

INTRODUCTION

The ASEAN-Australia Development Cooperation Program Phase II (AADCP II), an ASEAN-Australia partnership program, supports the ASEAN Economic Community (AEC) through the development of necessary norms and standards, building a stronger evidence base for policy makers and by building awareness of the benefits and opportunities in the ASEAN economic integration. It also supports the ASEAN Secretariat (ASEC) to better perform its mandate in facilitating integration across the three Community pillars.

AADCP II works in partnership with the ASEAN Secretariat (ASEC) to support AEC priorities, implementing projects across multiple sectors: services, investment, consumer protection, agriculture, connectivity, tourism, financial integration, and the Initiative for ASEAN Integration.

RESULTS AND ACHIEVEMENTS

Furthering Connectivity in ASEAN

AADCP II continues its strategic work in promoting connectivity in the region. As part of its support to the development of the Master Plan on ASEAN Connectivity (MPAC) 2025, it helped develop priority project concepts for each strategic area of the MPAC. These concepts helped the ASEAN Connectivity Coordinating Committee (ACCC) communicate its work plan to relevant line ministries in the Member States, and facilitate necessary discussions with potential Dialogue Partners, international organizations and relevant experts in the region. It also helped speed up implementation of the MPAC. Two projects from the sustainable infrastructure strategic area are now being implemented through AADCP II support, namely the *Establishing the Initial Rolling Priority Pipeline of Potential ASEAN Infrastructure Projects* and the *Study to Advance Sustainable Urbanisation in ASEAN*.

As part of the previous MPAC, AADCP II also supported a study on the establishment of ASEAN Single Telecommunications Market (TSM). The study looked at the benefits, risks, and impacts of creating a single market in telecommunications across ASEAN, and possible pathways for its establishment. Findings and key recommendations from the study were presented and discussed by Telecommunications Senior Officers at the 18th ASEAN Telecommunications and Information Technology Senior Officials' Meeting (TELSOM) on 27 November 2017 in Siem Reap, Cambodia, and will be considered further at the ASEAN Telecommunications and Information Technology Ministers (TELMIN) Meetings and consultations in 2018.

ASEAN Connectivity is a cross-cutting agenda requiring support from a wide range of stakeholders across multiple sectors. A common understanding of ASEAN Connectivity and its vision, as articulated in MPAC 2025, is key to garnering support and ensuring synergy among stakeholders and the general population. AADCP II support for the development of an ASEAN Connectivity MPAC 2025 video series helped raise the profile of MPAC 2025. In November 2017, ASEAN and Australia launched the video series on the sidelines of the 31st ASEAN Summit in Pasay, Metro Manila. All six videos in the series are now available on the ASEAN Secretariat YouTube channel, with a total of approximately 2,500 views to date. AADCP II is also supporting the development of a microsite on ASEAN Connectivity to house the videos and contain key information about the MPAC. The microsite is planned to be complete in the third quarter of 2018.



Furthering the Initiative for ASEAN Integration

The Initiative for ASEAN Integration (IAI) provides a framework to assist Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) meet ASEAN-wide targets and commitments to realise the goals of the ASEAN Community. Following the support it provided to the development of the IAI Work Plan III, AADCP II supported development of project concepts for each action under the Plan's five strategic areas; Food and Agriculture, Trade Facilitation, Micro, Small and Medium Enterprises, Education, and Health and Wellbeing. It also helped build a clearer understanding of the role and responsibilities of regional and national stakeholders. Subsequently, in 2017 AADCP II helped develop proposals for prioritised actions in the Plan, specifically within the strategic areas of Food and Agriculture, and MSMEs. This work has helped ASEAN leverage support from potential Dialogue Partners and other funding sources, including AADCP II.

Agriculture and Food

Deepening integration in the food, agriculture and forestry sector is a priority in the AEC Blueprint, which AADCP II and its predecessor program has been supporting since 2004. Australian support has helped identify standards for good practices in key industries within agriculture, animal husbandry and aquaculture. AADCP II continues to work with the relevant ASEAN Working Groups and Sectoral Bodies to identify processes and mechanisms required to promote implementation of these standards in the ASEAN Member States.

In 2017, AADCP II supported a study to identify a mutual recognition model to operationalise these ASEAN agri-food standards as a basis for boosting intra-regional and extra-regional trade, along with cross-border acceptance of conformity assessment procedures. The proposed model, titled the "Multilateral Arrangement for the Mutual Recognition of Agri-food Standards and Conformity Assessment" and its implementation recommendations were presented and endorsed at the Special 38th Senior Officials Meeting of the ASEAN Ministers on Agriculture and Forestry (Special SOM-38th AMAF) on 15 August in Singapore.

Investment - Promoting FDI in ASEAN

In 2017, AADCP II supported development of two important publications to build understanding amongst relevant stakeholders in business and investment development in ASEAN.

The first publication, the "ASEAN Investment Report 2017: Foreign Direct Investment and Economic Zones in ASEAN" discusses the role of economic zones in the ASEAN socioeconomic development and in attracting Foreign Direct Investment (FDI) into the region. It argues for the benefits of establishing more economic zones in the region. The report was prepared in cooperation with the ASEAN Secretariat and the United Nations Conference on Trade and Development (UNCTAD). The report was well received by the Coordinating Committee for Investment (CCI) and appreciated by external stakeholders.

The second publication, the "ASEAN at 50: A Historic Milestone for FDI and Multi National Enterprises (MNEs) in ASEAN", was produced to celebrate ASEAN's 50th anniversary. It looks at the region's progress in attracting FDI since ASEAN's inception, and traces its 50-year journey to becoming what it is now, a significant hub in the global production systems and value chains of MNEs.

Both reports were launched at the ASEAN Business and Investment Summit 2017 held on the sidelines of the 31st ASEAN Summit in the Philippines.



Consumer Protection

AADCP II supports the ASEAN Committee on Consumer Protection in facilitating establishment of a common consumer protection framework, as one of the objectives declared in the ASEAN Strategic Action Plan for Consumer Protection (ASAPCP) 2025. With AADCP II support, the ASEAN High-Level Principles for Consumer Protection were developed to serve as reference for Member States in working towards the common framework. The Principles were adopted by Leaders in the Chairman's Statement of the 31st ASEAN Summit in November 2017. To promote use of the High Level Principles, AADCP II is currently helping ASEAN develop associated tools and guidelines.

To understand how the program has contributed to consumer protection in the region, AADCP II undertook a study in three ASEAN Member States, namely Thailand, Indonesia and the Philippines. The study indicated that AADCP II-supported projects have provided a significant contribution to Consumer Protection agencies' efforts to achieve a high level of protection for consumers in the region. AADCP II-supported products, including the ASEAN Strategic Action Plan for Consumer Protection (ASAPCP) 2025, a study on public awareness models, consumer complaint and redress models, and technical training modules for specific sectors, have served as guides and reference material for the development of policies and regulations, and implementation of consumer protection promotion activities in the three countries. The result of the study is available online at aadcp2.org.

AEC Monitoring and Evaluation

AADCP II continues to help provide ASEAN with an evidence-base to define its future directions and track progress of integration in the three ASEAN Community Pillars. In 2017 the program supported development of the third ASEAN Community Progress Monitoring System (ACPMS) report, which examines where the ASEAN Community stands in various economic and socio-cultural indicators for the ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC). This report was launched in conjunction with the ASEAN 50th anniversary and disseminated at the 49th ASEAN Economic Ministers Meeting in September 2017 and at the High-Level Advocacy Statistical Forum of the ASEAN Community Statistical System Committee, in Manila, October 2017.



AADCP II also supported the drafting of the "Global Megatrends: Implications for the ASEAN Economic Community" publication, as part of its support to the AEC Symposium series. The publication, co-authored by ASEAN and the Singapore Institute of International Affairs (SIIA), aims to further increase awareness of key issues and drivers of global megatrends and draw out their relevance and implications for the ASEAN integration agenda. It focuses on the ASEAN Economic Community (AEC) and, more specifically, how the AEC may be impacted by and can respond to the megatrends.

The ASEAN-Australia Development Cooperation Program (AADCP) Phase II is a long-term (2008-19) program delivering up to AU\$57 million to support economic integration through the ASEAN Economic Community. The components of the program are designed to: 1) strengthen ASEC's institutional capacity to facilitate and support ASEAN integration and community building efforts; and 2) support movement towards the AEC through: the provision of timely and high quality economic research and policy advice and support for regional mechanisms and capacity for the implementation of selected AEC Blueprint activities at the national level.

The program works around these four key result areas: 1) A better knowledge and evidence base for regional policy-making and regulation for AEC; 2) Appropriate norms and standards established for AEC to progress; 3) Stakeholders better aware of the concepts, benefits and opportunities involved in AEC; and 4) ASEC better able to support AEC processes.

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ASEAN – Australia Development Cooperation Program – Phase II

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