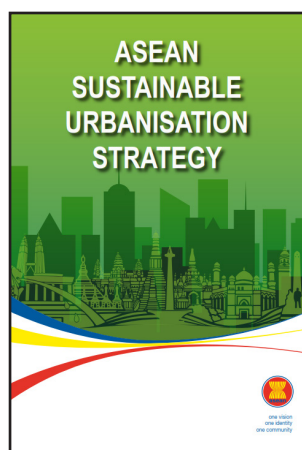


# RESULTS HIGHLIGHTS 2018

## Furthering Connectivity in ASEAN

AADCP II continues to build on its strategic support for greater regional connectivity. As part of its support for implementing the Master Plan on ASEAN Connectivity (MPAC) 2025, it supported the development of the ASEAN Sustainable Urbanisation Strategy (ASUS). ASUS provides a common framework to support ASEAN Member States (AMS) to develop cities in smart and sustainable ways.



The Strategy focuses on crucial priority areas such as inclusive and equitable growth; housing and home; personal safety and security; water, waste, and sanitation; mobility; urban resilience; and education. Importantly, it includes practical toolkits to help cities prioritise focus-areas and develop a high-quality action plans, to effectively respond to the various challenges that come with rapid urbanisation. While bringing many economic benefits, rapid urbanisation in ASEAN countries has often been accompanied by increased pressure on transportation, housing, and the environment. Addressing these issues will not only contribute to sustained economic growth but also improved urban well-being and resilience.

Greater connectivity within and among AMS demands a substantial increase in investment in quality infrastructure that facilitates regional trade in goods and services. AADCP II is providing technical assistance to ASEAN, through the World Bank, to establish an initial rolling pipeline of infrastructure projects that will impact positively on regional connectivity, in order to attract more public and private investment. The pipeline, backed by a comprehensive set of globally-recognised criteria, is a long-term tool that will help AMS assess and prioritise regional projects that will have high economic and connectivity impact.



ASUS and ASEAN Connectivity microsite launched at the sidelines of the ASEAN Coordinating Council Meeting in Singapore, November 2018.

AADCP II is also supporting the Heads of ASEAN Power Utilities and Authorities (HAPUA) to progress a major project under the ASEAN Plan of Action for Energy Cooperation 2016-2025 Phase I: the ASEAN Power Grid (APG). Through a feasibility study for an ASEAN Multilateral Power Trade, AADCP II is working with the ASEAN Secretariat and the International Energy Agency to help ASEAN identify possible frameworks and approaches to advance multilateral trading. Experience elsewhere in the world suggests that integrated power markets can lead to better utilisation of both national and regional national resources where excess power and reserve capacity can be shared. The work builds on the findings and recommendations of a study supported by AADCP II in 2015: Development Prospects of the ASEAN Power Sector: Towards an Integrated Electricity Market.

## Agriculture and Food Safety

AADCP II continues to work with relevant ASEAN Working Groups and Sectoral Bodies to identify enabling processes and mechanisms to enhance trade in agricultural commodities in the region. Our support has helped identify standards and guidelines for good practices in key industries within agriculture, animal husbandry, and aquaculture.

In 2018, AADCP II helped lay down the principles for the establishment of common certification and accreditation systems through the development of corresponding manuals based on proven good practices from within and beyond the region. The principles designed to implement ASEAN standards for Good Agriculture Practices (GAP) are suitable to be adopted for use with other standards including aquaculture and husbandry. They promote the implementation of agri-food standards and guidelines in their respective countries and facilitate the harmonisation of national systems with ASEAN standards and guidelines.



To ensure proper implementation of the certification system, AADCP II will support the development of a training program targeted at certification officers. Similarly, we will support the preparation of information, education and communication materials to address the lack of understanding of some stakeholders, particularly farmers, and support the wider acceptance of the standards.

At the same time, AADCP II is also supporting ASEAN to identify causes and possible solutions to reduce post-harvest losses in selected high-value fruits, which are very significant in Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV countries). The Food and Agriculture Organization of the United Nations (FAO) has estimated losses in fruits and vegetables accounted for 20% of total production in South

and Southeast Asia. It is expected that the support will assist CLMV governments to make investments that will better address issues along the various stages of supply chains. Reducing post-harvest losses will boost crop production and open up market opportunities.

## Mutual Recognition Arrangement on Tourism Professionals (MRA-TP)

Facilitating MRA-TP is a priority in the AEC Blueprint, which AADCP II and its predecessor program has been supporting since 2004. AADCP II support has put in place instruments required to support the implementation of the Mutual Recognition Arrangement for Tourism Professionals (MRA-TP) including a complete set of 242 high-quality, standardised training toolboxes required by the Common ASEAN Tourism Curriculum (CATC) and training for trainers and assessors.

The support has benefitted tourism education and training in AMS. For instance, Myanmar has upgraded its undergraduate degree curriculum for tourism and hospitality management based on the CATC, produced through the support of the first phase of AADCP. Meanwhile, Philippines used the toolboxes and the ASEAN Common Competency Standards for Tourism Professionals to update training regulations for some recognised occupations as means to develop the country's human capital in tourism and reverse its skills shortage.

To further support MRA-TP, AADCP II supported the formulation of the MRA-TP Work Plan 2019 – 2023, adopted by ASEAN Tourism Ministers at the 22<sup>nd</sup> Meeting of ASEAN Tourism Ministers in Viet Nam in January 2019 as an important part of the ASEAN Tourism Strategic Plan 2016-2025. The Work Plan focused on delivering quality tourism services, and details how the ASEAN Tourism Professional Monitoring Committee (ATPMC) plans to improve quality of training in the tourism industry and enhance professional standards in the region.

## Investment in ASEAN

AADCP II continues to build better understanding among relevant stakeholders in business and investment in ASEAN. In 2018, AADCP II supported the preparation of the ASEAN Investment Report: Foreign Direct Investment and the Digital Economy in ASEAN. It discusses the pivotal roles of the digital economy particularly e-Commerce in ASEAN's development and the policy options and digital economy strategy for the region. The report also highlights Australia as an important investment partner for ASEAN. The chapter on Australia contained a number of key observations, including:

- ▶ Foreign Direct Investment (FDI) flows from Australia into ASEAN are rising: Australian FDI stock rose by 85% between 2010 and 2017, from \$17b to \$31.4b. Ninety per cent of Australian investment is concentrated in just three AMS: Singapore, Thailand, and Indonesia indicating potential for further growth in other AMS.
- ▶ Australian companies operate in a wide range of industries in ASEAN, but are particularly concentrated in services (particularly in banking and finance) and extractive industries.
- ▶ Around 60% of Australia's largest 100 companies have an investment presence in ASEAN, with potential for further growth.
- ▶ Of the 75 largest Australian multi-national enterprises (MNEs) with an ASEAN presence, 46 have operations in two or more ASEAN countries. This list is dominated by extractive industries (15) and banking and finance corporations (13).
- ▶ There is scope for Australian FDI in ASEAN to grow demonstrated by Australian MNEs' positive perceptions of the region as an investment destination, strong business interest shown by clear investment plans. The report predicts strong growth potential in the digital economy, IT and health care services.



The report, jointly prepared by the ASEAN Secretariat and the United Nations Conference on Trade and Development (UNCTAD), was launched at the ASEAN Business and Investment Summit held on the sidelines of the ASEAN Summit 2018 in Singapore.

## Consumer Protection

AADCP II support in the area of consumer protection promotes effective consumer law and protection measures. Our support has helped identify good practices in some key elements of consumer protection. AADCP II works with the ASEAN Consumer Protection Committee (ACCP) to enable application of these practices in AMS. In 2018, to complement the six teaching modules produced by AADCP II in 2016, we helped the development of applied teaching tools which will play an important role to facilitate better understanding of the issues in consumer protection and how to address them. This support focussed on healthcare services, consumer credit and banking, environment, phones, internet and e-commerce, product safety and labelling, and professional services. The knowledge and skills gained will assist AMS in the development and implementation of consumer protection policies, framework, and laws.

## Strengthening ASEAN Secretariat

AADCP II has supported institutional capacity strengthening for ASEC since 2009. In 2018, AADCP II provided technical support to strengthen the capacity of ASEC's Programme Cooperation & Project Management Division (PCPMD) to promote results-based management in ASEAN. The support included drafting the Division's Terms of Reference highlighting its roles and responsibilities as well as the Strategic Plan to help the division implement its mandate effectively. The results have been presented and received strong support from the Secretary-General of ASEAN and the Deputy Secretary-General of ASEAN for Community and Corporate Affairs and will be considered further at the Executive Committee of ASEC meetings in mid-2019.

## AADCP II

### ASEAN-Australia Development Cooperation Program Phase II



The ASEAN-Australia Development Cooperation Program Phase II (AADCP II), an ASEAN-Australia partnership program, supports the ASEAN Economic Community (AEC) by providing background analytical work, development of necessary norms and standards for regionalism and the awareness building of opportunities in economic integration and supporting the ASEAN Secretariat (ASEC) to deliver better on its core secretariat functions, technical assistance and capacity enhancement.

AADCP II works in partnership with ASEC to support AEC priorities through work stream approach in key sectors: connectivity, services, investment, consumer protection, agriculture, financial integration, and the Initiative for ASEAN Integration.

Published March 2019

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ASEAN – Australia Development Cooperation Program – Phase II

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