster methodology training for provincial industrial officers from 75 provinces. These officials have an important role in stimulating the private sector to work together to improve competitiveness. This four-month project emphasized a cluster development approach from India, the White Ocean Strategy, role-play activities, group discussions, and experience sharing. By the close of the project in November 2010, 150 provincial officers had gained an understanding of cluster concepts and practices, which can be used to enhance the competitiveness of the industries in their provinces.

Beef Competitiveness Enhancement Project

The Beef Competitiveness Enhancement project-Phase II was initiated by Thailand's Department of Foreign Trade, Ministry of Commerce, under the Free Trade Agreement (FTA) fund. Implemented by K.I.Asia, this two year project is enhancing the competitiveness of beef feedlot farmers in Sakon Nakhon, Nakhon Pathom, Mukdahan, and Sa Kaeo provinces through cluster development.

The project also includes a study on the logistics of beef export to Cambodia, Laos, Myanmar, and Vietnam (CLMV) and methods to improve marketing strategies with brand development and franchising. The key outputs of this project are to research the problems in exporting Thailand beef to the GMS and South China, to create a franchise model for a butcher shop and steak restaurant, to form four beef clusters in Mukdahan, Sa Kaeo, Sakon Nakhon and

Nakhon Pathom provinces, to implement four beef traceability systems, and to build the capacity of the cooperative members in Good Agriculture Practices (GAP), IT, brand building and professional services.

Regionalized ASEAN SMEs: Success Cases, Strategies and Business Model

Thailand's Office of Small and Medium Enterprises Promotion (OSMEP) gave K.I.Asia a grant to hold two free public seminars entitled "Regionalized ASEAN SMEs: Success Cases, Strategies and Business Models". The seminars provided knowledge to help prepare ASEAN SMEs for the ASEAN Economic Community (AEC), scheduled to be in place by 2015. At the seminar, successful ASEAN SMEs from Thailand, Singapore, Malaysia, the Philippines, Indonesia, Korea and Japan shared their knowledge and experience, serving as an inspiration for approximately 500 ASEAN enterprise managers. In addition, K.I.Asia produced a booklet called "Regional Business Model: Voices from ASEAN SMEs," which summarized the successful companies highlighted in the seminar.



K.I.Asia's senior consultants gathered preliminary information about the cooperatives in Mukdahan and Sa Kaeo Provinces



Successful ASEAN SMEs were invited to share their knowledge and experience, serving as an inspiration for other ASEAN enterprises



EU SME FTA Enhancement Program

K.I.Asia completed a research project that assessed the possible impacts on Thailand of the proposed Thailand-EU free trade agreement (FTA). The project provided a basis for public, business, and government discussions on possible mitigation strategies. Entitled "Thailand-EU SME FTA Enhancement Program," the project was supported financially by the European Commission (EC). K.I.Asia produced a report called "Thailand SME Sectors and the Proposed EU-Thailand FTA: Winners, losers and policy recommendations." The study assessed 10 sectors under the assumption that tariffs in these sectors would drop to zero.

The study found that an FTA would have numerous positive impacts for SMEs. One major benefit of the Thailand-EU FTA for Thai SMEs would be the availability of cheaper imported raw materials for manufacturing. The plastic and chemical industries are two of the sectors that should particularly benefit from this advantage. The Thailand-EU FTA is also expected to increase foreign investment into Thailand, directly benefiting many SME sectors and increasing overall employment. The FTA should also encourage investors from the EU to build assembly plants and manufacturing factories in Thailand, particularly in automotive and electrical and electronics sectors.

New Entrepreneurs Creation (NEC)

K.I.Asia has worked on the New Entrepreneurs Creation (NEC) project since 2006, with funding support from Thailand's Department of Industrial Promotion (DIP). K.I.Asia delivered fundamental business knowledge and skills, including marketing, financial management, general management, import-export management, and business plan writing, to potential entrepreneurs in order to help them start new businesses able to stand the test of competition. In 2010, more than 110 participants received training and presented their business plans to DIP.

TICA Training for Laos Officials

The Thailand International Development and Cooperation Agency (TICA), Ministry of Foreign Affairs provided funding to K.I.Asia to train Laos PDR and TICA officials on project planning and project cycle management. K.I.Asia developed curriculum and delivered a two-week training course for participants. The project also included two, day-long study trips. By the end of the project, the trainees had learned elements of project design, situation analysis, logical framework description, activity and resource schedules, budgeting, project management, project implementation, and project evaluation. Based on the training, the officials developed and presented project design plans in the areas of health, education, sports, small business development and agriculture.

Looking back.... New Entrepreneurs Creation Program RODEO HORSE RIDING



Khun Sir at his RODEO HORSE RIDING school

After completing a bachelor degree in electrical engineering from Sripatum University, Khun Sir Seesem (Jeep) began his working life. He started out with a salary of only 8,000 baht a month, and as the months grew into years, Jeep dreamed about becoming a business owner. He began riding horses in 2007, and dreamed of opening a horse riding school in Bangkok. However, Jeep lacked the necessary business knowledge to answer questions such as "when would the business break-even?" and "Is a horse riding school in Bangkok even feasible?" Jeep met discouragement from friends and family, but refused to give up on his dream.

In 2009, he decided to attend the "New Entrepreneurs Creation" (NEC) training program organized by the Kenan Institute Asia. He gained critical business knowledge, such as finance, accounting, business law, and taxation, necessary for managing a business. With the knowledge he gained in the training program and from speaking with the experienced trainers, Jeep decided to open his riding school. He took out a loan from the bank for the school's construction, and opened the doors in the beginning of 2010. The school, called "RODEO HORSE RIDING" provides training from the beginner to the advanced level, and has had more than 600 visitors in the first year, and boasts 100 permanent members. Jeep attributes part of his success with the RODEO HORSE RIDING business to the NEC training, and is a source of pride for the program.



Training of Laos government officials

Financial Advisory Services

Citibank and Citi Foundation have supported the Citi Financial Skills Capability Building for SMEs, the Citi At-Risk Women Financial Literacy Training and Citi Microfinance Community Saving Group Project with generous funding and with corporate volunteer experts, demonstrating Citi's commitment to helping the sustainable development of the Thai economy and people.

Citi Financial Skills Capability Building for SMEs in Thailand Project

K.I.Asia, in cooperation with Citi Foundation and Citi, Thailand, began phase II of the Citi Financial Skills Capability Building for SMEs in Thailand in 2010. Phase II continues efforts to develop and execute a comprehensive strategy for financial management capability building and training for Thai SME participants. Phase I began in 2008 and the project reached 300 SME participants over the three-year period. In 2010 alone, Citi Foundation funding was used to provide financial skills capability building to 150 SME owners and accounting and financial managers in the greater Bangkok metropolitan and vicinity area.

K.I.Asia's team delivered training that matched SMEs' learning needs and stimulated learner interactivity. The courses were designed for Citi, Thailand employees to serve as guest speakers and facilitators, especially for banking services and product topics.

The Citi At-Risk Women Financial Literacy Project

Citi, Thailand and K.I.Asia launched the second phase of the Citi Financial Education for At-Risk Women program with a Citi Foundation grant this year. The project developed financial life skills in low income women who live paycheck to paycheck and women who work in high risk occupations so that they are better able to manage their money and plan for the future. Also joining the project was the Central Welfare and Vocational Training Centre for Women (under the supervision of the Ministry of Social Development and Human Security), which generously provided job and vocational training to these women.

The 2010 initiative built on the success of a pilot program launched in 2009 and provided financial education, specifically in saving and investment, money management household budgeting, and credit management to at-risk women. The training was highly practical, being based on real world

experience and using role playing and games to ensure lessons were learned and remembered. Key topics included planning for financial success and personal financial management issues such as earnings, savings, investment and spending. By the end of the year, a total of 415 at-risk women received financial literacy training. A financial services pamphlet was also published and distributed to women in various community areas and relevant organizations.



Dr. Suwan Vatekathien, Former Deputy Minister of Commerce, speaking at the Citi financial skills capability building for SMEs training



Two Citi Thailand employee volunteers provide critical financial knowledge to at-risk women during the training

The Citi Microfinance Community Saving Group Project

Citi, Thailand and K.I.Asia launched a new pilot project to establish the Na Nong Temple Community Savings Group in Ratchaburi province, with funding support from Citi Foundation. Through the project, support was provided to develop mechanisms for sustainable development in the targeted community. The project established a community savings group and a mechanism for savings and social welfare, enhancing the ability of community members to access funds. It also provided knowledge on product development and marketing to strengthen the community's ability to produce goods and services. As a result, members of the community have increased family income, improved their standard of living and became more self-sufficient.

The project consists of three training courses: best practices for community finance, marketing and product development, and entrepreneurship training. All these courses are conducted through activity-based learning, which encourages participants to share their ideas and exchange their real experiences.

"After receiving support from Citi Foundation, Citi Thailand, and K.I.Asia in establishing the Na Nong Temple Community Savings Group, we gained the knowledge of best practices for community finance, marketing and product development and entrepreneurship from a panel of experts. The community can now gather together for savings and have the same goal, which is to make our community savings group operate without relying on external financial institutions. In addition, we obtained the knowledge and skills to sew bags from weaving cloths called Pha Chok, our local product, to be able to differentiate ourselves from others by adding value to the products and broadening our marketing channels."

Khun Nipa Maneejan, the president of the Na Nong Temple Community Savings Group, Ratchaburi province.

Valuing ASEAN Linkages under Economic Integration (VALUE) Project

Under USAID's Valuing ASEAN Linkages Under Economic Integration (VALUE) Project, K.I.Asia is working with Nathan Associates to create and strengthen business links in ASEAN's textile and tourism industries.

Together with the ASEAN Federation of Textile Industries (AFTEX), VALUE launched a new integration strategy for ASEAN's textile and apparel industry—the Source ASEAN Full Service Alliance (SAFSA) Program. At VALUE's suggestion, the AFTEX Board presented the SAFSA Program to 10 ASEAN Ministers of Economy or Commerce, which endorsed the strategy and declared that SAFSA is a model for the integration of the other priority sectors.

Developed by VALUE, the Southeast Asia: feel the warmth online marketing campaign and tourism marketing website, www.SoutheastAsia.org were officially endorsed by the 10 ASEAN National Tourism Organizations (NTOs) at the annual ASEAN Tourism Forum (ATF) in January 2010. In the ASEAN tourism ministers' statement, the ministers formally expressed their support for the new marketing campaign and website and commended and thanked VALUE for this effort. A strong indication of the satisfaction of the ASEAN NTOs with the tourism strategy was their request that VALUE take the lead in developing the new ASEAN Tourism Strategic Plan: 2011–2015.



Na Nong Temple community saving group members were trained on basic color and graphic design.



MoU signing between leading brand from United Kingdom and Virtual Vertical Factory

Public Health Program

K.I.Asia recognizes that a healthy population is essential to poverty alleviation and sustainable development, and that a "One Health Approach" involving the collaboration of human health, veterinary public health and environmental health is critical to building capacity to respond to emerging infectious and zoonotic disease challenges in the Greater Mekong Sub-region (GMS). In 2010, K.I.Asia continued to work with government human and animal health authorities to help build capacity and mechanisms for coordinated responses to public health threats in GMS countries.

Greater Mekong Subregion-Responses to Infectious Diseases Program

Many aspects of K.I.Asia's activities focus on cross-border collaboration. In 2010, thanks to newly awarded USAID funding for the Greater Mekong Subregion Responses to Infectious Diseases project (GMS-RID), K.I.Asia conducted several initiatives to prevent and control diseases along borders, and improve health among border populations. The main activities included:

- Co-sponsoring the "Thailand-Burma Border-Wide Infectious Disease Forum" in collaboration with Thailand's Ministry of Public Health (MOPH) and the Shoklo Malaria Research Unit.
- Supporting Thailand's MOPH Bureau of Policy and Strategy in the process of bringing together partners working in border health to map actions and suggest improvements to the national master plan for border and migrant health.
- Facilitating cross-border collaboration for coordinated responses to infectious disease threats in seven twinned province sites in five GMS countries, including exchange visits and table-top exercises on zoonotic disease outbreaks.
- Conducting an innovative rapid assessment to document migration patterns and infectious disease transmission risks related to Burmese and Cambodian migrant workers in Phuket, malaria epidemiology, and implications for behavior change communication for elimination of malaria transmission.



Public health worker disinfects a vegetable cart at the Thai-Cambodian border as part of cross-border collaboration against infectious disease.

Convening Regional Infectious Disease Workshops and Training

In 2010, with support from USAID's Regional Development Mission for Asia, K.I.Asia organized a technical training workshop on "Zoonotic Disease Outbreak Investigation and Coordinated Response" for national and provincial representatives from human and animal public health sectors of five GMS countries. Participants worked through an anthrax outbreak case study, practiced outbreak communication skills, and drafted exercise management plans, using a "One Health Approach", working across sectors and across national boundaries. K.I.Asia's team also convened a workshop on malaria elimination strategy, tools, and indicators for national malaria program managers from six GMS countries, and a technical consultation for 11 Asian countries to plan deployment of H1N1 Influenza vaccine in response to the 2009 pandemic, in collaboration with WHO and USAID.

Thailand-Burma Border-Wide Infectious Diseases Forum

K.I.Asia's consultants organized the "Thailand-Burma Border-Wide Infectious Disease Forum" in collaboration with Thailand's Ministry of Public Health Bureau of Policy and Strategy, and the Shoklo Malaria Research Unit, with funding from USAID under the GMS-RID project and co-funding from the European Union.

Participants from NGOs and public health officials from 12 provinces along the Thailand-Burma border were trained on diagnosis and case management of multi-drug resistant malaria, as well as management of TB and HIV/AIDS with a focus upon Burmese migrants. Participants reviewed the six Master Plan for Border and Migrant Health Development and the implementation of the Plan's activities, making recommendations for improvements. They emphasized the need for further collaboration among all participants, to ensure public health activities cover the entire spectrum of needs without overlapping.

Zoonotic Disease Workshop

K.I.Asia, in collaboration with the Academy for Educational Development, the Asian Disaster Preparedness Center, and the University of North Carolina's Gillings School of Global Public Health, organized a workshop entitled, "Technical Training Workshop for Cross-border Exercises on Zoonotic Disease Outbreak Investigation and Coordinated Response". The aim of the workshop was to prepare for joint cross-border exercises on avian and pandemic influenza and anthrax outbreak investigations and coordinated responses. The 69 participants included human and animal health officials from seven cross-border twin province sites in Cambodia, Laos, Thailand, Vietnam, and Yunnan Province of the China. During the workshop, participants were trained in outbreak investigation skills, communication skills, approaches to cross-sectoral animal-human health interaction, cross-border response to outbreaks of zoonotic diseases, and exercise management and design. They also drafted outlines of plans for conducting and evaluating table-top exercises simulating cross-border outbreaks of zoonotic diseases at seven cross-border sites.

Developing Global Development Alliances

With funding from USAID, under the GMS-RID Initiative, K.I.Asia facilitated Global Development Alliances linking the private sector, government and NGOs for the prevention and control of avian influenza and malaria. In 2010, the alliances were led by Colgate Palmolive (Thailand) and Total Access Communications Public Co. Ltd. Colgate Palmolive (Thailand) implemented the "Avian Influenza (AI) Prevention Campaign: Clean Hand Zero Bird Flu". This project promoted hygienic hand washing in schools

in Lao PDR to help prevent the spread of avian influenza (AI). Project activities included three seminars for 350 teachers in Vientiane, Savannakhet and Champasak that provided basic knowledge on AI and its prevention, built awareness and encouraged the use of communication materials. These materials—posters, stickers and videos taught students the seven steps of effective hand washing and their role in AI prevention. The project also distributed teaching materials at 700 schools in Lao PDR, replacing damaged materials at the 500 schools that participated in the pilot project in 2009 and providing materials to 200 new schools.

Total Access Communications Public Co., Ltd., (DTAC) with I.N.N. Radio Co., Ltd., organized the "Minimizing Risks of Infectious Disease through Local Farmers Network (LFN)" project, which held seminars in Thailand for local farmers in 11 provinces at-risk for AI and malaria. The project also provided communication infrastructure to build awareness of AI and malaria prevention through DTAC's SMS service, and supported the surveillance systems and reporting channels for suspicious cases of AI and malaria through DTAC's *1677 hotline.

Promoting the Quality of Medicines (PQM) program

The Promoting the Quality of Medicines (PQM) program has gathered over five years of post-marketing medicine quality surveillance data in Cambodia, Thailand, Laos, and Vietnam. The goal is for regulatory authorities to use this data for enforcement actions that reduce the availability of poor quality or counterfeit medicines. Medicines are collected from hospitals, health clinics and pharmacies, as well as informal or illegal outlets. Since 2003, the GMS medicines quality monitoring program has grown from

17 to 39 sites throughout the region. Medicines tested include antimalarials, antiretrovirals, antituberculars, oseltamivir (for avian influenza) and antibiotics. Through information generated from the program, countries have levied fines against vendors of counterfeit, unregistered or expired medicines, closed pharmacies, confiscated products, and issued regulatory warnings and notices to alert health professionals and the public.



Colgate Palmolive's Avian Influenza (AI) Prevention Campaign: Clean Hand Zero Bird Flu communication materials



DTAC's "Minimizing Risks of Infectious Disease through Local Farmers Network (LFN)" project



Testing the quality of medicine under the PQM program

Donors and Clients

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Key Clients

- American Bar Association
- Boeing
- Citi Foundation
- Department of Foreign Trade, Ministry of Commerce
- Department of Industrial Promotion, Ministry of Industry
- Department of Intellectual Property, Ministry of Commerce
- Department of Skill Development, Ministry of Labor
- European Commission (EC)
- Kenan Institute of Private Enterprise
- MSD (Thailand)
- Merck Foundation
- Microsoft
- Mitr Phol Co. Ltd.
- Moral Center in the Office of the Prime Minister
- Office of Permanent Secretary, Ministry of Industry
- Office of Small and Medium Enterprises Promotion
- Thailand International Development Cooperation Agency (TICA), Ministry of Foreign Affairs
- Thailand Post Co. Ltd.
- Total Access Communications Public Co., Ltd., (DTAC)
- US Chamber of Commerce
- United Nations Development Programme (UNDP)
- United Nations Environment Programme
- United States Agency for International Development (USAID)
- United States Pharmacopeia (USP)
- University of North Carolina at Chapel Hill
- Vietnamese Chamber of Commerce and Industry
- William R. Kenan Jr. Charitable Trust

Financial Report

Audit report of Certified Public Accountant To the Board of Trustees of Kenan Foundation Asia

We have audited the accompanying balance sheets of Kenan Foundation Asia as at 30 September 2010 and 2009, and the related statements of revenues and expenditures and changes in fund balance for the years then ended, and have reported thereon dated 25 January 2011 that the financial statements referred to above present fairly, in all material respects, the financial positions of the Kenan Foundation Asia as at 30 September 2010 and 2009, and the results of its operations for the years then ended in accordance with generally accepted accounting principles.

The balance sheets as at 30 September 2010 and 2009, and the related statements of revenues and expenditures and changes in fund balance for the years then ended, prepared for publication purpose, have been drawn from the audited financial statements which have been reported thereon as discussed in the preceding paragraph.

KPMG Phoomchai Audit Ltd.

KPMG Phoomchai Audit Ltd.
Bangkok
25 January 2011

Kenan Foundation Asia Balance sheets As at 30 September 2010 and 2009

	2010	2009
Assets		
Current assets		
Cash and cash equivalents	12,892,726	16,297,383
Accounts receivable	9,197,061	4,017,355
Advance payments	55,338	314,586
Other current assets	3,570,008	2,422,282
Total current assets	25,715,133	23,051,606
Non-current assets		
Long-term investments	137,724,106	142,346,751
Equipment	4,039,392	4,017,292
Other non-current assets	1,707,866	1,801,641
Total non-current assets	143,471,464	148,165,684
Total assets	169,186,597	171,217,290

Kenan Foundation Asia Balance sheets As at 30 September 2010 and 2009

	2010	2009		2010	2009
Liabilities and fund balance					
Current liabilities			Fund balance		
Accrued expenses - UNC contract	5,138,906	2,620,599	Initial donation	500,000	500,000
Accrued expenses and other current liabilities	13,271,074	10,900,255	Unrealised surpluses		
Total current liabilities	18,409,980	13,520,854	Fair value changes on investments	12,807,795	1,271,804
Non-current liability			Currency translation differences	-	-
Finance lease liabilities	825,749	-	Accumulated excess of revenues over expenditures	136,643,091	155,924,532
	825,749	-	Total fund balance	149,850,886	157,696,436
Total liabilities	19,235,731	13,520,854	Total liabilities and fund balance	169,186,597	171,217,290

Kenan Foundation Asia Statements of revenues and expenditures For the years ended 30 September 2010 and 2009

	2010	2009		2010	2009
Revenues			Expenditures		
Donation income	59,897,597	70,627,224	Grants to projects	85,368,816	98,425,039
Interest income	17,379,964	17,602,396	Administrative expenses	50,856,732	56,168,404
Other income	39,666,606	25,588,910	Total expenditures	136,225,548	154,593,443
Total revenues	116,944,167	113,818,530	Revenues under expenditures	(19,281,441)	(40,775,113)

Kenan Foundation Asia Statements of changes in fund balance For the years ended 30 September 2010 and 2009

	Initial donation	Fair value changes	Accumulated excess of revenues over (under) expenditures	Total
Balance at 1 October 2008	500,000	(13,618,979)	196,699,645	183,580,666
Unrealised gains				
Available for sale investments				
Net change in fair value recognised in equity	-	14,890,883	-	14,890,883
Revenues under expenditures	-	-	(40,775,113)	(40,775,113)
Balance at 30 September 2009	500,000	1,271,904	155,924,532	157,696,436
Unrealised gains				
Available for sale investments				
Net change in fair value recognised in equity	-	11,535,891	-	11,535,891
Revenues under expenditures	-	-	(19,281,441)	(19,281,441)
Balance at 30 September 2010	500,000	12,807,795	136,643,091	149,950,886

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