



ASEAN – Australia Development Cooperation Program – Phase II

RESULTS HIGHLIGHTS 2019

Furthering Connectivity in ASEAN

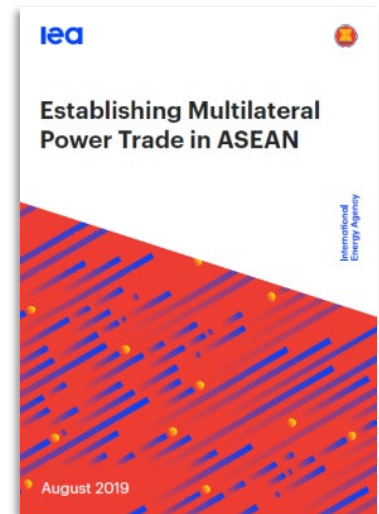
In 2019, AADCP II continued to provide strategic support to ASEAN's ambitious connectivity agenda, as set out in the Master Plan on ASEAN Connectivity (MPAC) 2025. Our support in partnership with the World Bank for the development of an initial pipeline of ASEAN infrastructure projects, along with high-level financing options analysis for a number of the listed projects, is helping realise ASEAN's efforts to meet the growing need for infrastructure investment in the region.

The initial list of projects was announced on the sidelines of the 24th ASEAN Coordinating Council Meeting in November 2019 in Bangkok. It consists of 19 projects spanning road, rail, energy, ports, airports and digital sectors, worth nearly USD 21 billion in estimated investments. The Pipeline is intended to be a long-term, dynamic tool for ASEAN Member States (AMS) to regularly identify and prioritise infrastructure projects that have high economic and connectivity impact. The availability of a well-planned, viable and risk-managed project pipeline builds investor confidence, which is crucial to secure financing.



We are also supporting the development of a framework to promote infrastructure productivity in ASEAN, and identification of capacity building needs to implement it. An underlying challenge in infrastructure development, aside from fiscal constraints, is the lack of a comprehensive framework to understand the value of infrastructure productivity and the methods for a wide-range productivity assessment that covers infrastructure regulations, governance, and implementation accountability, among others. The framework will support AMS to make informed, evidence-based policy choices towards improving infrastructure productivity across the whole project life-cycle, and thereby help narrow the infrastructure gap.

As part of our support to promote energy connectivity, and particularly cross-border power trade, AADCP II supported a study “Establishing Multilateral Power Trade in ASEAN” to progress the ASEAN Power Grid (APG)—a major project setting out pathways to better utilisation of both national and regional resources where excess power and reserve capacity can be shared. The study identified three models for establishing multilateral power trading in the region: a harmonised bilateral trade model, which would allow any ASEAN Member States (AMS) to trade with any other, regardless of the existence of a shared border; a secondary trade model involving the development of a regional market separate from bilateral ones; and a primary trade model under which AMS that choose to do so could replace their national markets with a fully integrated regional market. ASEAN Energy Ministers gave positive feedback on the report at their September 2019 meeting in Bangkok, and tasked Senior Officials to follow up on its recommendations and report progress in 2020. The report was also highly valued by external stakeholders including the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), which recognised the study as a useful reference for other regions seeking innovative ways to develop multilateral power trade.



Recognising the importance of Monitoring & Evaluation for effective implementation of MPAC 2025, we supported the development of a Monitoring, Review and Evaluation (MRE) Operational Guide to help key stakeholders track, report and make more informed decisions to improve MPAC 2025 implementation. As part of the project, we also supported the first MPAC MRE progress report, which was submitted to the ASEAN Connectivity Coordinating Committee (ACCC) in October 2019.

Furthering the Initiative for ASEAN Integration

AADCP II continues to build on its strategic support to assist Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) in meeting ASEAN-wide targets and commitments to realise the goals of the ASEAN Community. In 2019, this included a review of the implementation of the IAI Work Plan (WP) III, which included recommendations to further enhance effectiveness of the work plan.



The review took into account the views of relevant stakeholders involved including government officials in each of the CLMV countries to ensure effective ownership of the review process, and ASEAN partners and international organisations that provided support to the implementation of the work plan. The review examined how well IAI WP III has progressed and suggested recommendations to strengthen the implementation of IAI WP III and its performance. The recommendations were presented to the IAI Task Force and will be followed up under the leadership of the IAI Task Force based on direction by ASEAN leaders gathered in Bangkok for the 35th Summit in November 2019.

Agriculture and Food

AADCP II has been supporting development of a number of ASEAN standards, namely the Good Agriculture Practices for Broilers and Layers, Good Aquaculture Practices for Food Fish, and Good Animal Husbandry Practices. While these Standards have been endorsed, there remains a need to implement them practically at the regional and national levels in ways that will increase confidence and demand from buyers, promote uptake at the farm level, and foster appropriate levels of protection between trade partners. AADCP II supported a study to address this need, which recommended establishment of a Mutual Recognition Models for the ASEAN Agricultural Best Practices (MAMRASCA) to allow the acceptance of trading partners' standards and conformance measures in the production of agri-food. ASEAN Senior Officials endorsed this recommendation, and so in 2019, we initiated our support to ASEAN in establishing the MAMRASCA, specifically in the drafting of the MRA text through the newly established MAMRASCA Task Force. As part of the work, we also supported an assessment of country-level readiness towards full participation in MAMRASCA across AMS. Each country's assessment includes recommendations aimed at ensuring that readiness milestones are met and full benefits from MAMRASCA reach each country. The preparatory support provided by the program is expected to accelerate the implementation of MAMRASCA which will contribute in better uptake of ASEAN agri-food standards, increase confidence and demand from buyers, and foster appropriate levels of protection between trading partners.

Understanding Foreign Direct Investment (FDI) Development in ASEAN

Investment is critical to achieving the ASEAN Economic Community (AEC) goal of developing a single market and production base. As ASEAN works actively to attract FDI flows into the region, better understanding and knowledge of what attracts FDI will assist in designing appropriate investment policies for a more competitive business environment.

AADCP II continues to build a better understanding among relevant stakeholders in business and investment in ASEAN. In 2019, through AADCP II support, ASEAN released the [ASEAN Investment Report 2019: Foreign Direct Investment in Services: Focus on Health Care](#). The report looked into



the investment landscape in the healthcare industry and discusses key issues around investment needs, the interrelationship between sectors in the healthcare value chain, and its policy implications and opportunities. It showed the role of investment, in particular, FDI and foreign companies in the development of the industry in ASEAN. And, it highlights the significance of regional cooperation and implementation agreement as well as national investment environments in relation to FDI in health care. It presented policy advice on how to move towards a competitive health care environment in the region.

The report, a joint publication between the ASEAN Secretariat and the United Nations Conference on Trade and Development (UNCTAD) was launched during the ASEAN Investment Business Forum held on the side-lines of the ASEAN Summit 2019 in November in Bangkok.

Consumer Protection

Consumer welfare and protection is an integral part of a well-functioning and fair market, requiring sound consumer protection regimes and effective consumer protection authorities which can take action to protect consumers and encourage higher levels of compliance with the laws. To address this need, AADCP II supported the development of the ASEAN Capacity Building Roadmap for Consumer Protection 2019-2025. The Roadmap will provide AMS a framework to fulfil human and institutional capacity needs for improved effectiveness in dealing with recent developments including sustainable consumption and e-commerce, two priorities that have become increasingly important in AMS in recent years.

The Roadmap outlines actions required for building capacity at the regional, sub-regional and national levels, including in policy development, enforcement, coordination, and advocacy. It was endorsed by the ASEAN Committee on Consumer Protection (ACCP) in February 2020.

Strengthening ASEAN Secretariat

AADCP II continues to strengthen result-based project management in ASEAN. In 2019, we provided a training of trainers (ToT) and training material on Project Development for the ASEAN Secretariat (ASEC) Programme Cooperation & Project Management Division (PCPMD) staff to boost their capacity to support AMS in the development of results-based projects. AADCP II is following on this support in 2020 with the development of a programming manual for ASEAN projects.

About AADCP II

AADCP II is an 11-year \$57m partnership which directly supports the development and implementation of key ASEAN strategies for regional economic integration, connectivity and narrowing the development gap among Member States. It also provides support to AEC to better deliver on its core functions. In doing so, AADCP II supports inclusive economic growth in the region.

AADCP II works in partnership with the ASEAN Secretariat (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.

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