INITIATIVE FOR ASEAN INTEGRATION (IAI) WORK PLAN III

asean

one vision, one identity, one community

Initiative for ASEAN Integration (IAI) Work Plan III

The ASEAN Secretariat
Jakarta

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VIENTIANE DECLARATION ON THE ADOPTION OF THE INITIATIVE FOR ASEAN INTEGRATION (IAI) WORK PLAN III

WE, the Heads of State/Government of the Member States of the Association of Southeast Asian Nations (thereinafter referred to as ASEAN), namely, Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, on the occasion of the 28th ASEAN Summit in Vientiane;

RECALLING the launch of the Initiative for ASEAN Integration at the Fourth Informal Summit in Singapore in 2000 and Ha Noi Declaration on Narrowing Development Gap for Closer ASEAN Integration in 2001, with the aim of providing direction on collective efforts in ASEAN to narrow the development gap within ASEAN and to enhance ASEAN's competitiveness as a region;

NOTING the progress made by Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV countries) in the past fifteen years through capacity building, technical assistance and infrastructure development provided under the IAI Work Plans I and II;

FURTHER NOTING the prevalent development gaps which still exist within and among ASEAN Member States;

ACKNOWLEDGING that the changing global and regional economic landscape would bring huge opportunities as well as challenges to the region and that the development gap among Member States would be further widened without effective strategies to bridge the socio-economic divide;

REAFFIRMING the commitment made in the Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together in 2015 to strengthen efforts and cooperation in reducing the development gap through, among others, the Initiative for ASEAN Integration;

COMMENDING the work of the IAI Task Force in developing the IAI Work Plan III with the relevant ASEAN Sectoral Bodies and the ASEAN Secretariat;

DO HEREBY:

1. **ADOPT** the Work Plan III of the Initiative for ASEAN Integration (IAI Work Plan III), that aims to assist CLMV countries to meet ASEAN-wide targets and commitments to realise the goals of the ASEAN Community and thereby contribute to narrowing development gap;

2. **AGREE** that this Work Plan succeeds the *IAI Work Plan II* and constitutes an integral part of the *ASEAN 2025: Forging Ahead Together;*

3. **RESOLVE** that ASEAN Member States shall mobilise resources along with ASEAN's Dialogue Partners and external parties, including international organisations and the private sector, to implement the Work Plan in a timely and effective manner;

4.   **TASK** relevant ASEAN Sectoral Bodies to support implementation of the Work Plan in the areas under their respective purview; and

5.   **TASK** the IAI Task Force to coordinate, monitor and report the progress of implementation of the IAI Work Plan III to the ASEAN Summit annually, through the ASEAN Coordinating Council.

ADOPTED in Vientiane, Lao PDR, this Sixth day of September in the Year Two Thousand and Sixteen, in a single original copy in the English Language.

INITIATIVE FOR ASEAN INTEGRATION (IAI) WORK PLAN III

Executive Summary

The Initiative for ASEAN Integration (IAI), launched in 2000, helps ASEAN's newer Member States implement ASEAN commitments and agreements. Through special assistance to Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV countries), it aims to further regional integration in order to narrow the development gap within ASEAN.

IAI has so far seen the adoption of two work plans. Work Plan I, from 2002 to 2008, comprised 232 projects in four areas. Work Plan II began in 2009, and includes 182 actions aligned with the three ASEAN Community Blueprints 2015. However, while over 280 projects worth over US$40 million have been undertaken, the implementation rate for actions is less than 45%. One key challenge for Work Plan III therefore is to undertake a more strategic and focused effort in the development and implementation of the actions.

IAI Work Plan III has been developed in close collaboration with CLMV countries, other ASEAN Member States and stakeholders, and is aligned with the ASEAN Community Vision 2025 and the various sectoral work plans. To improve focus and lift implementation, five strategic areas have since been identified.

A NEW STRATEGIC FRAMEWORK FOR IAI WORK PLAN III

In Work Plan III, the vision for IAI remains consistent: *to assist CLMV countries to meet ASEAN-wide targets and commitments towards realising the goals of the ASEAN Community*. In order to achieve this vision, the five strategic areas which have been identified are:

- **Food and Agriculture.** The populations of CLMV countries are primarily rural and dependent on agriculture, and rural poverty remains endemic. Given the low agricultural productivity, there are great opportunities to improve yields and competitiveness – though these improvements need to be sustainable. ASEAN is also working to increase trade in agriculture through harmonisation of standards and to improve food security in the region. Support to CLMV countries will help promote these objectives.

- **Trade Facilitation.** Simplification and harmonisation of trade procedures can significantly reduce trade costs, especially in CLMV countries where border and documentary compliance is often onerous. ASEAN Economic Community is strongly focussed on improving trade facilitation through various mechanisms, e.g. ASEAN Trade Repository and ASEAN Single Window, and CLMV countries need assistance to fully participate. Increasing the capacity of CLMV countries to understand WTO rules and processes and implement WTO agreements will also support regional integration.

- **Micro, Small and Medium Enterprises (MSMEs).** MSMEs play a critical role in the economies of all CLMV countries. However, the policy environment supporting MSMEs is still relatively weak, with opportunities for improvement in access to finance and new markets, business regulation and entrepreneurial education. Promotion of MSMEs is a strong ASEAN priority, with a range of regional initiatives in progress. CLMV countries will need additional support to implement these measures.

- **Education.** Developing human capital is a major challenge for CLMV countries, with skills gaps widening as economies evolve. While access to basic education has increased, there remain large numbers of out-of-school children and quality is largely unaddressed. In technical and vocational education and training (TVET) and higher education, ASEAN is promoting mutual recognition of qualifications standards. Support for English language instruction will also facilitate greater integration of CLMV countries in ASEAN.

- **Health and Well-Being.** While indicators of health in CLMV countries have improved significantly since 2000, there remain large gaps vis-à-vis other Member States. ASEAN is increasingly pursuing regional standards in areas such as maternal and child health, and food safety. CLMV countries will need special support to implement these standards. Health also has important regional dimensions – in areas such as emerging infectious and communicable diseases, for example, the success of integrated surveillance systems depends on building strong national capacities in all Member States.

STRENGTHENING IMPLEMENTATION OF IAI

Effective and efficient implementation of Work Plan III depends on four dimensions that are important for delivery by governments:

- **Clear governance and ownership.** Successful implementation requires leadership and well-defined roles and responsibilities. A new governance structure for IAI will be implemented for Work Plan III, with CLMV focal points in each strategic area, and closer integration with existing sectoral bodies.

- **Presence of core skills and finance.** Effective implementation requires access to the right resources – people, skills and financing – for delivery. To better mobilise those resources, Work Plan III introduces a consistent project development and recognition process to replace the multiple systems under Work Plan II.

- **Proactive stakeholder engagement.** Proactive engagement with stakeholders supports the successful implementation of the initiative, and helps motivate complementary activity. To maintain momentum in engagement and implementation of Work Plan III, the existing mechanism for consultation between the IAI Task Force and Dialogue Partners and external parties will continue. In addition, stakeholders' forums will be organised to exchange information and encourage project commitments. CLMV focal points for each strategic area will also be encouraged to coordinate with relevant stakeholders who are active in the respective areas.

- **Robust performance management.** The effectiveness of implementation can only be measured through an impartial and rigorous performance-tracking system, which is regular, data-driven and fact-based. Project performance will be evaluated against planned inputs and targeted outputs. The ASEAN Secretariat will then consolidate this data, and produce semi-annual work plan implementation monitoring reports that the IAI Task Force can use to review progress. Overall outcomes will be assessed periodically.

Chapter 1. Introduction

1.1. THE INITIATIVE FOR ASEAN INTEGRATION

1. Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV countries) are the most recent ASEAN Member States, joining during the 1990s. While all have experienced rapid growth over the past decade, CLMV countries still have the lowest incomes among Member States. During the same period, the scale and complexity of ASEAN commitments and agreements have grown substantially, as regional integration gathers pace.

2. Given their levels of development, CLMV countries face capacity constraints in successfully implementing ASEAN commitments. The Initiative for ASEAN Integration (IAI) is a policy framework which provides special support and technical assistance to CLMV countries to enhance their capacity in implementing these commitments. This assistance is principally provided by the other ASEAN Member States, and ASEAN's Dialogue Partners. Through facilitating stronger ASEAN participation by CLMV countries, IAI seeks to ensure the benefits of ASEAN integration are equitably shared and aims to contribute to narrowing the development gap (Exhibit 1).

EXHIBIT 1
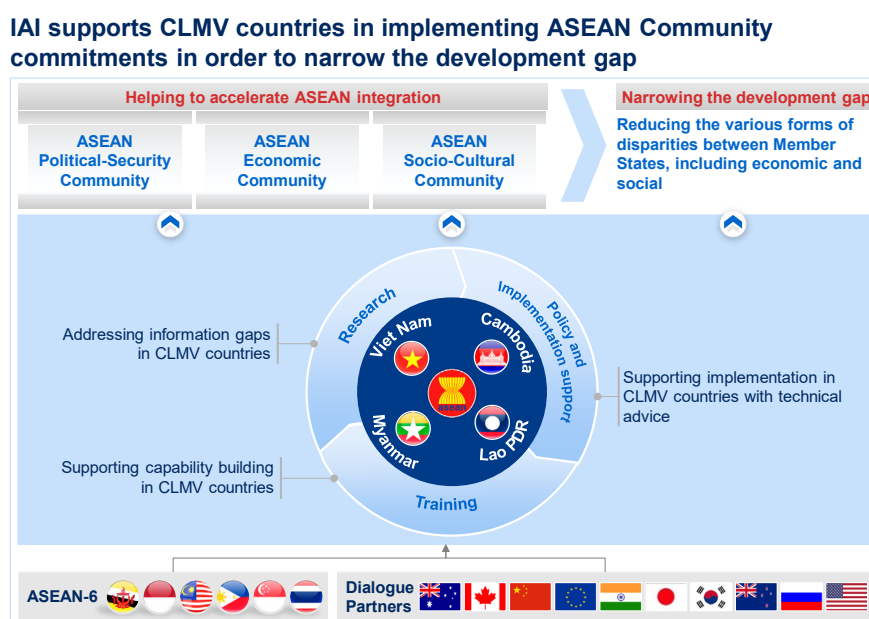
3. The ASEAN Heads of State/Government launched the IAI at the ASEAN Informal Summit in 2000. To date, this has included two Work Plans:

   ■ **IAI Work Plan I.** This six-year Plan (2002-2008) comprised 232 projects (in four areas: infrastructure, human resource development, information and communications technology, and regional economic integration).

■ **IAI Work Plan II.** The second Work Plan began in 2009 and continues until the commencement of Work Plan III, and is aligned with the three ASEAN Community Blueprints, namely the ASEAN Economic Community (AEC), the ASEAN Socio-Cultural Community (ASCC), and the ASEAN Political-Security Community (APSC).[1] It comprises 182 actions, of which 19 are studies, 78 are policy and implementation support, and 85 are training programmes and capacity support. The projects that have been completed or are in the process of implementation currently only address 78 (or 42.8%) of the 182 actions.[2]

1.2. STRUCTURE OF WORK PLAN III

4. IAI Work Plan III is composed of two parts (Exhibit 2):

    a) The strategic framework for IAI Work Plan III outlines the IAI agenda for the next five years (2016-2020). It contains the vision for IAI, priority strategic areas and objectives, and specific actions within each strategic area, and is described in Chapter 2.

    b) The plan for the implementation of the strategic framework is explained in Chapter 3, including implementation schedule, mechanisms, and monitoring and evaluation.

EXHIBIT 2

IAI Work Plan III is comprised of the strategic framework – vision, strategic areas, objectives and actions – and the implementation plan

Vision — A clear statement that reflects **aspirations** and **how** the IAI will move ahead toward its mission in the 2016-2020 time period

Strategic areas & objectives — The prioritised, coherent set of **strategic areas** that support the vision, plus the specific, measurable, time-bound **objectives** that describe what is aimed to be achieved in each strategic area

Actions — The full set of **actions** that support each strategic area in order to achieve the objectives

Implementation plan — Clear **implementation** plan that has:
- An implementation schedule outlining timing for each action
- The roles involved in implementation, and their responsibilities
- Project development and approval process
- Monitoring and evaluation mechanisms, including metrics

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1   Upon recommendation from the IAI Task Force, the ASEAN Coordinating Council agreed in November 2015 that implementation of IAI Work Plan II would be extended until the adoption of the Work Plan III.

2   Report of the Status of Implementation of the IAI Work Plan II for the 49th Meeting of the IAI Task Force, ASEAN Secretariat, 5 August 2016.

Chapter 2. Strategic Framework

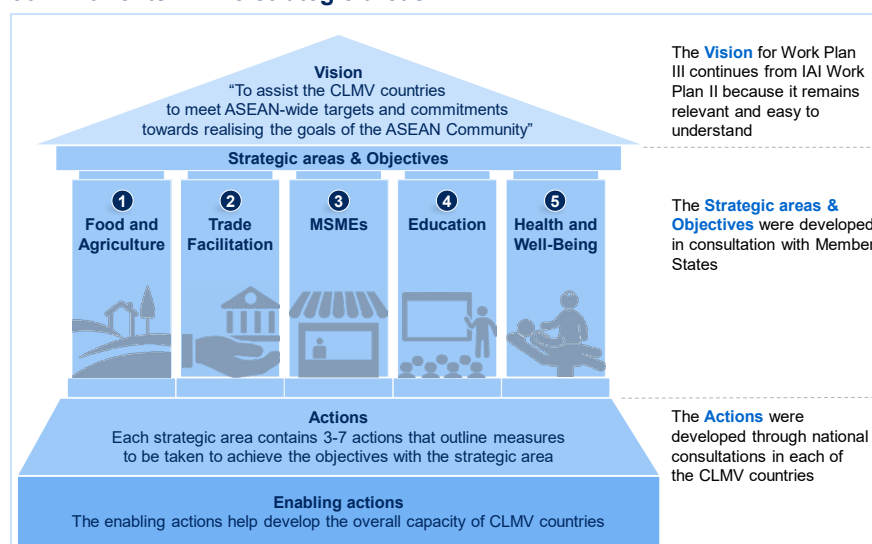5.   The vision for IAI is to assist CLMV countries to meet ASEAN-wide targets and commitments in realising the goals of the ASEAN Community. IAI's vision remains challenging but achievable, as evidenced by the significant progress that has already occurred in integrating CLMV countries within ASEAN. It also remains critically relevant: given the large development gaps that still exist between ASEAN Member States, CLMV countries will continue to require support to meet the new set of ASEAN-wide targets and commitments agreed to in *ASEAN 2025: Forging Ahead Together.*

EXHIBIT 3

The role of IAI Work Plan III is to support implementation of ASEAN-wide commitments in five strategic areas

Vision
"To assist the CLMV countries to meet ASEAN-wide targets and commitments towards realising the goals of the ASEAN Community"

The **Vision** for Work Plan III continues from IAI Work Plan II because it remains relevant and easy to understand

Strategic areas & Objectives

❶ **Food and Agriculture** ❷ **Trade Facilitation** ❸ **MSMEs** ❹ **Education** ❺ **Health and Well-Being**

The **Strategic areas & Objectives** were developed in consultation with Member States

Actions
Each strategic area contains 3-7 actions that outline measures to be taken to achieve the objectives with the strategic area

The **Actions** were developed through national consultations in each of the CLMV countries

Enabling actions
The enabling actions help develop the overall capacity of CLMV countries

6.   Close alignment with *ASEAN 2025: Forging Ahead Together* and associated Blueprints and sectoral work plans is crucial to ensuring that IAI actively supports the ASEAN agenda *(see Annex A for details)*. The structure of the Work Plan is based around the five strategic areas, which have relevance to all three Community pillars – AEC, ASCC and APSC. Each of these strategic areas has been mapped with existing ASEAN sectors (Exhibit 4). Several actions proposed are joint actions with sectoral bodies. Cross-cutting issues have been considered within each relevant strategic area. Several enabling actions have also been identified to support the development within CLMV countries of the capacity for the Work Plan's implementation.

EXHIBIT 4

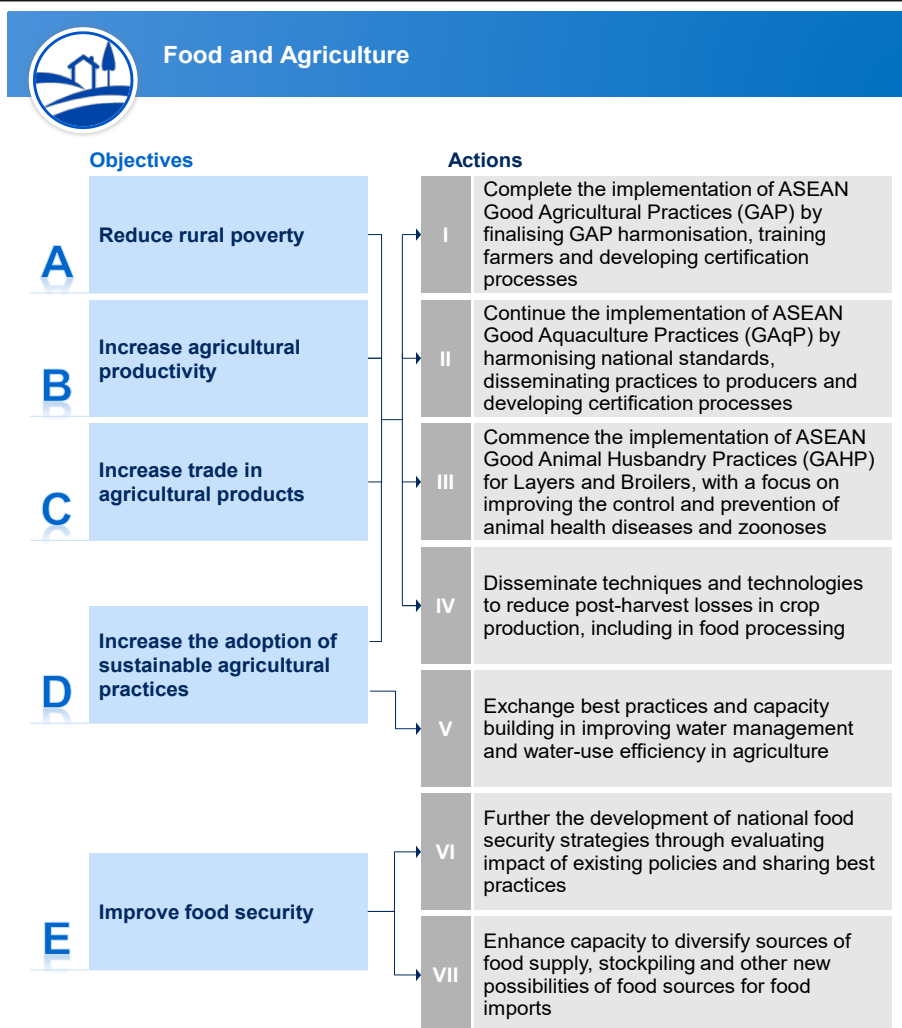**IAI Work Plan III supports the Community pillars and sectoral work plans**

Legend: Strong focus | Some focus | Limited focus

Strategic areas	Community pillars			Relevant sectoral work plans
	AEC	ASCC	APSC	
1 Food and Agriculture	Strong focus	Some focus	Limited focus	• ASEAN Integrated **Food Security** Framework and Strategic Plan of Action on Food Security 2015-2020 • Vision and Strategic Plan for ASEAN Cooperation in **Food, Agriculture and Forestry** (2016-2025)
2 Trade Facilitation	Strong focus	Limited focus	Limited focus	• AEC Strategic Action Plan for **Trade in Goods** • ASEAN **Standards and Conformance** Strategic Plan 2016-2025 • ASEAN Broad Direction for **Customs** Activities 2016-2025
3 MSMEs	Strong focus	Limited focus	Limited focus	• ASEAN Strategic Action Plan for **SME** Development 2016-2025
4 Education	Some focus	Strong focus	Limited focus	• The ASEAN Work Plan on **Education** 2016-2020
5 Health and Well-Being	Some focus	Strong focus	Limited focus	• ASEAN Post-2015 **Health** Development Agenda

7. In addition, recognising the progress made by CLMV countries, apart from the objectives identified in the five strategic areas, it will also be useful to include other projects which provide support for other areas in the development agenda. These projects will be developed in consultation with CLMV countries, to ensure that the projects fulfil the needs and requirements of the countries.

8. The five strategic areas prioritised for IAI Work Plan III, and the associated objectives and actions, are detailed below. *(Specific outputs and outcomes associated with the actions and objectives are shown in Annex B).*

2.1. FOOD AND AGRICULTURE

9. A large proportion of people in CLMV countries live in rural areas and depend on agriculture – including crops, livestock and aquaculture – as their primary source of income. Poverty in Southeast Asia is also largely rural – the Asian Development Bank (ADB) estimated that 70% of the poor in Southeast Asia live in rural areas, and in CLMV countries, the incidence of poverty is significantly higher in rural areas. A critical underlying cause of rural poverty in CLMV countries is low agricultural productivity, which is why the AEC Blueprint 2025 focuses on enhancing "productivity and competitiveness of rural economies" in CLMV countries. There are a range of practices and technologies that could assist CLMV countries in improving yields and competitiveness while ensuring environmental sustainability. Trade agreements could also generate export growth opportunities for CLMV countries, if they can meet the product quality and safety standards demanded by importing countries. Through Work Plan III, IAI will support the implementation of ASEAN standards in crops, livestock and fisheries in CLMV countries, and the dissemination of techniques and technologies to improve productivity and food security. The objectives and actions in food and agriculture are summarised in Exhibit 5.

EXHIBIT 5

Food and Agriculture		
Objectives		**Actions**
A Reduce rural poverty	**I**	Complete the implementation of ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes
B Increase agricultural productivity	**II**	Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes
C Increase trade in agricultural products	**III**	Commence the implementation of ASEAN Good Animal Husbandry Practices (GAHP) for Layers and Broilers, with a focus on improving the control and prevention of animal health diseases and zoonoses
D Increase the adoption of sustainable agricultural practices	**IV**	Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing
	V	Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture
E Improve food security	**VI**	Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices
	VII	Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports

10. The following actions will be undertaken in food and agriculture:

I. *Complete the implementation of ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes.* Promoting good agriculture practices by training farmers can improve safety and quality of agricultural products, increase productivity, and enhance sustainability. ASEAN GAP was developed in 2006 to provide common standards for safety, quality and environmental management in fruit and vegetable production. GAP is also an important trade facilitation instrument as it enables harmonisation of sanitary and phytosanitary standards (SPS) across ASEAN. Since 2012, all ASEAN Member States have taken steps to harmonise their national standards with ASEAN GAP, and implement these standards through training and certification. The draft ASEAN Strategic Plan of Action for Cooperation on Crops (2016-2020) continues this process, promoting the usage of regional agricultural standards and best practices at the national level – especially ASEAN GAP – as well as the availability and capacity of testing laboratories to support GAP certification. Cambodia, Lao PDR and Myanmar (CLM countries) lack the necessary skills and capacity, and require support to complete their GAP implementation.

II. *Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes.* Most ASEAN Member States have large and growing aquaculture industries, and aquaculture is important both to food security and nutrition, and the overall economy. In 2015, ASEAN agreed to harmonise standards for aquaculture across Member States, starting with the publication of ASEAN GAqP covering food fish. GAqP addresses a range of issues, including food safety, animal health and welfare, environmental integrity, and socio-economic issues. Some CLMV countries have already begun implementing GAqP, but all currently lack the capacity to train the large number of producers and develop certification processes.

III. *Commence the implementation of ASEAN Good Animal Husbandry Practices (GAHP) for Layers and Broilers, with a focus on improving the control and prevention of animal health diseases and zoonoses.* The ASEAN GAHP for Layers and Broilers in food safety was developed in 2014. In combination with the ASEAN Biosecurity Management Manual for Commercial Poultry Farming, ASEAN GAHP is an important tool for improving biosecurity and facilitating increased trade in poultry products. At the time of its development, Cambodia, Lao PDR and Myanmar were three of the four ASEAN Member States without a structured national GAHP.[3] This makes ASEAN GAHP an important model framework for the development of national GAHPs in those countries. Although implementation has commenced, CLM countries will need assistance to finish their regulatory standards and train poultry producers. Viet Nam may need support in completing the alignment of their existing GAHP with ASEAN GAHP.

IV. *Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing.* Post-harvest losses are very significant in ASEAN – the Food and Agriculture Organization of the United Nations (FAO) has estimated losses in rice at 10% to 27%, and losses in fruit and vegetables above 20%.[4] Losses are exacerbated by the warm, humid climates in CLMV countries, and can be caused by a variety of factors, including transport, storage, processing and disease. Various practices and tools, both on farm and in transportation and food processing, offer the opportunity to significantly reduce these losses. There have been some previous initiatives to address this issue, but CLMV countries currently have only limited application of post-harvest technologies and little training of farmers in relevant techniques.

V. *Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture.* Deficiencies in water management can lead to suboptimal water use. This affects crop yields and the level of farm incomes. It can also lead to higher operating costs for systems based on pumping water from a primary source of supply. While the deficiencies in water management may result from inadequate infrastructure and maintenance programmes, they also reflect poor service delivery and operating rules that fail to supply enough water to meet crop demands at different points of the production cycle. As sustainable agricultural development depends on sustainable water use, CLMV countries will need assistance to strengthen capacity to ensure sustainable management of water resources in agriculture.

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[3] ASEAN Good Animal Husbandry Practices for Layers and Broilers: Strategic Plan 2014-2016, AADCP II, 2014.
[4] Post-harvest losses in ASEAN countries, FAO, 2008.

VI. *Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices.* The global food price crisis in 2007-08 was an important reminder that food security remains a critical challenge in the region. ASEAN has made food security a major priority, and adopted the ASEAN Integrated Food Security (AIFS) Framework and a Strategic Plan of Action (SPA-FS).[5] CLM countries are the most severely affected amongst Member States, with the highest rates of undernourishment.[6] While CLMV countries have all implemented measures to improve food security, there is a need to further develop national strategies to meet new challenges and ensure alignment with the objectives of AIFS and SPA-FS, including the establishment of the ASEAN Food Security Information System (AFSIS).

VII. *Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports.* It is crucial for CLMV countries to improve food stability and reduce vulnerability to global food supply volatility. This is in accordance with the core objectives of the AIFS Framework and SPA-FS. According to estimates, if food prices had stayed the same in the late 2000s, about 112 million more people could have been saved from poverty every year (based on the $1.25/day poverty line).[7] Further, food prices have been far more volatile than non-food prices in developing Asia during 2000-2010. Food price volatility is a major challenge to food security because it affects how poor households decide where to invest their limited resources. For example, they may resist investing in education, training, health care, and future productivity to provide an immediate safety net in case food prices rise rapidly. Ensuring that governments and relevant policy makers have the capacity to diversify sources of food will be vital in enhancing living standards in CLMV countries.

2.2. TRADE FACILITATION

11. Trade facilitation measures – which simplify and harmonise trade procedures with international standards – have the potential to significantly reduce trade costs, integrate CLMV countries into the ASEAN Economic Community and increase their participation in global value chains. Businesses in ASEAN have highlighted trade facilitation issues as priorities to be addressed in order to enhance regional integration, with non-tariff barriers ranked the most important challenge requiring attention. At present, the time required for border and documentary compliance for either export or import in CLMV countries is almost double the ASEAN-6.[8] As a consequence, the Organisation for Economic Co-operation and Development (OECD) has estimated that amongst ASEAN Member States, CLMV countries have the most to gain through improved trade facilitation.[9] IAI Work Plan III aims to support existing ASEAN trade facilitation commitments, such as National Single Windows and National Trade Repositories, as well as improving governance and capacity in customs, and standards and conformance. The objectives and actions in trade facilitation are summarised in Exhibit 6.

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5 ASEAN Integrated Food Security Framework and Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) 2015-2020, ASEAN Secretariat, 2015.
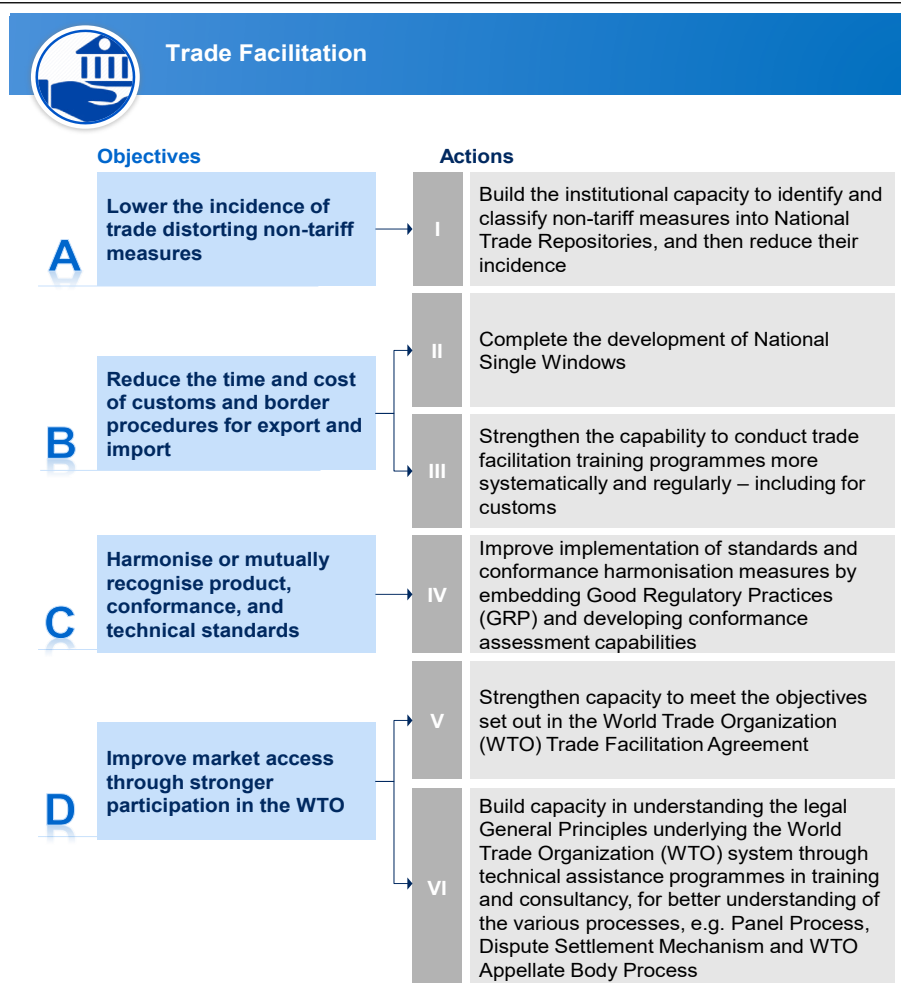6 Regional Overview of Food Security: Asia and the Pacific, FAO, 2015.
7 Food Security and Poverty in Asia and the Pacific: Key Challenges and Policy Issues, ADB, 2012.
8 Doing Business: Trading Across Borders, World Bank, 2016.
9 OECD Trade Facilitation Indicators: Moving ASEAN Forward, OECD, 2015.

EXHIBIT 6

12. The following actions will be undertaken in trade facilitation:

I.   *Build the institutional capacity to identify and classify non-tariff measures into National Trade Repositories, and then reduce their incidence.* ASEAN agreed, in the AEC Blueprint 2025 and ASEAN Trade in Goods Agreement (ATIGA), to work towards an ASEAN Trade Repository (ATR), built on National Trade Repositories (NTRs). CLMV countries have commenced populating their NTRs but lack the institutional capacity to properly identify and classify all non-tariff measures (NTMs), which often extend across many different ministries and agencies. There is a need to also reduce the incidence of trade-distorting NTMs through well-coordinated reform and Good Regulatory Practices (GRP), which will be challenging for all ASEAN Member States, especially CLMV countries.

II.   *Complete the development of National Single Windows.* The ASEAN Single Window (ASW), which is in pilot phase, allows integrated customs clearance through linking together National Single Windows (NSWs) in each ASEAN Member State. NSWs can increase speed and reduce cost of trade procedures for Member States. Progress to-date on NSWs in CLMV countries has been fairly limited. CLM countries have focused first on customs modernisation. Viet Nam is slightly more advanced, having established their NSW; however, they have not completed integration of all technical

control agencies into the platform.[10] The success of NSWs will be dependent on the levels of product coverage, as well as the degree of back-end integration of the relevant trade-related departments, and coverage of ports and airports in the countries. CLMV countries will need additional technical expertise and technological capacity to complete the implementation of the NSWs.

III. *Strengthen the capability to conduct trade facilitation training programmes more systematically and regularly – including for customs.* Efficient operation of trade facilitation processes is critical to enabling increased trade flows, and is a priority of ASEAN. Customs compliance and harmonisation are also key elements of the WTO's trade facilitation agenda. However, CLMV countries lag behind other ASEAN Member States in measures on ease of trading across borders, and this is in part due to weak capabilities in customs and other trade facilitation agencies. Given this, CLMV countries will need help to improve their training and development systems to ensure that training is aligned with new commitments, and is provided regularly and systematically.

IV. *Improve implementation of standards and conformance harmonisation measures by embedding Good Regulatory Practices (GRP) and developing conformance assessment capabilities.* In CLM countries in particular, regulatory agencies lack capacity in standards adoption and conformance assessment. This has led to weak implementation of existing ASEAN agreements. AEC Blueprint 2025 identifies the need to undertake regional and national programmes to upgrade the technical capacity and physical infrastructure for an effective and efficient conformity assessment regime in the region. It also emphasises the importance of GRP in the preparation, adoption and implementation of standards, rules and regulations. CLM countries need assistance to develop skills and capabilities that will allow them to participate fully in ASEAN's harmonisation processes.

V. *Strengthen capacity to meet the objectives set out in the World Trade Organization (WTO) Trade Facilitation Agreement.* The Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. Implementation of the WTO Trade Facilitation Agreement should help developing and least-developed countries (LDCs) reduce border inefficiencies and the resulting costs, leading to substantial gains. Developing and LDC members of the WTO will also enjoy implementation flexibilities and be entitled to technical assistance provided by WTO, its members as well as other intergovernmental organisations.

VI. *Build capacity in understanding the legal General Principles underlying the World Trade Organization (WTO) system through technical assistance programmes in training and consultancy, for better understanding of the various processes, e.g. Panel Process, Dispute Settlement Mechanism and WTO Appellate Body Process.* Building capacity through technical assistance programmes in training and consultancy for the following: i) To achieve better understanding of the WTO trading rules on Goods and Services in order to facilitate trade among ASEAN, particularly CLMV countries, in the global value chain. This will also help CLMV countries achieve free flow of goods and services under the AEC. ii) To develop a better understanding among CLMV countries of the General Principles underlying the WTO Legal Framework and how these principles play a role in WTO
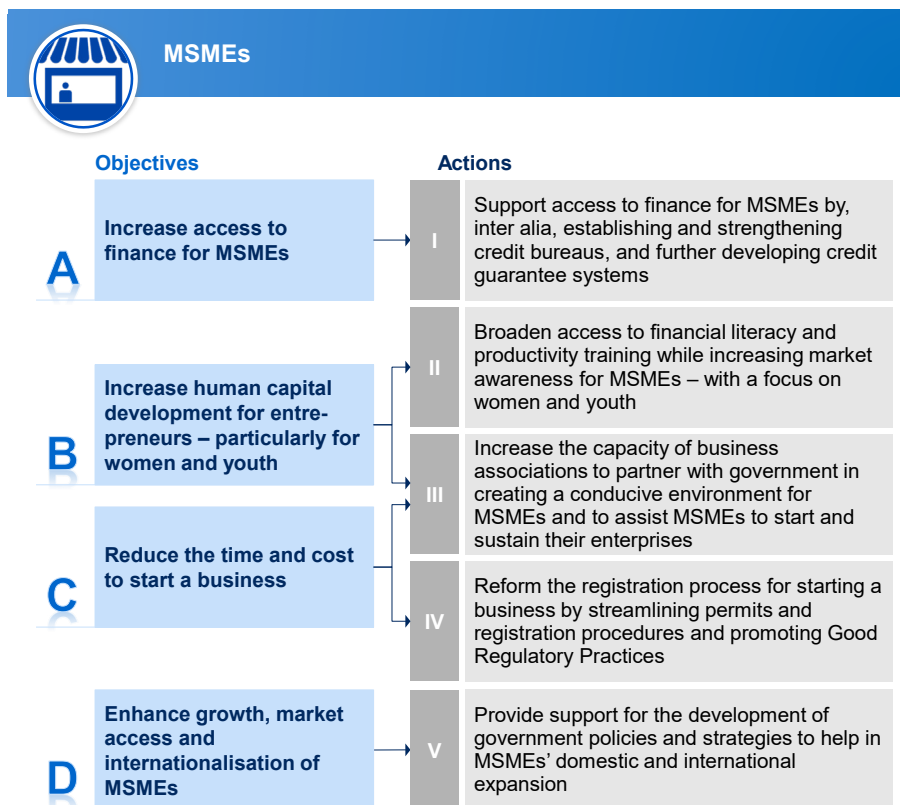
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[10] Enhancing ASEAN Connectivity Monitoring and Evaluation, World Bank Group and ASEAN Secretariat, 2015.

dispute settlement. This will equip them with the necessary tools to understand and participate in the various dispute settlement processes, e.g. from Consultations to Panel and Appellate Body proceedings. Dispute settlement is the central pillar of the multilateral trading system. Having a better understanding of the legal principles and processes of the WTO system would help CLMV countries better participate in the trade facilitation processes of the WTO. This is also in accordance with Sections A.1. and A.2. of the AEC Blueprint 2025, where ASEAN will continue to reduce or eliminate border and behind-the-border regulatory barriers that impede trade, so as to achieve competitive, efficient, and seamless movement of goods within the region.

2.3. MSMES

13. Micro, small and medium enterprises (MSMEs) constitute the vast majority of enterprises, and contribute significantly to employment and gross domestic product (GDP) in all CLMV countries. Despite their importance, the policy environment for MSMEs remains weak, particularly in the availability of finance, ease of business registration, and access to entrepreneurship education. CLM countries also rank lowly in the World Bank's Doing Business survey for overall Ease of Doing Business. Strengthening the role of MSMEs is a major priority of the AEC Blueprint 2025 – IAI Work Plan III focuses on supporting ASEAN's regional activities by bolstering good governance in business registration processes, developing financing systems and improving capacity to conduct entrepreneurship training. The objectives and actions in MSMEs are summarised below in Exhibit 7.

EXHIBIT 7

	MSMEs	
Objectives		**Actions**
A Increase access to finance for MSMEs	I	Support access to finance for MSMEs by, inter alia, establishing and strengthening credit bureaus, and further developing credit guarantee systems
B Increase human capital development for entre-preneurs – particularly for women and youth	II	Broaden access to financial literacy and productivity training while increasing market awareness for MSMEs – with a focus on women and youth
	III	Increase the capacity of business associations to partner with government in creating a conducive environment for MSMEs and to assist MSMEs to start and sustain their enterprises
C Reduce the time and cost to start a business	IV	Reform the registration process for starting a business by streamlining permits and registration procedures and promoting Good Regulatory Practices
D Enhance growth, market access and internationalisation of MSMEs	V	Provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion

14. The following actions will be undertaken in MSMEs:

I.   *Support access to finance for MSMEs by, inter alia, establishing and strengthening credit bureaus, and further developing credit guarantee systems.* A key factor inhibiting access to finance for MSMEs is the limited coverage of credit bureaus in CLMV countries, which discourages lenders from extending loans to many MSMEs. Further limiting access to bank loans is the predominant use of land as collateral – a challenge for enterprises which have moved away from land-intensive industries. Credit guarantee systems also remain underdeveloped in most CLMV countries. A study by the Economic Research Institute for ASEAN and East Asia (ERIA) found that Myanmar, for example, had neither a private nor a government credit guarantee scheme.[11] To support the growth and export potential of MSMEs, CLMV countries require additional assistance to extend credit coverage through credit bureaus and to establish targeted credit guarantee schemes that meet the needs of MSMEs.

II. *Broaden access to financial literacy and productivity training while increasing market awareness for MSMEs – with a focus on women and youth.* A recurring issue in CLMV countries is the lack of access to entrepreneurship education – particularly on book-keeping, market awareness and productivity. Training courses mainly take place in large cities and only a few hundred people can participate in these programmes annually. Poor knowledge on book-keeping and financing options impede business owners from accessing loans and overdrafts from banks, thereby limiting their expansion. Entrepreneurs also lack the information to integrate their products into regional and global value chains, and utilise best practices to optimise their manpower and capital. CLMV countries require assistance to develop and extend the availability of MSME training programmes.

III. *Increase the capacity of business associations to partner with government in creating a conducive environment for MSMEs and to assist MSMEs to start and sustain their enterprises.* Since 2008, ASEAN has focused on engaging the private sector in the region's economic development. A recent survey by ERIA found that business associations in CLMV countries do not have the same capacity to engage effectively with their members and government as business associations in the ASEAN-6.[12] As a consequence, MSMEs in CLMV countries lack an additional source of support for financial advice, business information and entrepreneurial skills development, and governments lack a private sector partner for consultation. Business associations in CLMV countries need assistance to improve their capacity to deliver services to their members, as well as to engage with government on relevant issues.

IV. *Reform the registration process for starting a business by streamlining permits and registration procedures and promoting Good Regulatory Practices.* Currently, the number of agencies required to obtain permits and registration for new businesses in CLMV countries remains high compared to other ASEAN-6, particularly for Lao PDR and Viet Nam. Registering a business in these countries can be burdensome as entrepreneurs have to apply separately to each relevant ministry or agency, sometimes having to wait for the approval of one license before applying for the next. This large

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[11] ASEAN SME Policy Index 2014, Economic Research Institute for ASEAN and East Asia, 2014.
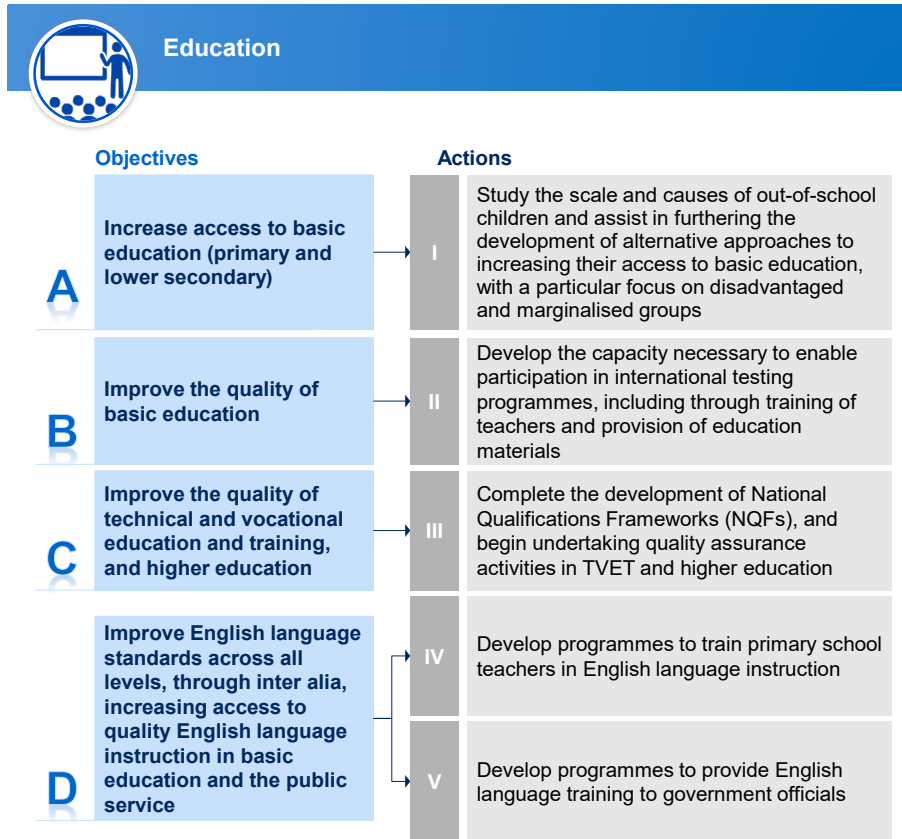[12] Ibid.

number of procedures leads to the protracted time and high cost of starting a business. As ASEAN encourages its Member States to transition towards 'one-stop shops' for business registration, CLMV countries require additional technical expertise to implement GRP in order to streamline this process.

V. *Provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion.* Strong MSME development is underpinned by well-coordinated efforts among multi-disciplinary stakeholders, along with strong political direction from the top. Stronger concerted efforts at both the regional and national level are needed by ASEAN governments to enhance the competitiveness and flexibility of ASEAN MSMEs. CLMV governments can play a significant role in the growth of MSMEs by implementing business-friendly policies and growth strategies targeted at the MSMEs. Providing consultancy and capacity building programmes targeted at the government officials of CLMV countries can enhance the policy making process and help operationalise MSME promotion strategies.

2.4. EDUCATION

15. Developing human capital is a critical challenge for CLMV countries – levels of educational attainment are well below other ASEAN Member States and the resultant skills gaps are major drivers of poverty and inequality. While CLMV countries have increased enrolment ratios in basic education – and maintained strong gender parity – dropout rates are high and there are still significant numbers of out-of-school children. The quality of education is also largely not assessed and unaddressed. IAI Work Plan III will support the ASCC Blueprint 2025 in its measures to improve access and quality in basic education. CLMV countries also struggle to deliver quality English language instruction, which is critical given English's status as the working language of ASEAN. IAI Work Plan III will also assist CLMV countries to implement their National Qualifications Frameworks (NQFs), which will help improve quality in the technical and vocational education and training (TVET) and higher education sectors, and facilitate the mutual recognition of qualifications across ASEAN. The objectives and actions in education are summarised in Exhibit 8.

EXHIBIT 8

Education	

Objectives   **Actions**

	Objectives		Actions
A	Increase access to basic education (primary and lower secondary)	I	Study the scale and causes of out-of-school children and assist in furthering the development of alternative approaches to increasing their access to basic education, with a particular focus on disadvantaged and marginalised groups
B	Improve the quality of basic education	II	Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials
C	Improve the quality of technical and vocational education and training, and higher education	III	Complete the development of National Qualifications Frameworks (NQFs), and begin undertaking quality assurance activities in TVET and higher education
D	Improve English language standards across all levels, through inter alia, increasing access to quality English language instruction in basic education and the public service	IV	Develop programmes to train primary school teachers in English language instruction
		V	Develop programmes to provide English language training to government officials

16. The following actions will be undertaken in education:

I. *Study the scale and causes of out-of-school children and assist in furthering the development of alternative approaches to increasing their access to basic education, with a particular focus on disadvantaged and marginalised groups.* Access to basic education is still a major challenge in CLMV countries, especially in remote rural areas. While primary school enrolment ratios are quite high (around 95% in CLM countries), drop-out rates often exceed 20%.[13] Inflexibility of formal education models is likely a major cause of dropouts – however, there is a lack of reliable data on the numbers of out-of-school children and the reasons, so further research is needed on the scale of the challenge. CLMV countries already employ some flexible learning strategies (FLS), e.g. flexible schooling and non-formal education, but they lack capacity to expand and develop these approaches.

II. *Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials.* While access to basic education has improved since 2000, the quality of education remains a major challenge. It is difficult to garner attention for quality as there is little or no data available in most CLMV countries – only Viet Nam participates regularly in any major international testing programmes (the OECD's Programme for International Student Assessment (PISA); Cambodia and Lao PDR have had occasional Analysis Programme of the CONFEMEN Education Systems (PASEC) assessments). Although

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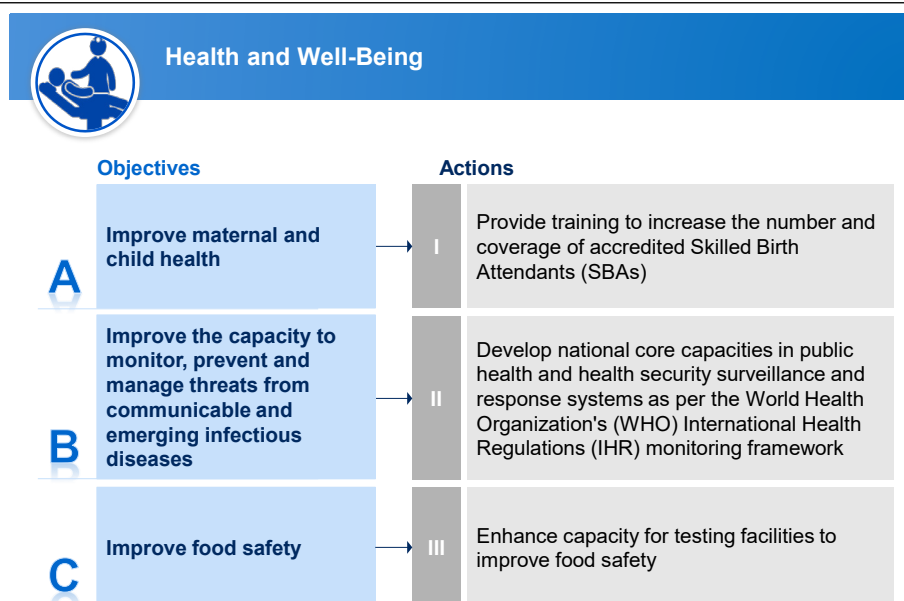[13] UNESCO Institute for Statistics, latest data; no recent data on dropout rates available for Myanmar.

Lao PDR has conducted National Assessment of Student Learning Outcomes on three occasions since 2006, the results are difficult to benchmark. ASEAN, Southeast Asian Ministers of Education Organization (SEAMEO) and United Nations Children's Emergency Fund (UNICEF) have begun implementing the Southeast Asia Primary Learning Metric (SEA-PLM) to provide system-level monitoring of learner achievements and increase focus on quality. CLM countries will need additional support to participate fully as they have not previously undertaken international standardised testing programmes with the same scale and frequency.

III. *Complete the development of National Qualifications Frameworks (NQFs), and begin undertaking quality assurance activities in TVET and higher education.* The quality of TVET, and to a lesser extent higher education, is highly variable in CLMV countries, with weak or no quality assurance systems. ASEAN has agreed to an ASEAN Qualifications Reference Framework (AQRF), which facilitates translation of qualifications between Member States. Each Member State is now aiming to develop and implement an NQF, to enable referencing against AQRF by 2018. Implementation requires governance arrangements, and quality assurance systems to ensure that the qualifications offered by education providers meet the standards of the NQF. Only Cambodia has completed drafting its NQF, and it has not yet been fully implemented. As such, all CLMV countries will need assistance to complete this important process.

IV. *Develop programmes to train primary school teachers in English language instruction.* CLMV countries are attempting to improve the English language capabilities of their populations by extending English language instruction into primary education. However, all CLMV countries lack trained English teachers and the coverage and capacity of their English teacher training systems are currently inadequate. Inclusion of training in English language instruction in pre-service training for all new primary school teachers will increase the number of professionally certified English teachers. In addition, there is a need to establish programmes to upskill existing primary school teachers through in-service training.

V. *Develop programmes to provide English language training to government officials.* Recognising the need to improve English language standards across all levels, the provision of English language instruction should also extend to government officials of CLMV countries.

2.5. HEALTH AND WELL-BEING

17. Good health contributes to economic growth through promoting higher labour productivity and educational attainment. Improving health and well-being is also a major goal of the ASCC Blueprint 2025. CLMV countries have made great strides to develop the health of their citizens. However, there remain large development gaps in health and well-being indicators between CLM countries, and other ASEAN Member States. Many of the health issues, such as maternal and child health, communicable and non-communicable disease, and public health emergency preparedness are especially challenging in rural and remote areas, where access to health services remains limited. IAI Work Plan III aims to support existing regional harmonisation efforts in the areas of maternal and child health and food safety, and build national capacities to participate in regional surveillance mechanisms, such as for emerging infectious and other communicable diseases. The objectives and actions in health and well-being are summarised in Exhibit 9.

EXHIBIT 9

Health and Well-Being

Objectives		Actions	
A	**Improve maternal and child health**	**I**	Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBAs)
B	**Improve the capacity to monitor, prevent and manage threats from communicable and emerging infectious diseases**	**II**	Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organization's (WHO) International Health Regulations (IHR) monitoring framework
C	**Improve food safety**	**III**	Enhance capacity for testing facilities to improve food safety

18. The following actions will be undertaken in health and well-being:

I.   *Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBAs).* Ensuring the availability of SBAs is a major step towards improving maternal and infant health. ASEAN Member States have agreed to a minimum set of guidelines to train and accredit skilled birth attendants. However, the proportion of deliveries assisted by a skilled health professional in CLMV countries is still low. Most CLMV countries have yet to train an adequate number of SBAs to ensure services can be provided nationwide, including rural and remote areas. In order to increase the coverage of SBAs across the country, CLMV countries need assistance to further develop capacity for training and accreditation of SBAs – especially at a provincial level.

II. *Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organization's (WHO) International Health Regulations (IHR) monitoring framework.* The IHR entered into force on 15 June 2007, and has been incorporated into ASEAN's health development sector work plans. It refers to a set of legally binding rules that require WHO member countries (which includes all CLMV countries) to protect against, control and provide a public health response to the international spread of disease. To achieve this, countries agreed to develop a framework of minimum core public health capacities to abide by these regulations.[14] CLMV countries still lag behind in the implementation of these minimum core capacities – especially in the area of laboratory identification of infectious agents and nation-wide coordination for effective alerting and response systems. To raise the capacities for CLMV countries to address the threat of emerging infectious diseases (EIDs) and communicable diseases, external assistance and expertise are required to closer align CLMV's national health systems to the WHO's IHR monitoring framework.

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[14] Checklist and Indicators for Monitoring Progress in the Development of IHR Core Capacities in States Parties, World Health Organization, 2013

III. *Enhance capacity for testing facilities to improve food safety.* Providing laboratory testing for harmful additives, bacteria or excessive use of chemicals is a key element in the overall food safety system. CLMV countries have limited capacities to test the quality of food from both domestic producers as well as imports. To improve the level of food safety in ASEAN, the ASEAN Consultative Committee on Standards and Quality has issued guidelines which require National Food Reference Laboratories and other relevant laboratories to participate in proficiency testing conducted according to ISO/IEC 17043 (Conformity assessment – General requirements for proficiency testing) standards.[15] External assistance to train technicians and improve the quality of equipment in food testing will support the development of capable food testing laboratories, thereby enhancing the food safety system.

2.6. ENABLING ACTIONS

19. Several enabling actions have been identified to support the five prioritised strategic areas. The ability of CLMV countries to undertake the actions in this Work Plan will be enhanced by the further development of their administrative capacities. The dissemination and application of best practices in regulation, digital government, public policy, transparency, and engagement with the private sector, will play an important role in facilitating growth and development through IAI. Strengthening governance is also an objective throughout the ASEAN 2025 Blueprints. The enabling actions are summarised in Exhibit 10.

EXHIBIT 10

Enabling Actions	
Actions	
I	Develop regulatory techniques and practices, and frameworks for legal and judicial excellence
II	Strengthen digital government strategies
III	Improve capacity for crisis and disaster management
IV	Foster best practices in administration and public policy
V	Promote the implementation of international safety standards and systems
VI	Promote sustainable development

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[15] Guidelines for ASEAN Food Reference Laboratories, ASEAN Secretariat, 2015.

20. The following actions will be undertaken as general enablers of Work Plan III:

I. *Develop regulatory techniques and practices, and frameworks for legal and judicial excellence.* Effective regulation is one of government's most important activities, especially from the perspective of the private sector. Lack of good regulation, lack of clarity or inconsistent application of regulation can easily become barriers to investment and economic activity. The regulatory system needs to be matched with a fair and efficient legal system. CLMV countries are already working to adopt GRP in trade facilitation and other areas, but need further training in embedding GRP and matching it with strong legal and judicial practices.

II. *Strengthen digital government strategies.* Expansion in the application of digital technologies offers significant opportunities to improve public service delivery by CLMV governments. Digital government can help to better connect governments with citizens and the private sector through increased transparency and more efficient service models. The APSC Blueprint 2025 embraces the important role of 'e-government' in good governance; development of best practices for e-service delivery is also an action under the ASEAN ICT Masterplan 2020.[16] While CLMV countries have all undertaken steps towards digitising government services, building their strategic capability will ensure a clear roadmap for the continuation of this process.

III. *Improve capacity for crisis and disaster management.* Effective management of crises and disasters is a core challenge for all Member States, especially as climate change is likely to worsen the impact of natural disasters in the region. Increased capacity to handle crises and disasters such as floods and health pandemics can help affected countries recover normalcy more rapidly and continue their efforts in growth and development. ASEAN has undertaken several measures to improve the regional architecture for disaster management, including adopting the ASEAN Agreement on Disaster Management and Emergency Response (AADMER), and establishing the ASEAN Coordinating Centre for Humanitarian Assistance (AHA Centre). Strengthening ASEAN cooperation on disaster management and emergency response is also a key objective of the APSC Blueprint 2025.

IV. *Foster best practices in administration and public policy.* The policy challenges faced by CLMV governments are ever more complex and dynamic, and the experiences of other national governments in implementing change are an important resource to draw upon. The APSC Blueprint 2025 encourages the exchange and promotion of best practices on good governance and public service delivery. IAI offers a useful forum for ASEAN-6, Dialogue Partners and external parties to work with CLMV countries to foster best practices in administration and public policy, in support of the implementation of Work Plan III.

V. *Promote the implementation of international safety standards and systems.* The implementation of safety standards are essential to the well-being and development of CLMV countries. These safety standards could apply to road, construction, civil aviation, maritime, etc. For instance, the compliance with International Civil Aviation Organization (ICAO) standards and recommended practices is a cornerstone of international civil aviation safety. However, a rapidly expanding aviation industry and limited resources at

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16 ASEAN ICT Masterplan 2020, ASEAN Secretariat, 2015.

oversight authorities make it increasingly difficult to efficiently and effectively sustain a prescriptive approach to the management of safety based upon regulatory compliance exclusively. The provision of technical assistance in the implementation of safety management systems (SMS) can support systems to maintain the civil aviation safety standards of CLMV countries.

VI. *Promote sustainable development*. In the ASEAN Community Vision 2025, ASEAN underlined the complementarity of the UN 2030 Agenda for Sustainable Development with ASEAN Community building efforts to uplift the living standards of its peoples. Capacity building to facilitate the exchange of policies, practices and approaches in the area of sustainable development is critical, in order to meet the related challenges, raise the living standards of people in CLMV countries and realise the goals of the UN 2030 Agenda for Sustainable Development.

Chapter 3. Implementation Plan

3.1. IMPLEMENTATION APPROACH

21. Improving implementation mechanisms for IAI is critical to lifting the low implementation rate from Work Plan II and ensuring the success of Work Plan III. The approach for Work Plan III is based around four dimensions found to be important drivers of success in government delivery (Exhibit 11).

EXHIBIT 11

Four dimensions will be crucial for the successful implementation of IAI Work Plan III

Description

Clear governance and ownership		Accountability for outcomes is assigned to individuals in the implementing bodies in each country, and supported by a designated group, such as the endorsing sectoral body, that is empowered to drive delivery
Presence of core skills and finance		Adequate capabilities and finance to support plans, and strong coordination across activities
Proactive stakeholder engagement		Frequent communication to public on progress and to develop potential solutions, supported by proactive engagement of stakeholders who will be critical for success
Robust performance management		Intensive, regular, data-based performance dialogues, supported by strong problem solving to address potential risks early

SOURCE: *Instruction to Deliver: Fighting to Transform Britain's Public Services*, Michael Barber, 2007; *Delivery 2.0: The New Challenge for Governments*, McKinsey & Company, 2012; team analysis

Dimension 1: Clear governance and ownership

22. Successful implementation requires leadership and well-defined roles and responsibilities. IAI Task Force maintains primary governance responsibility for IAI, reporting through the ASEAN Coordinating Council to the ASEAN Summit. At the national level, national coordinators will be responsible for all IAI planning and activities in each CLMV country. They will be supported by CLMV focal points in each of the five strategic areas. The different roles in the implementation of IAI Work Plan III are outlined in Exhibit 12.

EXHIBIT 12

IAI implementation roles

Body	Role	Membership
IAI Task Force	▪ Provide overall leadership and direction for IAI, and support stakeholder engagement ▪ Undertake annual reviews of Work Plan III to ensure that each of the strategic areas are making progress ▪ Address key issues or problems that are hindering resource mobilisation and progress	▪ Permanent representatives of AMS ▪ Chaired by CLMV on rotation with a term of 1 year
National coordinators	▪ Responsible for coordinating all IAI activities in each CLMV country ▪ Liaise with ASEAN Secretariat, and support the CLMV focal points in their country	▪ For each CLMV country, drawn from ministries of foreign affairs
CLMV focal points	▪ Responsible for ensuring successful implementation of their strategic area in their country ▪ Liaise with other focal points and develop projects for the actions in their area ▪ Engage with relevant sectoral bodies to ensure alignment and develop support for IAI	▪ For each strategic area: — One from each CLMV country, preferably same position as representative to relevant sectoral body

23. These various roles will interact to ensure that there are adequate national and regional level mechanisms to govern implementation of IAI Work Plan III (Exhibit 13).

EXHIBIT 13

Governance and accountability in IAI
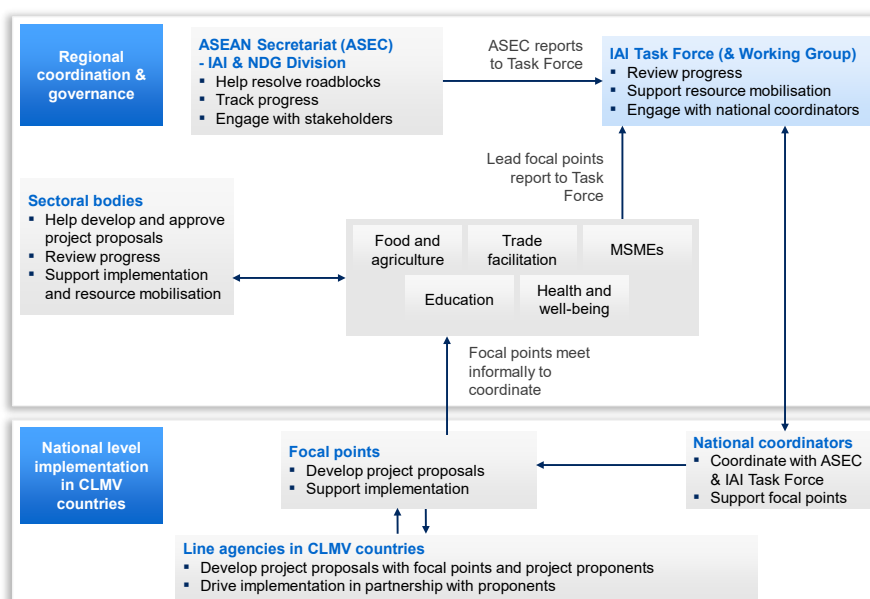
24. Specific changes in governance and accountability under IAI Work Plan III are explained in further detail below:

Appoint CLMV focal points in each CLMV country in each strategic area.

25. IAI Work Plan III will improve accountability for implementation by maintaining the existing role of national coordinators, and appointing additional CLMV focal points in

each of the five strategic areas in each CLMV country. Where practical, the role of CLMV focal point should be assumed by the same position that represents the Member State at the lead sectoral body in each strategic area. CLMV focal points will therefore bring both country knowledge, subject matter expertise and ASEAN awareness to their roles, ensuring a strong understanding of the context for implementation. They can meet adjacent to the meetings of sectoral bodies, as appropriate, since the membership will be common, and will coordinate and collaborate between meetings to ensure knowledge sharing and drive progress in implementation. In each strategic area, the focal point from the CLMV country that holds the Chair of the IAI Task Force will be the lead focal point.
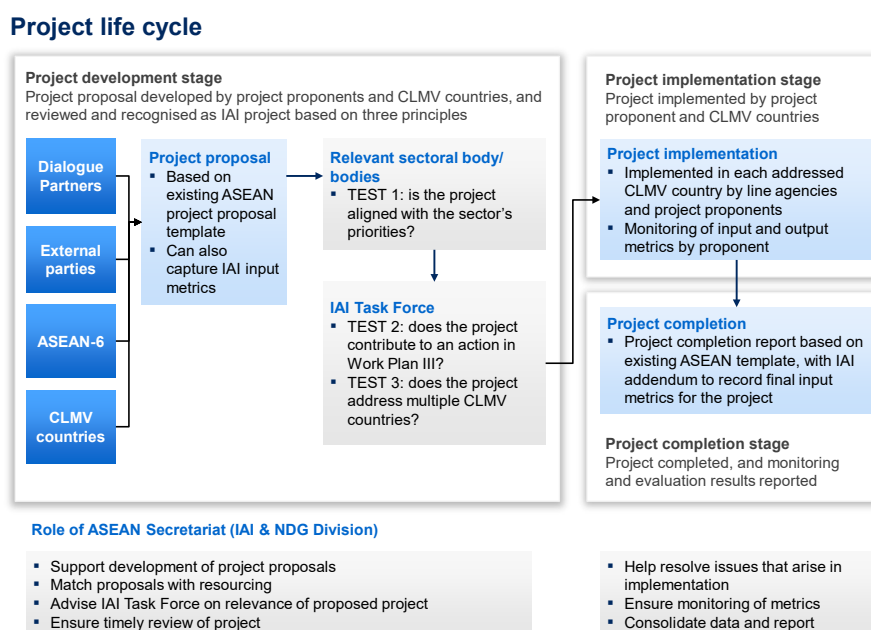
Ensure that sectoral bodies are engaged in the implementation of IAI in their strategic area.

26. Given that IAI Work Plan III aims to support the activities of sectors, it is important that sectoral bodies are directly engaged in implementation. The CLMV focal points will be encouraged to report to their relevant sectoral bodies at least annually. This will ensure that sectoral bodies are aware of the progress on IAI projects, and can provide advice on implementation and support resource mobilisation.

Dimension 2: Presence of core skills and finance

27. Mobilising resources – skills and financing – is essential for delivery and will be the major focus of implementation efforts at both national and regional level. The proponents of projects, namely, ASEAN-6, Dialogue Partners and external parties, will work in partnership with CLMV countries to develop and deliver projects. To ensure effective resource mobilisation, there will be a simplified, consistent process for development, recognition, implementation and completion of projects within IAI. The project life cycle is shown below in Exhibit 14.

EXHIBIT 14

Project life cycle

Project development stage
Project proposal developed by project proponents and CLMV countries, and reviewed and recognised as IAI project based on three principles

Dialogue Partners

External parties

ASEAN-6

CLMV countries

Project proposal
- Based on existing ASEAN project proposal template
- Can also capture IAI input metrics

Relevant sectoral body/ bodies
- TEST 1: is the project aligned with the sector's priorities?

IAI Task Force
- TEST 2: does the project contribute to an action in Work Plan III?
- TEST 3: does the project address multiple CLMV countries?

Project implementation stage
Project implemented by project proponent and CLMV countries

Project implementation
- Implemented in each addressed CLMV country by line agencies and project proponents
- Monitoring of input and output metrics by proponent

Project completion
- Project completion report based on existing ASEAN template, with IAI addendum to record final input metrics for the project

Project completion stage
Project completed, and monitoring and evaluation results reported

Role of ASEAN Secretariat (IAI & NDG Division)
- Support development of project proposals
- Match proposals with resourcing
- Advise IAI Task Force on relevance of proposed project
- Ensure timely review of project

- Help resolve issues that arise in implementation
- Ensure monitoring of metrics
- Consolidate data and report

28. Developing the human resources of CLMV countries, in particular the capabilities of their officials, will also be a critical enabler for successful implementation. Specific changes in skills and financing under Work Plan III are explained in further detail below:

Establish a consistent project recognition process for all IAI projects.

29. A consistent project recognition process for all projects wishing to participate in IAI will ensure the transparency and coordination of IAI investments, and facilitate proper monitoring of project inputs and outputs. This replaces the previous mixed models of accreditation for Dialogue Partners, external parties, and ASEAN Member States. The IAI Task Force will accredit projects contributing towards the implementation of the IAI Work Plan III according to the Guidelines for IAI Projects, which appears as Annex C.

Increase the skill base that supports IAI by further developing capabilities of CLMV officials.

30. The responsibility for implementation of IAI rests primarily with officials in CLMV countries. IAI Work Plan III will therefore continue to build their skills through a range of training and development opportunities. These will address specific skills gaps, such as project proposal development, and broader capabilities including good governance and GRP. Training programmes will be provided by ASEAN-6, Dialogue Partners and external parties, and will be notified to the ASEAN Secretariat to ensure coordination.

Dimension 3: Proactive stakeholder engagement

31. Proactive external engagement is particularly critical in IAI because projects undertaken by stakeholders (Dialogue Partners and external parties) will play an important role in the implementation of Work Plan III. Engagement with external stakeholders is also vital for coordination of activities, which ensures that resources are utilised efficiently and effectively. The existing institutional mechanism for consultation between the IAI Task Force and Dialogue Partners and external parties will continue. To further ensure that progress is maintained throughout the life of the Work Plan, stakeholders' forums will be organised to exchange information and encourage project commitments. Each group of CLMV focal points will also be encouraged to coordinate with stakeholders who are active in their strategic area.

32. Key measures in stakeholder engagement under Work Plan III are explained in further detail below:

Build strong stakeholder engagement, starting during work plan development and continuing through stakeholders' forums to share progress and generate project commitments.

33. The development of IAI Work Plan III has included strong and early engagement with stakeholders to understand their perspective on IAI. Dialogue Partners and multilateral organisations have already provided feedback on the relationship of their existing programmes and priorities with the Work Plan's five strategic areas and actions at the Stakeholders' Forum in Jakarta in March 2016. Those discussions will be continued informally by the ASEAN Secretariat and CLMV focal points.

34. Engagement with stakeholders will also be maintained through regular stakeholders' forums. These events will provide an opportunity to share progress on Work Plan III with the broader IAI community, identify gaps in implementation, and generate interest from stakeholders in project opportunities.

Encourage coordination with relevant external stakeholders (e.g., ADB, FAO, SEAMEO) in each strategic area.

35. Each group of CLMV focal points will be encouraged to coordinate with relevant sub-regional bodies such as the Greater Mekong Subregion, donor programmes and multilateral organisations within their strategic area. Coordination in each strategic area will ensure that knowledge and expertise is shared between all IAI stakeholders, and that resources are used most efficiently.

Dimension 4: Robust performance management

36. A regular and rigorous performance-tracking system and thorough work plan review are essential to ensure effective implementation of IAI Work Plan III. Proper monitoring and evaluation will also support resource mobilisation and engagement by building stakeholder confidence in IAI. The Work Plan contains three levels of metrics for holistic measurement. Project proponents will track their progress against these metrics, and the ASEAN Secretariat will consolidate results and assess overall outcomes (Exhibit 15). This information will be reported regularly to the IAI Task Force, and reviewed in detail at annual work plan reviews.

EXHIBIT 15

Monitoring and evaluation process
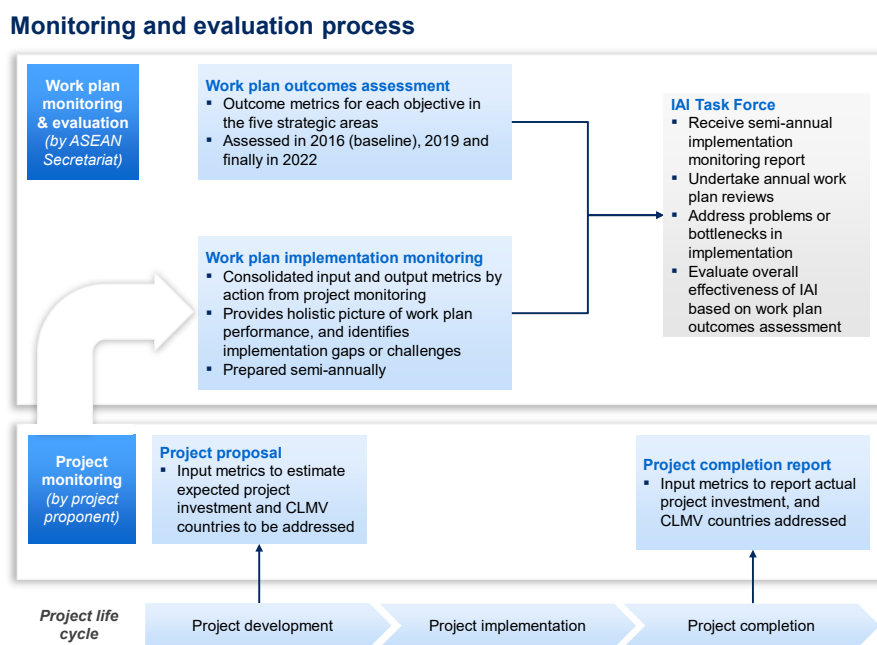
37. Specific changes to performance management under Work Plan III are explained in further detail below:

Develop Specific, Measureable, Attainable, Relevant and Time-bound (SMART) targets that ensure a holistic approach to assessing progress at the input, output and outcome level.

38. IAI Work Plan III includes three levels of metrics: input, output and outcome. This will ensure that progress is measured in multiple ways, compensating for the challenges inherent in any assessment process. Input and output metrics are attached to each action, and will check the implementation of the action (enabling actions will only be measured against input metrics). Outcomes metrics have been identified for each objective within a given strategic area, and will test the effectiveness of the actions in achieving overall progress. Details of the metrics to be used are contained in Annex B.

Ensure all project proponents undertake project monitoring and evaluation, and report results to IAI Task Force through the ASEAN Secretariat.

39. Project proponents will be responsible for monitoring and reporting inputs and outputs of their projects. Each action has common input metrics, and one or more specific output metrics (except enabling actions, which have only input metrics). The ASEAN Secretariat will ensure that project proponents:

   a) Indicate in the project proposal (using the existing ASEAN project proposal template) the expected investment and the number of CLMV countries which will benefit from the project (input); and

   b) Report at project completion (using the existing ASEAN project completion report template) on the final investment and the number of CLMV countries which benefitted from the project (input).

Provide IAI progress reports with consolidated input and output metrics semi-annually, and assessment of outcome metrics in 2016, 2019 and 2022.

40. The ASEAN Secretariat will consolidate the input and output data provided by project proponents to produce a semi-annual work plan implementation monitoring report for the IAI Task Force on the status of all actions in the Work Plan. This will enable the Task Force to quickly identify actions that are complete or on track, and actions that are lagging and may need additional attention. The Task Force may wish to consider the inclusion of additional actions when appropriate during their quarterly meetings. The inclusion of additional actions and corresponding objectives and output(s) will be subject to endorsement from the IAI Task Force, in consultation with the relevant sectoral body, and will subsequently be recommended to the ASEAN Coordinating Council for approval. Outcome metrics, which change more slowly than output metrics, will be assessed and reported by the ASEAN Secretariat on three occasions: first in 2016 to establish a baseline; then in 2019, in preparation for the development of the next work plan; and finally in 2022, after the completion of IAI Work Plan III, to ensure the full impact of actions is measured.

3.2. IMPLEMENTATION SCHEDULE

41. IAI Work Plan III will be implemented over a five-year period from 2016 to 2020, with a staggered start to actions to ensure the availability of appropriate resources. Each action includes a planning phase, to allow for resource mobilisation, project development and project recognition. The indicative timeframes for the implementation of each action are shown in Exhibit 16. This sequencing will be reviewed annually and amended as required by the IAI Task Force.

EXHIBIT 16

IAI Work Plan III implementation schedule

Legend: - - - Planning phase   —— Implementation phase

Action	2016	2017	2018	2019	2020
Food and Agriculture					
I. Complete the implementation of ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes		planning + implementation 2017–2019			
II. Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes		planning + implementation 2017–2019			
III. Commence the implementation of ASEAN Good Animal Husbandry Practices (GAHP) for Layers and Broilers, with a focus on improving the control and prevention of animal health diseases and zoonoses		planning 2017; implementation 2017–2020			
IV. Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing			planning 2018; implementation 2018–2020		
V. Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture		planning + implementation 2017–2020			
VI. Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices		planning + implementation 2017–2020			
VII. Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports		planning + implementation 2017–2020			
Trade Facilitation					
I. Build the institutional capacity to identify and classify non-tariff measures into National Trade Repositories, and then reduce their incidence		planning + implementation 2017–2018			
II. Complete the development of National Single Windows		planning + implementation 2017–2020			
III. Strengthen the capability to conduct trade facilitation training programmes more systematically and regularly – including for customs				planning 2018–2019; implementation 2019–2020	
IV. Improve implementation of standards and conformance harmonisation measures by embedding Good Regulatory Practices (GRP) and developing conformance assessment capabilities			planning 2018; implementation 2018–2020		
V. Strengthen capacity to meet the objectives set out in the World Trade Organization (WTO) Trade Facilitation Agreement		planning + implementation 2017–2020			
VI. Build capacity in understanding the legal General Principles underlying the World Trade Organization (WTO) system through technical assistance programmes in training and consultancy, for better understanding of the various processes, e.g. Panel Process, Dispute Settlement Mechanism and WTO Appellate Body Process		planning + implementation 2017–2020			

Action	2016	2017	2018	2019	2020
MSMEs					
I. Support access to finance for MSMEs by, inter alia, establishing and strengthening credit bureaus, and further developing credit guarantee systems			▭▬▬▬▬▬▬		
II. Broaden access to financial literacy and productivity training while increasing market awareness for MSMEs – with a focus on women and youth			▭▬▬▬▬		
III. Increase the capacity of business associations to partner with government in creating a conducive environment for MSMEs and to assist MSMEs to start and sustain their enterprises			▭▬▬▬▬▬▬▬		
IV. Reform the registration process for starting a business by streamlining permits and registration procedures and promoting Good Regulatory Practices		▭▬▬▬▬▬			
V. Provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion		▭▬▬▬▬▬▬▬▬▬▬			
Education					
I. Study the scale and causes of out-of-school children and assist in furthering the development of alternative approaches to increasing their access to basic education, with a particular focus on disadvantaged and marginalised groups		▭▬▬▬▬▬▬▬			
II. Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials		▭▬▬▬▬▬▬			
III. Complete the development of National Qualifications Frameworks (NQFs), and begin undertaking quality assurance activities in TVET and higher education		▭▬▬▬▬▬▬			
IV. Develop programmes to train primary school teachers in English language instruction			▭▬▬▬▬▬		
V. Develop programmes to provide English language training to government officials		▭▬▬▬▬▬▬▬▬▬			
Health and Well-Being					
I. Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBAs)		▭▬▬▬			
II. Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organization's (WHO) International Health Regulations (IHR) monitoring framework		▭▬▬▬▬▬▬▬▬			
III. Enhance capacity for testing facilities to improve food safety			▭▬▬▬▬▬		

ANNEXES

Annex A. Alignment with ASEAN Community Vision 2025

Action	Alignment with Community Blueprints	Alignment with sectoral work plans	Sectoral body
Food and Agriculture			**SOM-AMAF**
1. Complete the implementation of ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes	▪ Improve productivity, technology and product quality to ensure product safety, quality and compliance with global market standards (AEC C.5.57.v) ▪ Enhance productivity and competitiveness of rural economies, especially in the newer ASEAN Member States (AEC D.4.75.v)	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025) ● Harmonise accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence	ASWG Crops
2. Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes	▪ Improve productivity, technology and product quality to ensure product safety, quality and compliance with global market standards (AEC C.5.57.v)	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025) ● Harmonise accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence	ASWG Fisheries
3. Commence the implementation of ASEAN Good Animal Husbandry Practices (GAHP) for Layers and Broilers, with a focus on improving the control and prevention of animal health diseases and zoonoses	▪ Improve productivity, technology and product quality to ensure product safety, quality and compliance with global market standards (AEC C.5.57.v)	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025) ● Harmonise accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence	ASWG Livestock
4. Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing	▪ Reduce post-production losses to meet projected future demand and ensure food security (AEC B.8.41.v)	Integrated Food Security Framework and Strategic Plan of Action on Food Security 2015-2020: ● Promote technologies and techniques to reduce post-harvest losses	ASWG Crops

Action	Alignment with Community Blueprints	Alignment with sectoral work plans	Sectoral body
5. Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture	▪ Promote good agriculture practices to minimise the negative effects on natural resources such as soil, forest and water (AEC B.8.41.vii)	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025) ● Promote good agriculture practices to minimise the negative effects on natural resources such as soil, forest and water and reduce the greenhouse gas emission ● Develop new and appropriate best practices and management systems to ensure food safety and address health/disease and environmental issues	ASWG Crops
6. Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices	▪ Ensure food security, food safety and better nutrition (AEC C.5.56) ▪ Enhance coordination to ensure food adequacy and accessibility at the household level (ASCC II.D.5.i)	Integrated Food Security Framework and Strategic Plan of Action on Food Security 2015-2020: ● Identify policies, institutional and governance mechanisms for nutrition-enhancing agriculture development	AFSRB
7. Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports	▪ Ensure food security, food safety and better nutrition (AEC C.5.56) ▪ Enhance coordination to ensure food adequacy and accessibility at the household level (ASCC II.D.5.i)	Integrated Food Security Framework and Strategic Plan of Action on Food Security 2015-2020: ● Promote conducive food market and trade Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025) ● Improve food security and nutrition through diversifying food sources and strengthening the quality and variety of food production	
Trade Facilitation			**CLMV SEOM**
1. Build the institutional capacity to identify and classify non-tariff measures into National Trade Repositories, and then reduce their incidence	▪ Cooperate on the effective operationalisation of the National and ASEAN Trade Repositories for enhanced regulatory transparency and certainty (AEC A.1.10.iii.c)	AEC 2025 Strategic Action Plan for Trade in Goods: ● Effective mechanisms to minimise trade protection impacts and compliance costs of NTMs	CCA

Action	Alignment with Community Blueprints	Alignment with sectoral work plans	Sectoral body
2. Complete the development of National Single Windows	▪ Fully roll-out the National Single Windows in all ASEAN Member States (AEC A.1.10.iii.b)	Broad Direction for Customs Activities 2016-2025: • Promoting trade facilitation by streamlining and simplifying border procedures e.g. through the full implementation of the ASEAN Single Window to facilitate the exchange of cross-border documents as well as promoting WTO Trade Facilitation Agreement implementation	ASWSC
3. Strengthen the capability to conduct trade facilitation training programmes more systematically and regularly - including for customs	▪ Accelerate and Deepen the Implementation of Trade Facilitation Measures. (AEC A.1.10.iii)	Broad Direction for Customs Activities 2016-2025: • Promoting more substantial Customs modernisation by expanding the capacity building, sharing knowledge related with modern customs structure to meet fast changing international trade environment	CCBWG
4. Improve implementation of standards and conformance harmonisation measures by embedding Good Regulatory Practices (GRP) and developing conformance assessment capabilities	▪ Undertake programmes to upgrade the technical capacity and physical infrastructure for effective and efficient conformity assessment (AEC A.1.10.iii.h)	Standards and Conformance Strategic Plan 2016-2025: • Achieve a highly integrated and cohesive ASEAN economy through a comprehensive and progressive reduction of technical barriers related to STRACAP • Support the capacity building and human capital development of Member States for the implementation of ASEAN initiatives and policies related to STRACAP	ACCSQ
5. Strengthen capacity to meet the objectives set out in the World Trade Organization (WTO) Trade Facilitation Agreement	▪ Accelerate and Deepen the Implementation of Trade Facilitation Measures. (AEC A.1.10.iii)	Broad Direction for Customs Activities 2016-2025: • Promoting trade facilitation by streamlining and simplifying border procedures e.g. through the full implementation of the ASEAN Single Window to facilitate the exchange of cross-border documents as well as promoting WTO Trade Facilitation Agreement implementation	ATF-JCC

Action	Alignment with Community Blueprints	Alignment with sectoral work plans	Sectoral body
6. Build capacity in understanding the legal General Principles underlying the World Trade Organization (WTO) system through technical assistance programmes in training and consultancy, for better understanding of the various processes, e.g. Panel Process, Dispute Settlement Mechanism and WTO Appellate Body Process	▪ Accelerate and Deepen the Implementation of Trade Facilitation Measures. (AEC A.1.10.iii) ▪ Enhance ASEAN's role and voice in global economic fora (AEC I.6.x)		
MSMEs			**ACCMSME**
1. Support access to finance for MSMEs by, inter alia, establishing and strengthening credit bureaus, and further developing credit guarantee systems	▪ Enhance the financial ecosystem for MSMEs to flourish in ASEAN through: credit bureaus; credit guarantee institutions (AEC A.4.17.ii.a) ▪ Increase access to finance [for MSMEs] by developing and enhancing the institutional framework (AEC D.1.69.ii)	Strategic Action Plan for SME Development 2016-2025: • Improve understanding and strengthen traditional financing infrastructure	ACCMSME
2. Broaden access to financial literacy and productivity training while increasing market awareness for MSMEs – with a focus on women and youth	▪ Intensify the implementation of financial education programmes to bolster financial management capacity (AEC A.4.17.iI.c) ▪ Promote productivity, technology and innovation through measures to enhance MSME productivity (AEC D.1.69.i)	Strategic Action Plan for SME Development 2016-2025: • Improve production management skills • Develop in particular the management and/or technical skills of women entering the workforce • Increase information on regional and global market access and opportunities	ACCMSME
3. Increase the capacity of business associations to partner with government in creating a conducive environment for MSMEs and to assist MSMEs to start and sustain their enterprises	▪ Promote a more responsive ASEAN by strengthening governance through greater transparency in the public sector and in engaging with the private sector (AEC B.6.36.i)	Strategic Action Plan for SME Development 2016-2025: • Advocate and promote MSMEs' participation in policy formulation	ACCMSME
4. Reform the registration process for starting a business by streamlining permits and registration procedures and promoting Good Regulatory Practices	▪ Reduce the burden placed by business regulators on the creation and successful operation of formal enterprises (AECD.4.75.iii) ▪ Streamline processes involved in obtaining permits and business registrations (AEC D.1.69.iv)	Strategic Action Plan for SME Development 2016-2025: • Establish a sound system and streamline permits and registration to enable less costly and faster business formation	ACCMSME

Action	Alignment with Community Blueprints	Alignment with sectoral work plans	Sectoral body
5. Provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion	▪ Enhance market access and internationalisation by extending support schemes for market access and integration into the global supply chains (AEC D.1.69.iii)	Strategic Action Plan for SME Development 2016-2025: • Support schemes for market access and integration into the global supply chain be will further developed	ACCMSME
Education			**SOM-ED**
1. Study the scale and causes of out-of-school children and assist in furthering the development of alternative approaches to increasing their access to basic education, with a particular focus on disadvantaged and marginalised groups	▪ Promote equitable opportunities to quality education and access to information with priority given to the advancement of universal access to education (ASCC B.2.xi)	The ASEAN Work Plan on Education 2016-2020: • Promoting inclusive schools through improved access and provision of basic education to marginalised and out-of-school children	SOM-ED
2. Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials	▪ Promote equitable opportunities to quality education and access to information with priority given to the advancement of universal access to education (ASCC B.2.xi)	The ASEAN Work Plan on Education 2016-2020: • Improving the quality of basic education through quality-focused intervention	SOM-ED
3. Complete the development of National Qualifications Frameworks (NQFs), and begin undertaking quality assurance activities in TVET and higher education	▪ Provide mechanisms and enhance institutional capacity to promote vocational education, skills training, and promotion of skills recognition (ASCC B.2.iv)	The ASEAN Work Plan on Education 2016-2020: • Establishing regional quality assurance and recognition for TVET and/or non-degree (diploma or certificates only) institutions • Developing harmonised quality assurance mechanisms within the context of ASEAN	AQRFTF
4. Develop programmes to train primary school teachers in English language instruction	▪ Provide mechanisms and enhance institutional capacity to promote greater access to education and skills training (ASCC B.2.iv)	The ASEAN Work Plan on Education 2016-2020: • Enhancing teachers' competencies for 21st Century skills	SOM-ED
5. Develop programmes to provide English language training to government officials	• Strengthen civil service through effective capacity building, human resource development and collaboration programmes among ASEAN Member States (ASCC A.2.v)		

Action	Alignment with Community Blueprints	Alignment with sectoral work plans	Sectoral body
Health and Well-Being			**SOM-HD**
1. Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBAs)	▪ Promote a community that is healthy, caring, sustainable and productive, and one that practices healthy lifestyle resilient to health threats and has universal access to healthcare (ASCC B.2.xii)	Post-2015 Health Development Agenda: • Strengthen health system and access to care	ATFMCH
2. Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organization's International Health Regulations (IHR) monitoring framework	▪ Promote a community that is healthy, caring, sustainable and productive, and one that practices healthy lifestyle resilient to health threats and has universal access to healthcare (ASCC B.2.xi)	Post-2015 Health Development Agenda: • Enhance capacity and capability to collectively respond and respond to all hazards and emerging threats	AEGCD
3. Enhance capacity for testing facilities to improve food safety	▪ Promote a community that is healthy, caring, sustainable and productive, and one that practices healthy lifestyle resilient to health threats and has universal access to healthcare (ASCC B.2.xii)	Post-2015 Health Development Agenda: • To promote access to safe food, safe drinking water and sanitation	AEGFS

List of abbreviations

AFSRB	ASEAN Food Security Reserve Board
ACCMSME	ASEAN Coordinating Committee on MSME
ACCSQ	ASEAN Consultative Committee on Standards and Quality
AEGCD	ASEAN Expert Group on Communicable Diseases
AEGFS	ASEAN Expert Group on Food Safety
AQRFTF	ASEAN Qualifications Reference Framework Task Force
ASWG Crops	ASEAN Sector Working Group on Crops
ASWG Fisheries	ASEAN Sector Working Group on Fisheries
ASWG Livestock	ASEAN Sector Working Group on Livestock
ASWSC	ASEAN Single Window Steering Committee
ATF-JCC	ASEAN Trade Facilitation Joint Consultative Committee
ATFMCH	ASEAN Task Force on Maternal and Child Health
CCA	ASEAN Coordinating Committee on the Implementation of the ATIGA
CCBWG	ASEAN Customs Capacity Building Working Group
CLMV SEOM	Cambodia-Lao PDR-Myanmar-Viet Nam Senior Economic Officials Meeting
SOM-AMAF	Senior Officials Meeting – ASEAN Ministers of Agriculture & Forestry
SOM-ED	Senior Officials Meeting on Education
SOM-HD	Senior Officials Meeting on Health Development

Annex B. Metrics for Monitoring and Evaluation

INPUT METRICS

Input metrics are common to all actions, and will be assessed on two occasions: firstly through estimation in the project proposal (commencement), and secondly through evaluation after project implementation in the project completion report.

For all actions

■ Metric currently available or easily obtained
■ Metric requiring development

Stage	Input metrics
Project proposal	Expected project investment (USD)
	Number of CLMV countries planned to address
Project completion report	Actual project investment (USD)
	Number of CLMV countries addressed

OUTPUT AND OUTCOME METRICS

Output and outcome metrics are specific to each action and objective. While most of these metrics are readily available or easily obtained, some will be developed through actions (e.g. incidence of NTMs) and some will require cooperation between ASEAN Secretariat and CLMV countries to collect the necessary data.

Food and Agriculture

■ Metric currently available or easily obtained
■ Metric requiring development

Objectives	Outcome metrics
A. Reduce rural poverty	Gap between urban and rural poverty levels at national poverty lines. Data available from AMS and World Bank, though release is irregular.
B. Increase agricultural productivity	Cereal yield per hectare. Data available annually from FAO
	Total volume of aquaculture production. Data available annually from FAO.
	Total volume of poultry and egg production. Data available annually from FAO.
C. Increase trade in agricultural products	Value of agricultural exports. Data available annually from ASEAN Secretariat.
	Volume of fishery exports. Data available annually from FAO.
D. Increase the adoption of sustainable agricultural practices	Proportion of farmers and producers certified to be in compliance with ASEAN GAP and GAqP. Data from AMS
E. Improve food security	Prevalence of undernourishment as a percentage of population. Data available annually from FAO.

Actions	Output metrics
I. Complete the implementation of ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes	Alignment of national standards and guidelines with ASEAN GAP
	Implementation of training programmes for farmers in all regions.[1]
	Implementation of GAP accreditation and certification scheme.
II. Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes	Alignment of national standards and guidelines with ASEAN GAqP.
	Implementation of training programmes for producers in all regions.[1]
	Implementation of GAqP accreditation and certification scheme.
III. Commence the implementation of ASEAN Good Animal Husbandry Practices (GAHP) for Layers and Broilers, with a focus on improving the control and prevention of animal health diseases and zoonoses	Alignment of national standards and regulations with ASEAN GAHP.
	Implementation of training programmes for producers in all regions with commercial poultry and egg production.
IV. Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing	Implementation of training programmes on post-harvest loss prevention techniques.
	Introduction of new technologies not currently widespread amongst smallholder farmers and food processors.
V. Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture	Implementation of institutional capacity building programmes to exchange best practices on modern, efficient and responsible irrigation and drainage service delivery.
VI. Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices	Implementation of capacity building activities on food security.
	Evaluation of impact of existing national food security strategies.
VII. Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports	Implementation of food security related capacity building activities for government officials.
	Development of national policies and plans to diversify sources of food supply.

[1] Regions are the first level of administrative division in the respective CLMV countries. In Cambodia, this refers to the provinces and municipalities (n= 25); in Lao PDR this refers to provinces and capital cities (n=18); in Myanmar, this refers to union territories, states and regions (n=15); in Viet Nam this refers to the provinces (n=54).

Trade Facilitation

Objectives	Outcome metrics
A. Lower the incidence of trade distorting non-tariff measures	Incidence of non-tariff measures. Data from NTRs in respective countries, with baseline at time of completion of each NTR.
B. Reduce the time and cost of customs and border procedures for export and import	Total time for documentary and border compliance to export and import. Data available annually from World Bank Doing Business Survey.
	Total costs of documentary and border compliance to export and import. Data available annually from World Bank Doing Business Survey.
C. Harmonise or mutually recognise product, conformance, and technical standards	Percent of product lines with standards harmonised. Data from ASEAN Secretariat.
D. Improve market access through stronger participation in the WTO	Total exports of goods and services. Data from ASEANStats.
Actions	**Output metrics**
I. Build the institutional capacity to identify and classify non-tariff measures into National Trade Repositories, and then reduce their incidence	Completion of National Trade Repositories.
	Establishment of systematic process based on Good Regulatory Practices to identify new non-tariff measures.
II. Complete the development of National Single Windows	Completion of National Single Windows.
	Integration of National Single Windows with ASEAN Single Window.
III. Strengthen the capability to conduct trade facilitation training programmes more systematically and regularly–including for customs	Development of new training curriculum for customs officers and other trade facilitation agencies.
	Delivery of training programmes based on new curriculum to custom officers and other trade facilitation agencies.
IV. Improve implementation of standards and conformance harmonisation measures by embedding Good Regulatory Practices (GRP) and developing conformance assessment capabilities	Implementation of standards capacity building programmes, including training in Good Regulatory Practices.
V. Strengthen capacity to meet the objectives set out in the World Trade Organization (WTO) Trade Facilitation Agreement	Implementation of capacity building programmes for the improvement and harmonisation of legal and regulatory frameworks on trade facilitation.
VI. Build capacity in understanding the legal General Principles underlying the World Trade Organization (WTO) system through technical assistance programmes in training and consultancy, for better understanding of the various processes, e.g. Panel Process, Dispute Settlement Mechanism and WTO Appellate Body Process	Enhanced understanding of legal General Principles underlying the WTO system, in particular areas such as the Panel Process, dispute settlement mechanism and WTO Appellate Body Process.

MSMEs

    Metric currently available or easily obtained
    Metric requiring development

Objectives	Outcome metrics
A. Increase access to finance for MSMEs	Percentage of business loans to MSMEs. Data from AMS currently available only in Myanmar and Viet Nam.
	Depth of credit information index, measuring the scope, accessibility, and quality of credit information available. Data available annually from World Bank.
B. Increase human capital development for entrepreneurs – particularly for women and youth	Contribution of MSMEs to employment. Data available from AMS – currently available only in Lao PDR, Myanmar and Viet Nam.
	Financial literacy results from international surveys (e.g. Master Card, OECD). Data available annually from Master Card – currently available only in Myanmar and Viet Nam.
C. Reduce the time and cost to start a business	Time required to start a business. Data available annually from start a business World Bank Doing Business Survey.
	Costs (% of income per capita) required to start a business. Data available annually from World Bank Doing Business Survey.
	Number of procedures required to start a business. Data available annually from World Bank Doing Business Survey.
D Enhance growth,market access and internationalisation of MSMEs	Contribution of MSMEs to national Gross Domestic Product.
Actions	**Output metrics**
I. Support access to finance for MSMEs by, inter alia, establishing and strengthening credit bureaus, and further developing credit guarantee	Implementation of plan to extend credit coverage for MSMEs through credit bureaus.
	Establishment of credit guarantee schemes offering guarantee options specifically designed for MSMEs.
II. Broaden access to financial literacy and productivity training while increasing market awareness for MSMEs – with a focus on women and youth	Establishment of training programmes on financial literacy, market awareness and productivity best practices, with coverage outside training the major cities.[2]
III. Increase the capacity of business associations to partner with government in creating a conducive environment for MSMEs and to assist MSMEs to start and sustain their enterprises	Implementation of good governance principles for business associations.
	Establishment of training programmes on research and advocacy for business associations.
IV. Reform the registration process for starting a business by streamlining permits and registration procedures and promoting Good Regulatory Practices	Implementation of training programmes in Good Regulatory Practices for all agencies involved in business registration.
	Development of plans to simplify the business registration process.
V. Provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion	Development of government policies and strategies that encourage MSMEs' domestic and international expansion.

[2] Major cities are the capital cities of the respective CLMV countries, with the addition of Yangon in Myanmar and Ho Chi Minh City in Viet Nam.

Education

	Metric currently available or easily obtained
	Metric requiring development

Objectives	Outcome metrics
A. Increase access to basic education (primary and lower secondary)	Out-of-school rates for children of primary and lower secondary school age. Data available from UNESCO Institute of Statistics, though release is irregular.
B. Improve the quality of basic education	Performance in standardised testing (e.g. PISA, SEA-PLM) once implemented. Data available upon participation in standardised testing.
C. Improve the quality of technical and vocational education and training, and higher education	Completion rate of students in TVET and higher education. Data from AMS.
D. Improve English language standards across all levels, through inter alia, increasing access to quality English language instruction in basic education and the public service.	Proportion of primary schools providing regular English instruction by teachers with professional certification in English. Data from AMS.

Actions	Output metrics
I. Study the scale and causes of out-of-school children and assist in furthering the development of alternative approaches to increasing their access to basic education, with a particular focus on disadvantaged and marginalised groups	Collation of research data on scale and causes of out-of-school children.
	Establishment of frameworks for flexible learning strategies and equivalency.
	Establishment of flexible learning strategy programmes in all regions.[1]
II. Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials	Participation in PISA, SEA-PLM, or other recognised and regular international testing programme.
III. Complete the development of National Qualifications Frameworks (NQFs), and begin undertaking quality assurance activities in TVET and higher education	Completion of national qualifications frameworks.
	Commencement of NQF-based quality assurance activities.
	Referencing of NQF with ASEAN Qualifications Reference Framework.
IV. Develop programmes to train primary school teachers in English language instruction	Inclusion of English language instruction training in pre-service training for new primary school teachers.
	Establishment of programmes to provide English language instruction training for existing primary school teachers.
V. Develop programmes to provide English language training to government officials	Increased number of participants trained under the English courses.

[1] Regions are the first level of administrative division in the respective CLMV countries. In Cambodia, this refers to the provinces and municipalities (n= 25); in Lao PDR this refers to provinces and capital cities (n=18); in Myanmar, this refers to union territories, states and regions (n=15); in Viet Nam this refers to the provinces (n=54).

Health and Well-Being

	Legend
🟩	Metric currently available or easily obtained
🟧	Metric requiring development

Objectives	Outcome metrics
A. Improve maternal and child health	Infant mortality rate. Data available annually from World Bank.
	Maternal mortality ratio. Data available annually from World Bank.
B. Improve the capacity to monitor, prevent and manage threats from communicable and emerging infectious diseases	World Health Organization's International Health Regulations monitoring framework. Data from self assessment by AMS.
C. Improve food safety	Number of laboratories assessed as proficient under ISO/IES17043-compliant testing schemes. Data from AMS.

Actions	Output metrics
I. Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBAs)	Implementation of training and accreditation programmes for SBAs in all regions, including rural and remote areas.[1]
II. Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organization's (WHO) International Health Regulations (IHR) monitoring framework	Implementation of capacity building programmes under IHR core capacities.
III. Enhance capacity for testing facilities to improve food safety	Implementation of training programmes and installation of equipment for food testing in all major cities.[2]

[1] Regions are the first level of administrative division in the respective CLMV countries. In Cambodia, this refers to the provinces and municipalities (n= 25); in Lao PDR this refers to provinces and capital cities (n=18); in Myanmar, this refers to union territories, states and regions (n=15); in Viet Nam this refers to the provinces (n=54).

[2] Major cities are the capital cities of the respective CLMV countries, with the addition of Yangon in Myanmar and Ho Chi Minh City in Viet Nam.

Annex C. Guidelines for IAI Projects

Introduction

1. With the aim of narrowing the development gaps among the ASEAN Member States and contributing to ASEAN integration, the IAI Work Plan is the main instrument to promote and pursue equitable economic development and strengthen cooperation in ASEAN. The Work Plan is also the reference document for establishing development cooperation and assistance with ASEAN-6, ASEAN Dialogue Partners and external parties.

2. IAI projects shall take into account the level of development and absorptive capacity of the CLMV countries.

3. The purpose of the Guidelines for IAI Projects is to provide information to project proponents regarding the identification, development and approval of projects related to the IAI Work Plan.

Implementation Procedure

I.   Qualification Criteria

4. A project/programme/activity developed as an IAI Project shall meet all of the following criteria:

    a. Align with the ASEAN Community Blueprints, including relevant ASEAN sectoral work plans where possible, and receive support from the relevant sectoral body[1];

    b. Support the implementation of the existing IAI Work Plan; and

    c. Benefit all four or at least two CLMV countries as beneficiaries.

5. The project contributes to capacity building and human resource development, alleviation of poverty and/or the provision of technical assistance, hardware, equipment and facilities.

6. The qualified IAI projects shall obtain agreement of the respective CLMV countries, which are the targeted beneficiaries, and endorsement from the IAI Task Force by ad-referendum or at the IAI Task Force Meeting.

7. Alternative and innovative resource mobilisation of varying levels and approaches to implementation, such as tripartite/triangular cooperation[2] and projects that begin with one CLMV country and which are extended to other CLMV countries within two years from the date of commencement of the project and before the expiry of the existing IAI Work Plan, can be considered for approval as an IAI project to address the different needs of each CLMV country, provided it meets other qualification criteria outlined in this document.

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[1] Should there be no response from the ASEAN Secretariat and relevant sectoral body within the agreed timeframe, the project proposal will be deemed as accepted.

[2] Cooperation involving three parties: a) CLMV Countries, b) ASEAN-6 country(ies), c) Dialogue Partner(s)/external party(ies).

8. ASEAN-wide projects can be considered as IAI projects if they are designed to meet the specific needs and requirements of CLMV countries as outlined in the IAI Work Plan and extra resources are allocated to benefit CLMV countries.

II. Roles of the ASEAN Secretariat

9. The IAI&NDG Division shall assist in developing and implementing IAI projects, where necessary, in coordination with the relevant desk officers and focal points of the ASEAN Member States, Dialogue Partners and external parties.

10. The IAI&NDG Division shall provide an initial assessment of the project's compliance with the Guidelines for IAI Projects to aid the IAI Task Force in the endorsement process.

11. Status updates on project implementation, resource mobilisation, and overall coordination of the work plan shall be reported at every IAI Task Force meeting.

III. Monitoring and Evaluation

12. During the implementation and upon completion of the project, effective monitoring and evaluation should be undertaken to ensure that the objectives of narrowing the development gap are met and benefits for CLMV countries are also sustained at the national level.

IV. Review and Amendment

13. The IAI Task Force may review and amend the guidelines as appropriate and necessary.