

# Initiative for ASEAN Integration (IAI) and Narrowing the Development Gap (NDG)

## Fact Sheet

Aiming at narrowing the development divide and enhancing ASEAN's competitiveness, the ASEAN Leaders at their Summit in 2000 launched the Initiative for ASEAN Integration (IAI).

The IAI's core activities are aimed at addressing the development divide of ASEAN's newer Member States, namely Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV).

## IAI Work Plan

Efforts to narrow the development gap have been driven mainly by the IAI Work Plans. The IAI Work Plan I (2002-2008), endorsed by the Leaders at the 8<sup>th</sup> ASEAN Summit in 2002, had priorities addressing infrastructure (transport and energy); human resource development (public sector capacity building, labour and employment, and higher education); information and communication technologies (ICT); and regional economic integration (trade in goods and services, customs, standards, and investments). Tourism and poverty alleviation had also been included.

The IAI Work Plan II (2009-2015) was endorsed in 2009 at the 14<sup>th</sup> ASEAN Summit, and was based on key programme areas in the ASEAN Political-Security Community (APSC) Blueprint, ASEAN Economic Community (AEC) Blueprint and the ASEAN Socio-Cultural Community (ASCC) Blueprint.

The IAI Work Plan III (2016-2020) was endorsed in 2016 at the 28<sup>th</sup> ASEAN Summit, and contained five priority strategic areas: (i) food and agriculture; (ii) trade facilitation; (iii) micro, small and medium enterprises (MSMEs); (iv) education; and (v) health and well-being.

The IAI Work Plan IV (2021-2025) was endorsed in 2020 at the 37<sup>th</sup> ASEAN Summit, and maintains the five strategic areas of the IAI Work Plan III with revised and new actions, and has considered new challenges and emerging issues, such as Industry 4.0, Gender and Social Inclusion, Environmental Sustainability, as well as the impact of COVID-19 pandemic.

## IAI Task Force

The IAI Task Force provides policy guidance in development and implementation of the IAI Work Plans. The Task Force comprises the Permanent Representatives to ASEAN in Jakarta, Indonesia.

## Overall Progress

There has been significant progress since the launch of the IAI in 2000. Gross domestic product (GDP) per capita rose faster for CLMV countries with average GDP growth rates of 5% to 9% than the rest of ASEAN Member States (ASEAN-6) between 2000 and 2017. In 2017, CLMV performed better than ASEAN-6 with Viet Nam as one of the top contributors in the past five years. CLMV countries also showed robust growth for inward foreign direct investment (FDI) and higher FDI openness compared to ASEAN-6's since 2007.<sup>1</sup>

The AMS have made progress in achieving a long and healthy life, being knowledgeable and have a decent standard of living as measured by the Human Development Index (HDI). HDI for CLMV has increased by 30.4% between 2000 and 2017 compared to 11.9% for ASEAN-6.<sup>2</sup>

## For more information

Please contact the IAI and NDG Division of the ASEAN Secretariat at [IAI@asean.org](mailto:IAI@asean.org)

<sup>1</sup> World Development Indicators, World Bank

<sup>2</sup> UNDP HDI and Indicators 2018