

RESULTS AND ACHIEVEMENTS 2016

AADCP II
ASEAN-Australia Development
Cooperation Program
Phase II



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The ASEAN-Australia Development Cooperation Program Phase II (AADCP II) seeks to achieve outcomes in four key areas: a better knowledge and evidence base for regional policy-making and regulation for the ASEAN Economic Community (AEC); appropriate norms and standards established for the AEC to progress; stakeholders better aware of the concepts, benefits and opportunities involved in the AEC; and the ASEAN Secretariat better able to support AEC process.

Key Outcome One

A Better Knowledge and Evidence Base for Regional Policy-making and Regulation for the AEC

AADCP II works in partnership with the ASEAN Secretariat (ASEC) to support the development of high-quality research and evidence-based policy analysis. This helps ASEAN policy makers in their efforts to make well-informed decisions and implement quality policies in key sectors of the AEC.

Furthering ASEAN Connectivity

Enhanced connectivity is a major ambition of the ASEAN Community Vision 2025, and was a significant focus for AADCP II in 2016.

In collaboration with the ASEC Connectivity Division, AADCP II supported the formulation of the Master Plan on ASEAN Connectivity (MPAC) 2025, endorsed by ASEAN Leaders at the 28th ASEAN Summit in Lao PDR in September 2016 as an integral part of ASEAN 2025: *Forging Ahead Together*.

This required close consultation with a broad range of stakeholders including the ASEAN Connectivity Coordinating Committee (ACCC), relevant officials of ASEAN Member States (AMS), the private sector, regional and international organisations and relevant experts. Coordination was critical in shaping the strategic focus of the document and strengthening stakeholders' ownership of it.

With MPAC 2025 now in place, AADCP II remains committed to supporting ASEAN as it embarks upon implementation of its critical connectivity priorities.

Infrastructure gaps remain a significant obstacle to ASEAN's economic integration. In the second quarter of 2016, AADCP II supported a review of the viability and bankability of infrastructure projects and developed project briefs and road maps for eight high priority projects for private investment.



The Ambassador of Australia to ASEAN H.E. Jane Duke spoke at the launching of the Report on Enhancing ASEAN Connectivity Monitoring and Evaluation

This work, done in collaboration with the World Bank, supports ASEAN to leverage private capital for financing priority projects. The briefs outline key decisions and actions required for project implementation, taking into account technical, commercial and regulatory issues. This enabled ASEAN and the Member States to proceed to the next phase and develop a publicly available pipeline of ASEAN public-private partnership (PPP) infrastructure projects.

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The findings, interpretations, and conclusions expressed herein are those of the author(s) and do not necessarily reflect the views of the ASEAN Secretariat or the Australian Government.

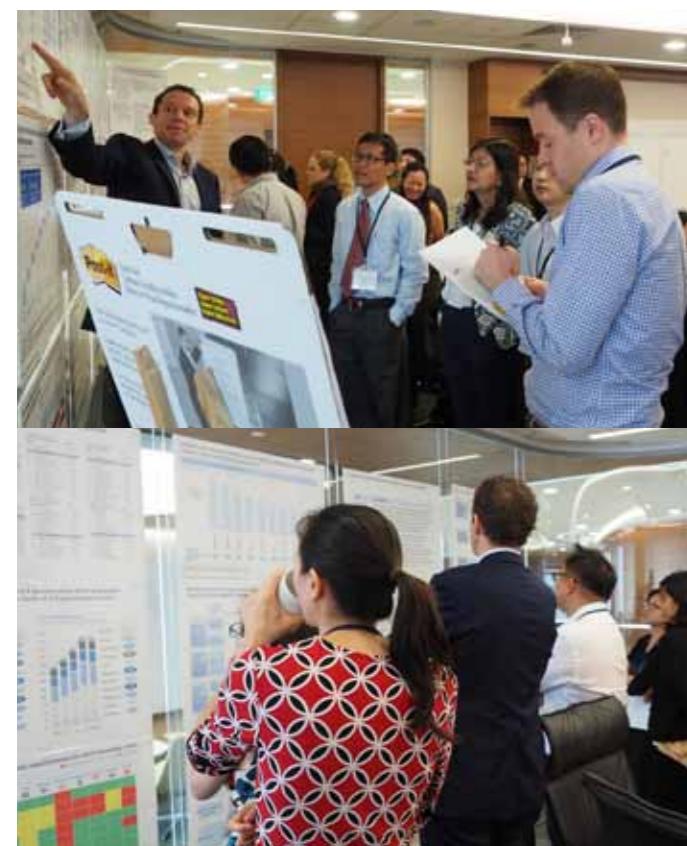
AADCP II also supported the participation of the ACCC in the G20 Investment and Infrastructure Working Group (IIWG) Meeting: Global Connectivity Forum in Singapore in April 2016. This enabled ASEAN to raise awareness of MPAC 2025 and bring the pipeline of PPP projects to a wider international audience.

AADCP II is supporting a study on the potential for an ASEAN Single Telecommunications Market, an important measure under MPAC 2025. The study will look at the economic benefits and costs of a single telecom market and AMS readiness for it.

The report, to be finalised in 2017, will offer recommended pathways and a roadmap to support the establishment of a single telecommunications market and help enable ASEAN telecommunications industry stakeholders to take advantage of the opportunities presented by an integrated market.

Furthering the Initiative for ASEAN Integration

The Initiative for ASEAN Integration (IAI) provides a policy framework to assist Cambodia, Lao PDR,



The IAI Work Plan III identifies five strategic areas to achieve its goals

Myanmar and Vietnam (CLMV) meet ASEAN-wide targets and commitments to realise the goals of the ASEAN Community.

In 2016, AADCP II supported the formulation of the IAI Work Plan III, setting out clear initiatives to realise the IAI's goal of narrowing the development gap within the region. The IAI Work Plan III identifies five strategic areas to achieve its goals: Food and Agriculture, Trade Facilitation, Micro, Small and Medium Enterprises, Education, and Health and Wellbeing.

ASEAN leaders adopted the Work Plan in September 2016 at the 28th ASEAN Summit in Lao PDR as an integral part of *ASEAN 2025: Forging Ahead Together*.

The IAI Work Plan III introduces new mechanisms to facilitate progress in the five strategic areas at the country level. These include appointment of CLMV focal points for each strategic area to drive implementation and ensure coordination, and a simplified project development and approval process. The IAI Work Plan III also provides, for the first time, a comprehensive monitoring and evaluation process for IAI activities to ensure their relevance and effectiveness.

To support effective implementation of the Work Plan, AADCP II is providing technical assistance to the development of implementation plans in each strategic area; working with ASEC to formulate clear and implementable project concept notes; and building a clearer understanding of the role and responsibilities of regional and national stakeholders.

Facilitating Policy to Promote ASEAN Services Liberalisation

A well-functioning regulatory mechanism to facilitate trade in services is one of ASEAN's key priorities, particularly for accountancy and surveying services. In 2016, AADCP II supported the development of roadmaps to assist the move towards greater mobility of ASEAN personnel in these professions.

The roadmaps identify obstacles and outline necessary steps to assist agencies implement ASEAN-wide Mutual Recognition Arrangements (MRAs) in these professions. At the 84th meeting of the Coordinating Committee on Services (CCS)

in May 2016, the ASEAN Surveying Working Group and ASEAN Professionals Accountancy Coordinating Committee adopted the roadmaps.

Members of the ASEAN Working Group subsequently agreed to implement steps under the roadmaps, including establishing common standards and cooperation for surveying education.

Key Outcome Two

Appropriate Norms and Standards Established for AEC to Progress

With increased trade in goods and services, there is a need for ASEAN common standards and guidelines to harmonise approaches, practices and mechanisms across AMS.

AADCP II supported the development of high-quality, standardised, competency-based training and skills assessment manuals for Tour Operators and Travel Agencies, completing the set of 242 toolboxes required by the Common ASEAN Tourism Curriculum to support the implementation of the MRA for Tourism Professionals. The ASEAN Tourism Professional Monitoring Committee (ATPMC) endorsed the training manuals in April 2016. AADCP II also supported the Train-the-Trainer Program of the ASEAN Master Trainers and Master Assessors for Travel Agencies and Tour Operations.

As a result of the support, ASEAN is now equipped with an additional 23 Master Trainers and 21 Master Assessors for Tour Operations, and 17 Master Trainers and 15 Master Assessors for Travel Agencies division. This will provide a strong foundation for AMS to deliver multiplier trainings to continue to grow the pool of national trainers and assessors in their respective countries.

As evidence of AADCP II results, ASEAN curriculum training manuals for Front Office, Food and Beverage Services and Food Production Division are helping the Government of Cambodia to make substantial progress in developing the country's human capital and reverse its skills shortage. The manual has been adopted by recognised institutions delivering national training in the country following official endorsement from Cambodia's Minister of Tourism.

Establishment of the ASEAN Professionals Registration System (ATPRS www.atprs.org) is another significant milestone supporting the MRA on Tourism Professionals. The system is now live, facilitating the registration of tourism professionals in ASEAN.

AADCP II also supported ASEAN to improve agricultural standards with a view to increasing the quality of agricultural products of ASEAN member countries and ensuring food safety in the market. ASEAN Good Animal Husbandry Practices (GAHP) on Animal Welfare and Environmental Sustainability Module for Layers, Broilers, and Ducks is now available for member states to use as reference.

AADCP II also supported standardised Good Aquaculture Practices (GAqP) which promoted the establishment of GAqP standards in Cambodia and Lao PDR. The ASEAN standard for Good Agriculture Practices (GAP) funded by AADCP II remains relevant and useful.

Key Outcome Three

Stakeholders Better Aware of the Concepts, Benefits and Opportunities Involved in the AEC

AADCP II is raising stakeholder awareness of the benefits and opportunities arising from the AEC.

AADCP II continued to support public dialogue among various regional stakeholders through the annual AEC Symposium. This year, the Symposium - on Global Megatrends and their Impact on the AEC - was held during the ASEAN Business and Investment Summit (ABIS) 2016.

The symposium provided a platform for government officials, business leaders and academics to exchange views on recent global developments and their impact on regional economic performance and integration.

The symposium also launched the **ASEAN Investment Report 2016: Foreign Direct Investment and MSME Linkages**. The report, supported by AADCP II, was prepared through technical cooperation between the ASEC Services and Investment Division and the United Nations Conference on Trade and Development (UNCTAD). The report contributed to a better understanding of

FDI developments in ASEAN, and closely examined and highlighted the role of multi-national enterprises (MNEs) and ASEAN micro, small and medium enterprises (MSMEs) in realising AEC goals and improving the overall investment environment.



Speakers and panelist at the second session of the AEC Symposium 2016: Global Megatrends and Regional Integration

In April and July 2016, three forums on the ASEAN Comprehensive Investment Agreement (ACIA) were held in Thailand, Singapore and Myanmar. The events, jointly organised by ASEC and the Board of Investment with support from AADCP II, helped create awareness and better understanding of ACIA's provisions, benefits and investment opportunities among each country's investors and businesspeople.

Together with Indonesia's Ministry of Tourism and ASEC, AADCP II supported the first International Conference on Mutual Recognition Arrangements for Tourism Professionals (MRA-TP), held in August 2016 in Jakarta.

The Conference brought together nearly five hundred participants from within and outside the region, including senior government officials, international tourism organisations, hotel and tourism associations, industry groups and training institutions.

The conference allowed stakeholders to discuss challenges and possible ways forward for ASEAN support to MRA-TP implementation, specifically in

recognising skills of tourism professionals and facilitating their mobility within the ASEAN region, a key AEC measure.

Building Skills for Policy Makers

ASEAN's ability to advance regional integration is, to a large extent, determined by the capacity of member states to develop, manage and monitor the process. In 2016, AADCP II continued to develop the capacity of ASEAN officials and institutions through training and introduction of best practices.

For example, to support ASEAN's monetary and financial integration and narrow capacity gaps for a more integrated banking market, AADCP II supported a capacity building program for central bank officers of Brunei Darussalam, Cambodia, Lao PDR, Myanmar and Vietnam.

The project was a follow-on to the well-received 2014 ASEAN Financial Integration Framework (AFIF) project. AADCP II supported customised trainings and provided officers with knowledge and skills essential to managing risks arising from banking integration. This will facilitate improved banking systems and better participation in ongoing banking integration efforts, so that AMS can maximise the benefits of financial integration.

AADCP II supported a well-received project aiming to build the capacity of government officials to develop and implement consumer protection policies and laws. The project, implemented in 2016, involved the development of training modules and a train-the-trainer program. It provided the basis for member states to build a cadre of trainers who can contribute to better compliance with consumer protection laws and regulations.

Indonesia, Philippines and Thailand have used and disseminated the training modules to relevant national agencies and associations across the country, as part of their work to undertake follow-on capacity building training within their own agencies.

As further evidence of the results of the program the ASEAN Committee on Consumer Protection (ACCP) endorsed AADCP II-supported public awareness models for consumer protection in August 2016. The endorsement demonstrated the relevance of AADCP II support and Member States' commitment

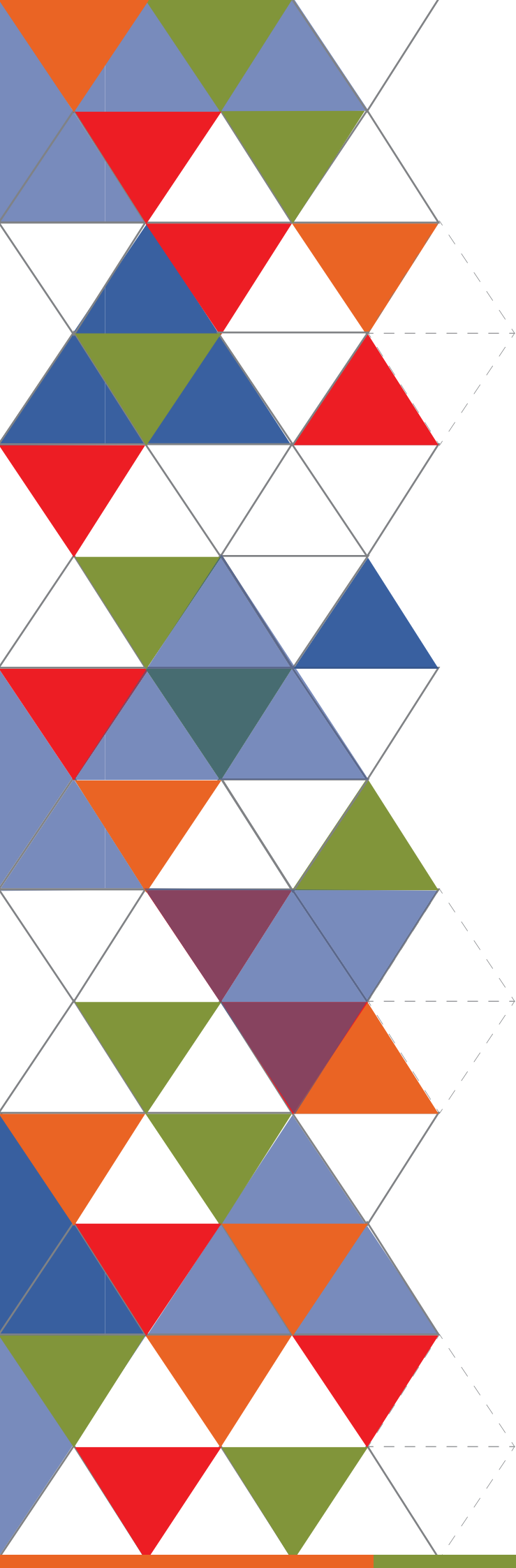
to move towards improved consumer education, important for building consumer confidence and thereby contributing to economic stability.

Key Outcome Four

ASEAN Secretariat Better Able to Support AEC Progress

AADCP II has supported institutional capacity strengthening for ASEC since 2009. In 2016, in partnership with the Statistics Division of the ASEAN Integration Monitoring Directorate, the program provided technical assistance to enhance the statistical capacity of ASEC and AMS to provide relevant, timely and comparable statistics in support of regional integration monitoring and evidence-based policy and decision making in ASEAN.

The support included preparation of the ASEAN Community Progress Monitoring System (ACPMS) report examining indicators for ASEAN integration in the context of the new phase of ASEAN community building, as well as the development of mechanisms to ensure systematic data collection, compilation and utilisation of the ACPMS as an effective monitoring mechanism in ASEAN.



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