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# Review of IAI Work Plan III and the Monitoring Reporting, and Evaluation (MRE) System

ASEAN Australia Development Cooperation Program (AADCP) II



FINAL REPORT

**PUBLIC VERSION** 

# **Abstract**

This report represents a Review of IAI Work Plan III and its existing Monitoring, Reporting, and Evaluation (MRE) system. The overall objective of this project is to enable the IAI Task Force to make better informed decisions in improving the implementation performance of IAI Work Plan III and formulating the next IAI Work Plan. Specifically, this project aims to (a) review the progress of implementing IAI Work Plan III and identify challenges during implementation; (b) assess the existing MRE system of IAI Work Plan III; (c) provide recommendations for strengthening the implementation of IAI Work Plan III and its MRE system; and (d) draw lessons learned and suggestions for the formulation of the next IAI Work Plan.

This report is based on desktop research and interviews with the ASEAN Secretariat (ASEC), Permanent Representatives of ASEAN Member States to ASEAN, ASEAN Partners, national coordinators, focal points, and project consultants. The findings in this report also incorporate insights from national consultations conducted in Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar, and Viet Nam, as well as a Regional Workshop and Stakeholders' Forum in Jakarta.

# Preface

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 (the "CLMV" countries), it aims to further regional integration in order to narrow the development gap within ASEAN.

IAI Work Plan III was officially launched at the ASEAN Summit in September 2016. It contains 26 actions across 5 strategic areas: "Food and Agriculture", "Trade Facilitation", "Micro, Small and Medium Enterprises (MSMEs)", "Education", and "Health and Well-being", as well as 6 enabling actions. As with previous IAI Work Plans, it is intended that each action is implemented through one or more projects proposed and developed by ASEAN Partners, ASEAN Member States and/or external parties, in conjunction with beneficiary countries.

This Review of IAI Work Plan III and the Monitoring, Reporting, and Evaluation (MRE) system assesses the implementation status, and highlights achievements and challenges related to the implementation and the MRE system of IAI Work Plan III. It also provides recommendations to strengthen the implementation performance and the MRE system, as well as suggestions for the next IAI Work Plan.

We are thankful for the many individuals and organisations who provided valuable input into this review, including the ASEAN Secretariat (ASEC), Permanent Representatives of ASEAN Member States to ASEAN, ASEAN Partners, project consultants, and various government representatives from CLMV countries.

# Executive Summary

The Initiative for ASEAN Integration (IAI) has so far seen the adoption of three Work Plans. Work Plan I, from 2002 to 2008, comprised 232 projects in four areas. Work Plan II began in 2009 and included 182 actions aligned with the three ASEAN Community Blueprints 2015. Work Plan III began in September 2016 and contains 26 actions across 5 strategic areas: "Food and Agriculture", "Trade Facilitation", "Micro, Small and Medium Enterprises (MSMEs)", "Education", and "Health and Wellbeing", as well as 6 enabling actions.

This Review of IAI Work Plan III and the Monitoring, Reporting, and Evaluation (MRE) system aims to assess the implementation performance and the MRE system of IAI Work Plan III. It is based on desktop research and interviews with various stakeholders, national consultations in Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar, and Viet Nam (CLMV countries), as well as a Regional Workshop and Stakeholders' Forum in Jakarta.

The report has two sections:

- Section 1 reviews the implementation of IAI Work Plan III and provides recommendations for strengthening the implementation, as well as suggestions for the next IAI Work Plan.
- Section 2 reviews the existing MRE system of IAI Work Plan III and recommends approaches to strengthen the system.

# Section 1: Review of IAI Work Plan III

This section aims to (a) take stock of the implementation performance to date; (b) identify key achievements and challenges associated with implementation; (c) propose actions to strengthen the implementation performance; and (d) provide suggestions for the formulation of the next IAI Work Plan.

## IMPLEMENTATION PROGRESS OF IAI WORK PLAN III

IAI Work Plan III is assessed at three levels – input, output and outcome:

- I. At the input level,
  - 103 projects worth US\$26.6 million have been approved under IAI Work Plan III.¹ Total funding could potentially rise to US\$41.5 million, as 14 projects amounting to US\$14.9 million are currently under development. Meanwhile, IAI Work Plan II had a total of US\$49.8 million in funding.² However, it is important to note that funding figures are not directly comparable as (a) IAI Work Plan III is significantly more focused in scope (comprising a total of 26 actions and 6 enabling actions versus 182 actions for IAI Work Plan II); (b) IAI Work Plan III has had a shorter implementation period to date (3 years as of 2019 versus 7 years for IAI Work Plan II); and (c) IAI Work Plan III introduced stricter guidelines for project accreditation.

<sup>&</sup>lt;sup>1</sup> As of 3 October 2019

<sup>&</sup>lt;sup>2</sup> ASEAN Secretariat

■ Approved projects address 73 percent of the 26 actions across the 5 strategic areas. Assuming the 14 projects under development are approved by 2020, the percentage of actions addressed will be 92 percent. The two actions currently without projects are Action 2 under "Food and Agriculture" and Action 2 under "Education". Potential projects could be developed to address these actions while waiting for updates from the relevant sectoral bodies.

## II. At the output level,

- 11 out of the 45 output metrics across the 5 strategic areas (24 percent) have been completed.<sup>3</sup> A further 17 output metrics have been identified as having a high likelihood of being completed by the end of 2020 based on current and planned projects. This would increase the share of output metrics completed to 62 percent by 2020. One of the approaches that could lead to more output metrics being completed would be to ensure that there are follow-up actions after an initial needs assessment has been conducted. Another opportunity would be to encourage CLMV countries to take required domestic policy reforms (e.g. reforms to support MSMEs' domestic and international expansion, and the development of national strategies on food security).
- The current status of output metrics varies by strategic area. 56 percent of the output metrics under "Trade Facilitation" have been completed, followed by "Health and Wellbeing" (33 percent), "Food and Agriculture" (20 percent), and "Education" (20 percent). In "MSMEs", none of the output metrics has been completed.
- III. At the outcome level, CLMV countries performed better in absolute terms than in relative terms. Of the outcome metrics tracked across the 4 countries, 60 percent improved in absolute terms (i.e. an improvement in the country's performance on that particular metric over the time period measured). In relative terms, 43 percent of the metrics tracked narrowed the gap to the ASEAN frontier (i.e. the best performing ASEAN Member State).

### STRENGTHS, ACHIEVEMENTS AND CHALLENGES IN IMPLEMENTATION

Interviews with the ASEAN Secretariat (ASEC), Permanent Representatives of ASEAN Member States to ASEAN, government officials in CLMV countries, ASEAN Partners, and project consultants highlighted a number of strengths of IAI Work Plan III (compared to previous IAI Work Plans):

- **I.** *IAI Work Plan III is more targeted than previous Work Plans*. By grouping objectives under the 5 strategic areas, IAI Work Plan III is considered more targeted and straightforward for national policymakers to understand, therefore increasing the effectiveness of implementation.
- **II.** *IAI Work Plan III is strongly aligned with national agendas*. CLMV government officials highlighted that the actions outlined for each strategic area under IAI Work Plan III were useful reference points for their countries to formulate overall national plans.
- **III.** *Qualification criteria are clear and well understood*. IAI Work Plan III provides a clear set of criteria for projects to be qualified as IAI projects. ASEAN Partners, ASEAN-6 donors, national

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<sup>&</sup>lt;sup>3</sup> At the CLMV level, output metrics are considered "completed" when all CLMV countries have completed the output metrics. Output metrics are considered "in progress" when the output metrics have been completed in some but not all of the countries. Output metrics are considered "not started/ awaiting inputs" when all CLMV countries have not started any activities to address the output metrics or when there is no information from CLMV countries on whether the output metrics have been addressed.

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coordinators, and focal points find the qualification criteria under IAI Work Plan III easy to understand.

Key implementation achievements of IAI Work Plan III include:

- **I.** *High percentage of actions addressed.* Approved projects addressed 19 out of 26 actions while new projects under development will address 5 out of the 7 outstanding actions, raising the total number of actions potentially addressed to 24.
- **II.** Satisfactory progress on outcome metrics measured. 43 percent of the outcome metrics measured in this review improved in relative terms (i.e. closed the gap to the best performing ASEAN Member State). In absolute terms, performance in CLMV countries has been stronger, with 60 percent of the metrics improving since the launch of IAI Work Plan III.
- III. High participation rates in IAI projects have enhanced the technical capacity of public officials. Strong interest in the various capacity building programmes has led to very high participation rates, which according to project proponents and CLMV officials has resulted in improvement in the technical capacity of staff.
- **IV.** The combination of national consultations and regional workshops was particularly useful in helping CLMV countries develop their own projects. Respondents cited that the national consultations, followed by regional workshops dedicated to project development were effective in facilitating cross-country discussions (e.g. on country needs and areas for collaboration) that have helped officials conceptualise projects, leading to several approved projects.
- V. Willingness and urgency of CLMV countries in implementing IAI projects. Project consultants highlighted the willingness and urgency of CLMV countries in completing the required activities (e.g. CLMV countries were the first in ASEAN to complete the mapping exercise of non-tariff measures (NTMs) with support from the project "ASEAN Regional Integration Support (ARISE): Development and Operationalization of the ATR/NTRs with Particular Focus on the Notification and Transparency of NTMs Support to the CLMV Countries").
- VI. Strong engagement with ASEAN Partners and project consultants. There has been a high level of engagement between ASEC and ASEAN Partners in the project development process. Annual consultation meetings between the IAI Task Force and ASEAN Partners were considered particularly helpful in exchanging updates on the implementation status and sharing funding priorities relevant to IAI. Project consultants also highlighted regular communication with ASEC, which led to timely support during the implementation of IAI projects.
- VII. Continued commitment to supporting IAI Work Plan III. ASEAN Partners and donors reaffirmed the importance of IAI for supporting regional integration and narrowing the development gap. There is a continued interest in supporting relevant projects that could drive the implementation of IAI Work Plan III going forward.

There are four areas of challenges during the implementation of IAI Work Plan III. These challenges were discussed by relevant stakeholders during in-country interviews, phone interviews, the national consultations, as well as the Regional Workshop, and Stakeholders' Forum.

**I.** *Coordination.* Coordination between national coordinators, focal points, and line agencies has been challenging across all CLMV countries Furthermore, discussions with CLMV officials

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suggested an inconsistent understanding of responsibilities, which has contributed to the overall challenges in coordination. Frequent changes in the focal points across CLMV countries have led to significant knowledge gaps amongst newly appointed focal points. Another contributing factor is the lack of communication from national coordinators regarding the relevance of IAI Work Plan III and how each sector can benefit by being more involved in the implementation of the work plan. Finally, in some cases, the appointed IAI focal points are not members of the relevant sectoral bodies, which could lead to gaps in communication and understanding of potential alignment with sectoral plans.

- **II.** *Ownership.* Some focal points mentioned that they have multiple responsibilities outside IAI, leading to the lack of time dedicated to IAI implementation. Consequently, some project proposals have failed to move past the conceptualisation stage. When it comes to the implementation of IAI projects, there were concerns that focal points could not attend all relevant meetings and workshops and as a result, were not able to provide the necessary support.
- III. *Project development*. A range of drivers was identified for the low number of projects developed by CLMV countries. First, there are still considerable capacity gaps with focal points not being sufficiently equipped to develop high-quality proposals. Second, there is a lack of contact and lines of communication between focal points of different CLMV countries, which can make it challenging to prepare project proposals of relevance for at least 2 CLMV countries. Third, project proposals may require approval from multiple ministries at the national level, which may lengthen the approval process.
- IV. Project implementation. A number of challenges were identified in the project implementation stage. First, personnel changes across different phases of project implementation can result in valuable knowledge being lost. Second, some trainers provided feedback that there was a "mismatch" between the participants' area of work and/or expectations and the course objectives. Third, it has been observed that there is a lack of private sector involvement in projects where their participation is crucial for successful implementation (e.g. due to the private sector's technical knowledge and market understanding). Fourth, challenges related to communication and language barriers were also highlighted. Lastly, there is a lack of continuity after the initial project implementation to ensure there is sustained support to achieve the relevant outcomes in that area.

## RECOMMENDATIONS TO STRENGTHEN THE IMPLEMENTATION

Below are the proposed recommendations to improve the overall implementation of IAI Work Plan III that have been consolidated from various interviews with relevant stakeholders, the national consultations in CLMV countries, as well as the Regional Workshop and Stakeholders' Forum. There are four main areas for improvement, including coordination, ownership, project development, and project implementation. Within each area, key recommendations are grouped into two levels: reforms at the ASEAN level and suggestions at the national level for CLMV countries to consider.

- I. Improve coordination between stakeholders
  - **ASEAN level:** It is recommended to organise a CLMV coordination meeting at the beginning of each year to discuss the implementation progress and develop new proposals.
  - **CLMV countries:** It is recommended to: (a) ensure updates from every IAI Task Force meeting are communicated to the capital; (b) organise more frequent engagement between national coordinators and focal points, and between focal points and line agencies to exchange updates and discuss potential projects, and consider convening at the respective

Singapore Cooperation Centres; (c) obtain support from high-ranking officials in the relevant government ministries to enable focal points to coordinate more effectively with line agencies for project development and/or implementation, as well as for the collection of output data; (d) make use of informal channels to improve efficiency in communication; (e) ensure that there are established mechanisms to notify the national coordinator in the event of a change in focal points and that there is a knowledge handover process implemented; (f) improve documentation and sharing of information; (g) assign "alternate focal points" to participate in IAI meetings when the appointed focal points are unavailable and ensure all information is reported back; and (h) improve coordination with sectoral bodies by ensuring that focal points (or their alternates) are members of the relevant sectoral bodies, or (in cases where that is not feasible) that the appointed focal points liaise closely with those representatives.

## II. Improve ownership of key implementors.

- **ASEAN level:** It is recommended to: (a) refine the existing Terms of Reference (TOR) for national coordinators and focal points to provide a more comprehensive description of their roles and responsibilities in the implementation of the work plan; and (b) ensure that national coordinators of CLMV countries report annually on their country progress during the IAI Task Force meeting.
- CLMV countries: It is recommended to: (a) ensure that the TOR for national coordinators and focal points is shared and acknowledged by high-ranking officials of the implementing agencies to ensure that the appointed officials are provided with a clear mandate and support to fulfil their intended roles; and (b) jointly review performance against the TOR to identify challenges and align on ways to strengthen performance.

# III. Encourage project development

- **ASEAN level:** It is recommended that (a) there is early engagement of proposals at the concept level with the relevant sectoral bodies to gain feedback and understand alignment with sectoral plans; and (b) annual exercise of project concept development is undertaken to help CLMV countries develop high-quality project proposals.
- CLMV countries: It is recommended to: (a) establish more frequent communication with other CLMV countries to discuss projects and share experiences in project development; (b) encourage a CLMV country to take the lead in developing project proposals for actions where needs assessments have been completed; and (c) encourage CLMV countries to understand opportunities to engage the private sector in proposal development.

## IV. Improve project implementation

■ CLMV countries: It is recommended that: (a) each project has a nominated project focal point, with their details communicated to the national coordinator and ASEC; (b) suitable participants are nominated to participate in training and workshops; (c) documentation of past participants is maintained; (d) project consultants and line agencies inform focal points about the implementation progress of all IAI projects; (e) CLMV countries engage the private sector during project implementation; and (f) CLMV countries monitor impacts of completed projects and take follow-up actions to sustain and strengthen the impacts.

### SUGGESTIONS FOR IAI WORK PLAN IV

There are three suggestions which could enable better informed decisions in formulating the next IAI Work Plan. This was discussed extensively during interviews with relevant stakeholders, as well as the Regional Workshop and Stakeholders' Forum.

- I. Keep the strategic areas consistent, but refresh actions. Most stakeholders interviewed suggested that the 5 existing strategic areas should remain in IAI Work Plan IV. However, the actions and outputs in each strategic area could be updated. Those actions where the relevant outputs have been completed, or are no longer relevant for ASEAN sectoral plans, or have only one CLMV country remaining to achieve the relevant output, would be removed. Emerging priorities in areas such as 4th Industrial Revolution, Technical and Vocational Education and Training (TVET), Sustainable Development Goals (SDGs), and gender issues could also be considered for inclusion.
- II. Ensure project concept development support across all strategic areas from the commencement of Work Plan IV. One of the earlier recommendations mentioned conducting an annual exercise of project concept development. This should be extended to IAI Work Plan IV, with a heavy focus on the first year to ensure there is project concept development across all strategic areas.
- III. Broaden the set of enabling actions. The set of enabling actions included in IAI Work Plan IV could be broadened to include any action that is (a) in the ASEAN sectoral plans; and (b) includes 2 or more CLMV countries. However, unless they relate to the revised set of actions in the strategic areas, they would not be included in the output MRE process. These changes will make it easier to recognise donor funding for projects, but still maintain the focus on the core IAI actions.

# Section 2: Review of the MRE system

The MRE system is a new feature of IAI Work Plan III, that was not part of previous Work Plans. This section aims to (a) assess the strengths and challenges of the existing MRE system of IAI Work Plan III; and (b) identify specific recommendations for strengthening the system.

## ASSESSMENT OF THE EXISTING MRE SYSTEM

## I. Indicators for measuring progress

This assesses whether the metrics for measuring progress are robust (i.e. whether the chosen metrics can provide an accurate measure of performance in each strategic area). It does not assess the availability or accuracy of the relevant data to measure the metrics themselves (which is assessed as part of the process for measuring progress). Key findings include:

- **Input metrics.** The current input metrics (i.e. the amount of investment and the number of CLMV countries addressed) are sufficient to provide an overview of the implementation status of IAI Work Plan III.
- Output metrics. The output metrics selected for the existing MRE system are generally comprehensive in measuring progress under each action.
- Outcome metrics. The existing outcome metrics are generally a good reflection of the higher-level end objective in each strategic area. However, there are some concerns that some outcome metrics may not be fully reflective of IAI's contribution as they could be influenced by a range of exogenous factors (e.g. an improvement in the global economy will have an outsized impact on "total exports of goods and services").

# II. The process for measuring progress

This assesses whether the process for gathering the required information for the metrics is practical (i.e. ease of availability of information) and rigorous (i.e. whether the data can provide an accurate assessment of the chosen metrics).

# MRE process for input metrics

- Existing process: Project proponents are responsible for monitoring and reporting inputs of their projects. ASEC (IAI & NDG Division) consolidates the input data provided by project proponents as part of a work plan implementation monitoring report for the IAI Task Force. This information is updated before each IAI Task Force meeting. The input metrics for each project are assessed based on the budgeted investment and the number of CLMV countries to be addressed as indicated in the project proposal.
- **Strengths of the existing process:** Key strengths include: (a) compulsory reporting which leads to a more accurate picture of the implementation status; and (b) frequent updates which allow for early identification of implementation gaps.

<sup>&</sup>lt;sup>4</sup> Project proponents refer to any stakeholders who initiate a project proposal. Project proponents could come from ASEAN Member States, ASEAN Partners, ASEC, as well as external parties.

<sup>&</sup>lt;sup>5</sup> For regional projects which provide additional support to CLMV countries, the proportion of funding received by these countries is captured as input data.

■ Challenges of the existing process: According to interviews with ASEC and project proponents, there are no significant challenges in complying with the existing MRE process for input metrics.

## MRE process for output metrics

- Existing process: ASEC is responsible for consolidating output data to prepare an output monitoring report for the IAI Task Force. Similar to input data, this information is updated before each IAI Task Force meeting. The data is collected through various channels including (a) CLMV officials (via CLMV Permanent Missions to ASEAN); (b) reports by CLMV countries at meetings of the relevant sectoral bodies; and (c) updates obtained from the relevant implementing agencies and/or project consultants.
- Strengths of the existing process: Key strengths include: (a) compulsory reporting of progress which enables proper tracking of activities and projects under each action; and (b) frequent updates which allow IAI Task Force to identify countries and/or actions that require additional support in a timely manner.
- Challenges of the existing process: Key challenges include: (a) lack of understanding of the reporting guidelines by CLMV officials; (b) delays in reporting of output data due to coordination problems; and (c) misreporting due to the lack of a rigorous verification process.

# MRE process for outcome metrics

- Existing process: Outcome metrics are assessed and reported by ASEC on three occasions: first in 2016 to establish a baseline; then in 2019 (this current review); and finally in 2022, after the completion of IAI Work Plan III, to ensure the full impact of the work plan is measured. In this review, the analysis of the outcome metrics follows a three-step process: (a) data is collected for 2016 (or before) and the latest year (depending on data availability) to assess the change in performance since the commencement of IAI Work Plan III; (b) an assessment of absolute performance is conducted (i.e. the change in the metrics during the time period of measurement for each country); and (c) an assessment of relative performance is conducted to determine if CLMV countries have narrowed the gap to the best performing ASEAN Member State.
- Strengths of the existing process: Key strengths include: (a) having a review in 2019 which allows ASEC to identify data challenges, and develop alternative approaches for the final review in 2022; (b) the use of well-regarded and consolidated databases (e.g. United Nations, World Bank, ASEAN Stats) which helps to increase the robustness of the assessment and minimises the need to standardise data for cross-country comparison; and (c) assessment of outcome metrics in both absolute and relative terms which provides a more complete picture of country progress.
- Challenges of the existing process: Key challenges include: (a) overall data issues (including unavailability of data, lack of accurate data, and lack of timely data); and (b) comparability of data for the relative assessment of outcome metrics (for some metrics, cross-country comparisons can be problematic when factors such as the size of the economy or population vary significantly across the ASEAN Member States).

#### RECOMMENDATIONS TO STRENGTHEN THE MRE SYSTEM

### I. Indicators for measuring progress

- Input metrics. It is recommended that the same set of input metrics be maintained.
- Output metrics. It is recommended that the same set of output metrics be maintained.
- Outcome metrics. Of the 29 outcome metrics, 20 were assessed in this review. These include 16 outcome metrics with available data and 4 that were replaced with proxies. It is important to note that these proxies are used as replacements for the original outcome metrics only in this review. In the final review in 2022, the original outcome metrics will be assessed assuming that the data challenges related to these metrics will have been addressed. The remaining 9 outcome metrics with no available data or proxies were not assessed in this review. It is recommended to wait for these metrics to be developed or updated and evaluate them in the final review.

# II. The process for measuring progress

# MRE process for input metrics

It is recommended that there is a reconciliation exercise undertaken at the end of IAI Work Plan III to compare the budgeted investment in IAI projects with the actual expenditure that occurred. This will ensure that the input data reported matches the actual spending.

## MRE process for output metrics

An updated MRE process for output metrics is suggested in Exhibit E1. Specifically, the updated MRE process clarifies the responsibilities of each stakeholder in the MRE process and aims to ensure that CLMV focal points and national coordinators play a central role in gathering and consolidating the relevant data. Discussions with key stakeholders involved in the MRE process during the national consultations in CLMV countries and the Regional Workshop suggested strong support for the updated approach.

#### → Reporting channel ...... Step to improve efficiency and effectiveness **National** Focal points Line agencies in CLMV coordinators countries Assist ASEC in requesting Coordinate with line agencies to fill up the Monitor the progress Facilitate the coordinators when they are reporting output monitoring report of activities relevant to unresponsive process template each output metric Focal Consolidate output data points to Report the status of Consolidate verify output data from focal points and national coordinator within requested by focal reported submit to ASEC **IAI Task Force ASEAN Secretariat** (IAI & NDG Division) Disseminate template of Review the output monitoring report output monitoring report to submitted by national coordinators at least Implementing agencies / ASEC a month before the scheduled project consultants IAI Task Force meeting Report the progress of Evaluate the implementation Consolidate output data to CLMV countries in the progress and give relevant IAI projects to prepare an output monitoring ASEC within requested future directions report before each IAI Task Force meeting timeframe Provide monitoring and reporting guidelines to avoid misreporting of information

# An updated Monitoring, Reporting, and Evaluation process for output metrics

# Recommendations to improve the reporting of output data by CLMV countries

As described in the updated MRE process for output metrics, national coordinators and focal points play an important role in the reporting of output data. The following recommendations have been developed during the national consultations and the Regional Workshop to support national coordinators and focal points in carrying out their responsibilities:

### Suggestion at the ASEAN level

■ **Provide clear reporting guidelines.** As highlighted in the updated MRE process, there should be clear reporting guidelines to ensure that focal points and line agencies understand what needs to be reported under their strategic area. The guidelines should be shared with national coordinators who will, in turn, circulate to all relevant focal points.

### Suggestions for CLMV countries

- Empower focal points to play a central role in the reporting of output metrics. First, internal coordination problems should be addressed to enable focal points to coordinate effectively with line agencies in the reporting process. Second, as focal points already have multiple responsibilities in their primary roles, they should be supported by colleague(s) from their department who can help to facilitate the data collection process.
- Increase the involvement of national coordinators. It is recommended that: (a) national coordinators remind all focal points before the deadline for submission of output data to avoid delays in reporting; and (b) national coordinators are included in all important communication related to output reporting between line agencies and focal points.
- Ensure output data is verified. CLMV countries should establish mechanisms to verify the output data submitted by line agencies.

#### MRE process for outcome metrics

The following steps should be taken to address the challenges highlighted earlier:

- Consider replacement of outcome metrics if data is not available. In this review, only 20 of the 29 outcome metrics (of which 4 used proxy data) were assessed due to data challenges. The analysis suggests that data for all 29 outcome metrics should be available for the final review in 2022. However, if data is still not available at this point, then proxies for these outcome metrics could be considered. The proxies need to satisfy the following criteria: (a) coverage across all CLMV countries (and ideally all ASEAN Member States); (b) availability of time series data for comparison; and (c) ability to address the objectives that the original metric was intended to track.
- Adjust outcome metrics to allow cross-country comparisons. For the assessments of relative performance (versus ASEAN frontier), it may be useful to consider a range of adjustments of the outcome data to take account of cross-country contextual differences that could influence results. For example, outcome metrics could be weighted on a per capita basis or against GDP before the assessment of relative performance is conducted.

# III. Lessons learned to improve the overall MRE system

There are three lessons learned to improve the overall MRE system. This was discussed during interviews with relevant stakeholders, the national consultations in CLMV countries, as well as the Regional Workshop and Stakeholders' Forum:

- Need for an early and continuous alignment on roles and reporting channels for input and output metrics. It is important to ensure that key stakeholders involved in the MRE process for input and output metrics, including national coordinators, focal points, project proponents, and implementing agencies/project consultants fully understand their roles and responsibilities at the beginning of the implementation period. In addition, reporting channels for input and output data should be clearly outlined in the work plan to minimise confusion in the reporting process.
- Take advantage of information technologies to improve efficiency in reporting. ASEC could consider using information technology tools to facilitate the reporting of input and output data. For example, country officials could upload output data to an online portal when requested by ASEC.
- Ensure project outcomes and post-project impacts are measured. A set of intermediate outcome metrics that are specific to each project could be developed to supplement the current outcome metrics. CLMV countries should continue to monitor and evaluate these metrics after project completion to assess the impacts of completed projects, and create a fact base for future project development needs.

# Annex: Implementation Progress of IAI Work Plan III

The implementation progress of IAI Work Plan III is reviewed across the five strategic areas and their corresponding actions, and measured at three levels: input, output and outcome.

# 1.1 Overall progress of IAI Work Plan III

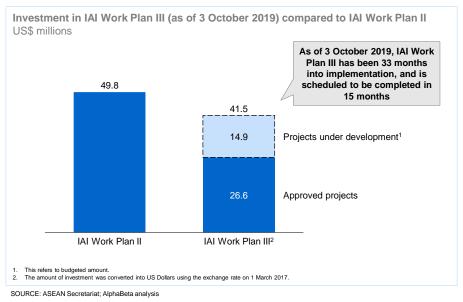
# 1.1.1 Input level

#### PROJECT INVESTMENT

As of 3 October 2019, a total of 103 projects worth US\$26.6 million has been approved under IAI Work Plan III (Exhibit 1). This figure could potentially rise to US\$41.5 million as 14 projects amounting to US\$14.9 million are currently under development. Meanwhile, IAI Work Plan II had a total of US\$49.8 million in funding.<sup>6</sup> However, it is important to note that funding figures are not directly comparable as (a) IAI Work Plan III is significantly more focused in scope (total of 26 actions and 6 enabling actions) compared to IAI Work Plan II (total of 182 actions); (b) IAI Work Plan III has had a shorter implementation period to date (3 years as of 2019 versus 7 years for IAI Work Plan II); and (c) IAI Work Plan III introduced stricter guidelines for projects to be accredited under IAI.

#### **EXHIBIT 1**





Funding for IAI Work Plan III varies across the 5 strategic areas and enabling actions. As seen from Exhibit 2, enabling actions (US\$17.3 million) account for around 65 percent of total approved funding

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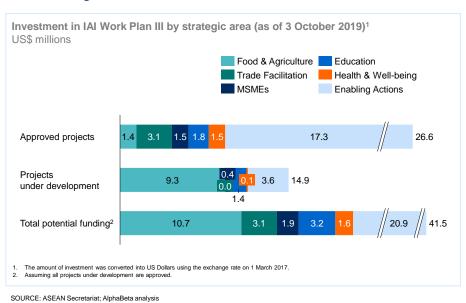
<sup>&</sup>lt;sup>6</sup> ASEAN Secretariat

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(US\$26.6 million). These enabling actions, which include the dissemination and application of best practices in regulation, digital government, public policy, transparency, and engagement with the private sector, play an important role in facilitating growth and development in CLMV countries. Amongst the 5 strategic areas, "Trade Facilitation" has the highest level of approved funding, at US\$3.1 million. However, assuming all projects under development are approved, "Food and Agriculture" will have the largest funding.

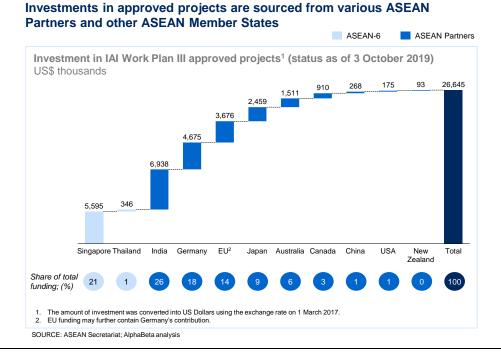
#### **EXHIBIT 2**





Investments in approved projects are sourced from a range of ASEAN Partners as well as other ASEAN Member States. India, Germany, the European Union (EU), Japan, and Australia together account for 73 percent of total funding (Exhibit 3).

<sup>&</sup>lt;sup>7</sup> IAI Work Plan III, ASEAN Secretariat, 2016.



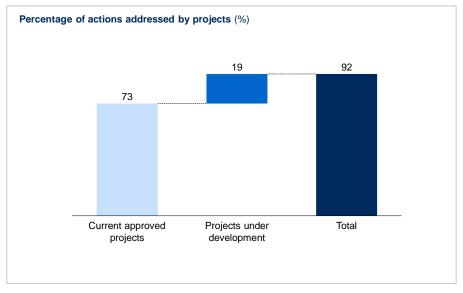
#### NUMBER OF PROJECTS

As of 3 October 2019, 103 projects have been accredited under IAI Work Plan III, addressing 73 percent of the 26 actions under the 5 strategic areas. An additional 14 projects are currently under development. Assuming they are approved by 2020, the total percentage of actions addressed will be 92 percent (Exhibit 4).

The two actions currently without projects are:

- Action 2 under "Food and Agriculture" (Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes). Project(s) focusing on training for producers could be developed to address this action while waiting for a clear direction from the ASEAN Sectoral Working Group on Fisheries on the ASEAN Good Aquaculture Practices (GAqP).
- Action 2 under "Education" (Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials). The relevant sectoral body is currently assessing the capacity to participate in international testing programmes of ASEAN Member States. In the meantime, a workshop on key requirements and best practices in preparing for international testing programmes such as PISA could be conducted to equip CLM countries (as Viet Nam has already participated in PISA) with relevant knowledge while waiting for the assessment results.

73% of the 26 actions under the 5 strategic areas have been addressed, and this could increase to 92% if all projects under development are approved

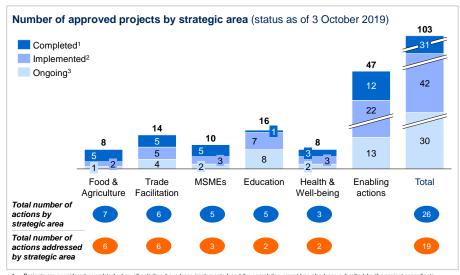


SOURCE: ASEAN Secretariat: AlphaBeta analysis

Exhibit 5 provides the project breakdown by strategic area. It is instructive to note that a higher number of projects may not necessarily lead to a higher share of actions addressed by those projects under the different strategic areas. For example, while "Education" has the highest number of projects among the 5 strategic areas (16 projects), these projects only address 2 out of 5 relevant actions. Meanwhile, "Trade Facilitation" and "Food and Agriculture" have fewer projects (14 projects and 8 projects respectively) but those projects address a higher number of actions (6 out of 6 and 6 out of 7 respectively).

Of the 103 approved projects, 31 projects are completed, 42 are implemented, and 30 are on-going. Projects are considered "completed" when all activities outlined in the project scope have been implemented and project completion reports have also been submitted. Projects are considered "implemented" when all activities outlined in the project scope have been implemented but project completion reports have not been submitted by project consultants. Projects are considered "on-going" when the activities outlined in the project scope have not been fully implemented.

# IAI Work Plan III has 103 approved projects, addressing 19 out of the 26 actions under the 5 strategic areas



- Projects are considered completed when all activities have been implemented and the completion report has also been submitted by the project consultants.
   Projects are considered implemented when all activities have been implemented but the completion report has not been submitted by the project consultants.
   Projects are considered on-going when the activities have not been fully implemented.

SOURCE: ASEAN Secretariat; AlphaBeta analysis

Exhibit 6 summarises the number of approved projects by strategic area and funding source. For instance, Singapore funded 34 projects under enabling actions, 16 projects under "Education", and 9 projects under "Trade Facilitation".

#### **EXHIBIT 6**

## Number of approved projects by strategic area and funding source

Status as of 3 October 2019

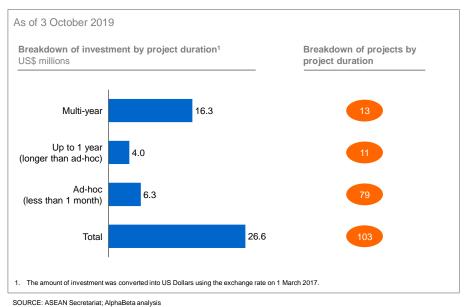
Sources of funding	Food & Agriculture	Trade Facilitation	MSMEs	Education	Health & Well-being	Enabling Actions	Total
Australia	2		1			1	4
Canada					2		2
China			2			1	3
European Union		2				1	3
Germany	1	1				1	3
India		1				4	5
Japan	1		1			4	6
New Zealand			1				1
Singapore	3	9	5	16	5	34	72
Thailand	1				1	1	3
USA		1					1
Total	8	14	10	16	8	47	103

SOURCE: ASEAN Secretariat; AlphaBeta analysis

Exhibit 7 shows the breakdown of projects by duration and the associated investment. Of the 103 approved projects, 79 are ad-hoc projects, accounting for US\$6.3 million worth of investment.<sup>8</sup> Only 13 out of the 103 projects are multi-year projects, however, they represent more than 60 percent of the total approved funding (US\$16.3 million out of US\$26.6 million).

#### **EXHIBIT 7**

# 79 out of the 103 approved projects are ad-hoc projects, however, they only account for US\$6.3 million worth of investment out of the total US\$26.6 million



## NUMBER OF CLMV COUNTRIES ADDRESSED

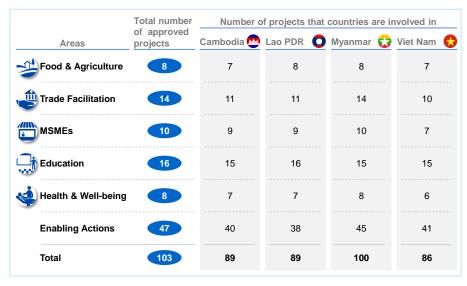
Overall, the 103 approved projects have achieved a high degree of country coverage (Exhibit 8). Among the 4 countries, Myanmar has participated in the most projects (100 out of the 103 projects).

<sup>&</sup>lt;sup>8</sup> Ad-hoc projects refer to projects that are less than 1 month in length (usually training courses).

<sup>&</sup>lt;sup>9</sup> 21 of the 72 projects funded by Singapore only include 2 out of the 4 countries. Of these 21 projects, Myanmar is involved in 18 of them, compared to 8 in Cambodia, 9 in Lao PDR and 7 in Viet Nam.

## Approved projects have achieved a high degree of country coverage

As of 3 October 2019



SOURCE: ASEAN Secretariat; AlphaBeta analysis

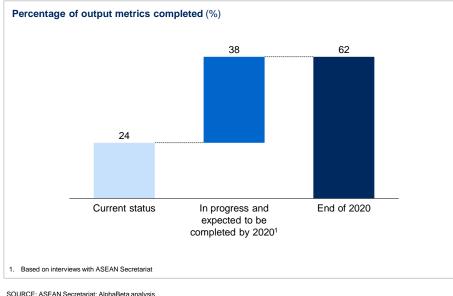
# 1.1.2 Output level

IAI Work Plan III has a total of 45 output metrics across the 5 strategic areas, of which 24 percent have been completed (i.e. 11 output metrics). <sup>10</sup> In discussions with ASEC, a further 17 output metrics have been identified as having a high likelihood of being completed by the end of 2020 based on current and planned projects. This would increase the share of output metrics completed to 62 percent by 2020 (Exhibit 9).

One of the approaches that could lead to more output metrics being completed would be to ensure that there are follow-up actions after an initial needs assessment has been conducted. There are several actions where a "needs assessment" has been conducted to date. Examples include Action 4 under "Food and Agriculture" with the "Assessment of Post-Harvest Losses and Post-Harvest Loss Reduction Technologies and Practices for a Seasonal Fruit with High Export Value and/or Export Potential in Cambodia, Lao PDR, Myanmar, Viet Nam (CLMV) Countries" and Action 4 under "MSMEs" with the assessment of "Simplifying Business Registration in Cambodia, Lao PDR and Myanmar". In addition, a further opportunity to increase the share of output metrics completed would be to encourage CLMV countries to take required domestic policy reforms (e.g. reforms to support MSMEs' domestic and international expansion, and the development of national strategies on food security).

<sup>10</sup> At the CLMV level, output metrics are considered "completed" when all CLMV countries have completed the output metrics. Output metrics are considered "in progress" when the output metrics have been completed in some but not all of the countries. Output metrics are considered "not started/ awaiting inputs" when all CLMV countries have not started any activities to address the output metrics or when there is no information from CLMV countries on whether the output metrics have been addressed.

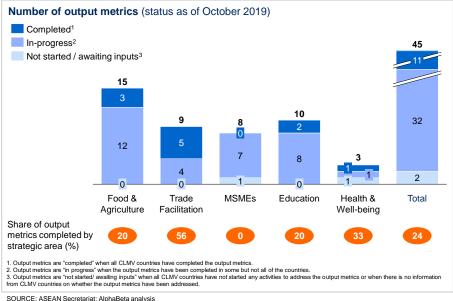
24% of the 45 output metrics have been completed, and this could increase to 62% by 2020 when the relevant IAI projects are completed



SOURCE: ASEAN Secretariat; AlphaBeta analysis

Exhibit 10 shows the status of output metrics by strategic area. 56 percent of the output metrics under "Trade Facilitation" have been completed, followed by "Health and Well-being" (33 percent), "Food and Agriculture" (20 percent), and "Education" (20 percent). In "MSMEs", none of the output metrics has been completed.

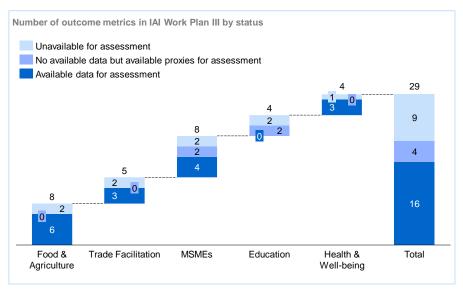




### 1.1.3 Outcome level

IAI Work Plan III has a total of 29 outcome metrics across the 5 strategic areas. However, only 20 are available for assessment in this review, of which 16 have available data and 4 have no available data but could be assessed using proxies (Exhibit 11). For the remaining 9 outcome metrics, there is no available or updated data which allows a robust assessment and no suitable proxies could be identified.

# Among the 29 outcome metrics, only 16 with available data and 4 with available proxies could be assessed in this review



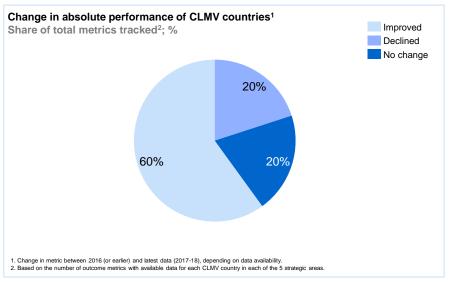
SOURCE: FAO; ASEANstats; World Bank; ASEAN SME Policy Index; Global Entrepreneurship and Development Institute; UNESCO; WHO AlphaBeta analysis

The overall absolute performance of all metrics tracked in the CLMV countries is summarised in Exhibit 12.<sup>11</sup> 60 percent of the metrics tracked improved in absolute terms while 20 percent declined.<sup>12</sup> It should be highlighted that the declines in many of the metrics were marginal, and sometimes from a high starting base (for example, Viet Nam's primary school net enrolment rate decreased slightly from 99.2 percent to 98.7 percent during the period measured).

<sup>&</sup>lt;sup>11</sup>Absolute performance refers to the change in the outcome metrics during the time period of measurement (i.e. between 2016 or before and the latest year, depending on data availability).

<sup>12</sup> While 20 outcome metrics are available for assessment, only 19 could be assessed in absolute terms because the methodology used to construct the "Access to finance score" from ASEAN SME Policy Index which is used as proxy for "Percentage of business loans to MSMEs" changed between 2014 and 2018, and this affects the comparability of the scores for the two years. For Lao PDR, only 18 metrics could be assessed due to the lack of data on World Health Organisation's International Heath Regulations monitoring framework in 2017. This assessment was based on a total of 75 metrics with available data across CLMV countries (19 in Cambodia, 18 in Lao PDR, 19 in Myanmar, and 19 in Viet Nam).

# 60% of the metrics tracked in CLMV countries improved in absolute terms, while 20% of the metrics declined

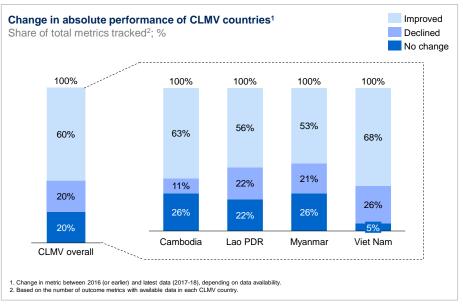


SOURCE: FAO; ASEANstats; World Bank; ASEAN SME Policy Index; Global Entrepreneurship and Development Institute; UNESCO; WHO; AlphaBeta analysis

Absolute performance varies by country (Exhibit 13). 63 percent of the metrics improved in Cambodia, 56 percent improved in Lao PDR, 53 percent improved in Myanmar, and 68 percent improved in Viet Nam. 13

<sup>&</sup>lt;sup>13</sup> This assessment was based on the number of outcome metrics with available data in each CLMV country. The breakdown is as follows: 19 in Cambodia, 18 in Lao PDR, 19 in Myanmar, and 19 in Viet Nam.

## Absolute performance varies by country



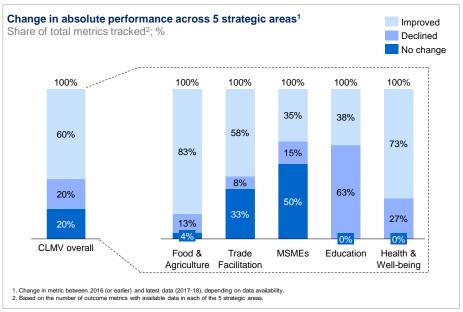
SOURCE: FAO; ASEANstats; World Bank; ASEAN SME Policy Index; Global Entrepreneurship and Development Institute; UNESCO; WHO; AlphaBeta analysis

There are also differences in countries' absolute performance across the 5 strategic areas (Exhibit 14). 83 percent of the metrics tracked under "Food and Agriculture" improved in absolute terms, followed by "Health and Well-being" (73 percent) and "Trade Facilitation" (58 percent). 14

26

<sup>&</sup>lt;sup>14</sup> This assessment was based on the number of outcome metrics with available data in each of the 5 strategic areas. The breakdown is as follows: 24 in "Food and Agriculture", 12 in "Trade Facilitation", 20 in "MSMEs", 8 in "Education", and 11 in "Health and Well-being".





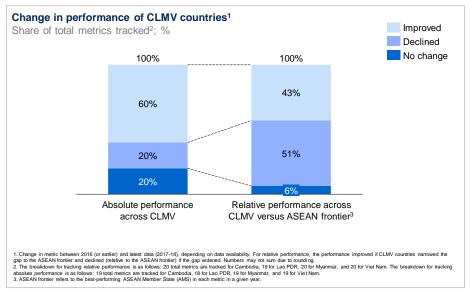
SOURCE: FAO; ASEANstats; World Bank; ASEAN SME Policy Index; Global Entrepreneurship and Development Institute; UNESCO; WHO; AlphaBeta analysis

Compared to absolute performance, the relative performance of CLMV countries is not as strong (Exhibit 15).<sup>15</sup> In particular, 43 percent of the metrics tracked narrowed the gap to the ASEAN frontier (i.e. the best performing ASEAN Member State on that particular metric), 51 percent of the metrics tracked widened the gap, while there is no change for the remaining 6 percent of the metrics tracked in relative terms.<sup>16</sup> This could be explained by the fact that some ASEAN frontiers have improved more than CLMV countries during the period of assessment. As a result, the gap to the frontier has widened despite the improvement in absolute terms.

<sup>15</sup> Relative performance refers to the change in the gap to the ASEAN frontier (i.e. the best performing ASEAN Member State) during the time period of measurement (i.e. between 2016 or before and the latest year, depending on data availability). The performance improved if CLMV countries narrowed the gap to the ASEAN frontier and declined (relative to the ASEAN frontier) if the gap widened.

<sup>16</sup> For Lao PDR, only 19 metrics could be assessed due to the lack of data on World Health Organisation's International Heath Regulations monitoring framework in 2017. This assessment of relative performance was based on a total of 79 metrics across CLMV countries (20 in Cambodia, 19 in Lao PDR, 20 in Myanmar, and 20 in Viet Nam).

# Overall across CLMV countries, the absolute performance of outcome metrics has been better than the relative performance



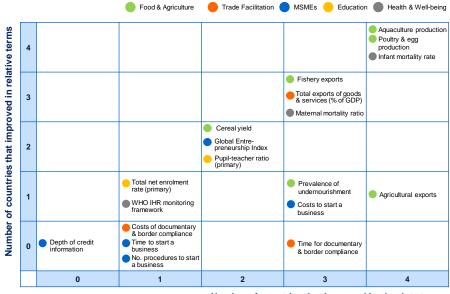
SOURCE: FAO; ASEANstats; World Bank; ASEAN SME Policy Index; Global Entrepreneurship and Development Institute; UNESCO; WHO; AlphaBeta analysis

Exhibit 16 provides a summary of both absolute and relative performance of CLMV countries by outcome metric. The best performing metrics where all CLMV countries improved in both absolute and relative terms are primarily in the "Food and Agriculture" and "Health and Well-being" areas.

#### **EXHIBIT 16**

SOURCE: AlphaBeta analysis





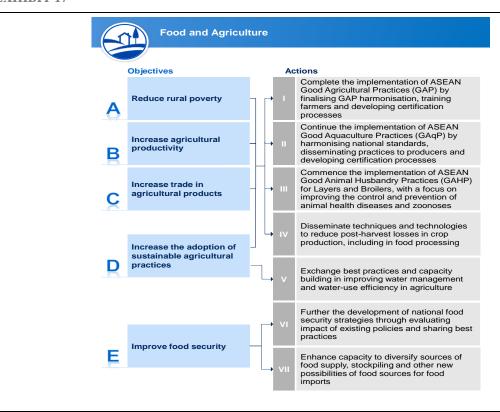
Number of countries that improved in absolute terms

# 1.2 Progress by strategic area and action

# 1.2.1 Food and Agriculture

In "Food and Agriculture", IAI Work Plan III supports 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 17.

#### **EXHIBIT 17**



### **INPUT LEVEL**

"Food and Agriculture" has a total investment of US\$1.4 million across 8 projects.<sup>17</sup> Exhibit 18 shows the breakdown of projects and funding associated with the 7 actions under this strategic area.

The projects under "Food and Agriculture" have a wide country coverage, evidenced by full CLMV participation in 4 out of the 7 actions.

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<sup>17</sup> As of 3 October 2019

As of 3 October 2019	No. of relevant projects <sup>1</sup>	Associated investment <sup>1,2</sup> (US\$)	Number of projects that countries are involved in				
Actions			Cambodia 😷	Lao PDR 🔘	Myanmar 🛟	Viet Nam	
Complete the implementation of ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes	1	119,358	1	1	1	1	
Il Continue the implementation of ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers & developing certification processes	0	<u>.</u>	-	-	-	-	
III Commence the implementation of ASEAN Good Animal Husbandry Practices (GAHP) for Layers & Broilers, with a focus on improving the control and prevention of animal health diseases and zoonoses	1	250,000	1	1	1	1	
IV Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing	2	453,060	2	2	2	2	
V Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture	1	350,160	1	1	1	1	
VI Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices	1	127,006	0	1	1	0	
/II Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports	3	268,113	2	3	3	2	

SOURCE: ASEAN Secretariat; AlphaBeta analysis

#### **OUTPUT LEVEL**

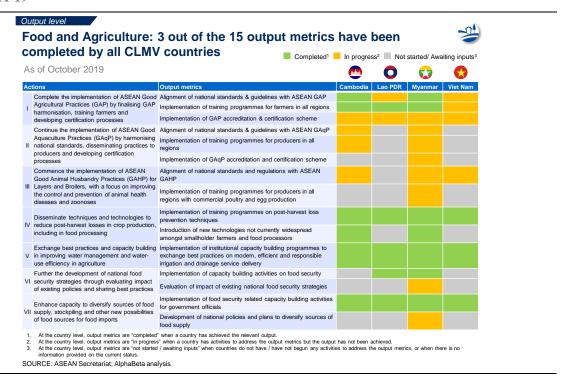
Under "Food and Agriculture", 3 out of the 15 output metrics have been completed by all CLMV countries. <sup>18</sup> The current status of output metrics by country is summarised in Exhibit 19. At the country level, output metrics are considered "completed" when a country has achieved the relevant output. Output metrics are considered "in progress" when a country has activities to address the output metrics, but the output has not been achieved. Output metrics are considered "not started/ awaiting inputs" when countries do not have or have not begun any activities to address the output metrics, or when there is no information provided on the current status.

- Action I: Complete the implementation of the ASEAN Good Agricultural Practices (GAP) by finalising GAP harmonisation, training farmers and developing certification processes. There are 3 output metrics under Action I with varied performance. The second output metric (implementation of training programmes for farmers in all regions) has achieved significant progress, with 3 out of 4 countries (Cambodia, Lao PDR, and Myanmar) having completed the output metric. Regarding the alignment of national standards and guidelines with ASEAN GAP, 2 countries (Cambodia and Myanmar) have completed this output metric. For example, Lao PDR has conducted a technical workshop to revise LaoGAP to be aligned with the ASEAN GAP. Meanwhile, the alignment of Viet Nam's VietGAP Standards and the ASEAN GAP will only be conducted by 2021.
- Action II: Continue the implementation of the ASEAN Good Aquaculture Practices (GAqP) by harmonising national standards, disseminating practices to producers and developing certification processes. This action is currently put on hold until there is clear

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<sup>18</sup> As of October 2019

- direction on the development of ASEAN GAqP from the ASEAN Sectoral Working Group on Fisheries.
- Action III: Commence the implementation of the 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. There are 2 output metrics related to Action III. The first output metric (alignment of national standards and regulations with the ASEAN GAHP) is in progress in 3 countries (Cambodia, Myanmar and Viet Nam). For example, Myanmar is planning to issue a GAHP certification that is in line with the ASEAN GAHP in 2020-2021 fiscal year. Viet Nam has established a national GAHP scheme and finished the self-assessment of the alignment between the ASEAN Food Safety GAHP for Layers and Broilers and its national standards and guidelines, while Cambodia has completed an alignment assessment. Regarding the second output metric (implementation of training programmes for producers in all regions with commercial poultry and egg production), only Myanmar has conducted training for farmers as well as a public awareness programme.
- Action IV: Disseminate techniques and technologies to reduce post-harvest losses in crop production, including in food processing. Action IV (with 2 output metrics) has achieved good progress across CLMV countries. For instance, the first output metric (training programmes on post-harvest loss prevention techniques) has been completed by all countries. Cambodia and Myanmar have also introduced new technologies to smallholder farmers and food processors. For example, Cambodia has built a Training Centre to provide producers and agro-processor small and medium-sized enterprises (SMEs) with technical support in agro-processing, food hygiene, product development, and food nutrient. Myanmar has conducted "Train the Trainer" on postharvest technologies for 90 government staffs and 155 farmers at the Post Harvest Technology Training Centre.
- Action V: Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture. The output metric under Action V (implementation of institutional capacity building programmes to exchange best practices on modern, efficient and responsible irrigation and drainage service delivery) has been completed by all CLMV countries. This is supported by the project "Sharing Best Practice Organisation and Coordination of Water-User Groups in Cambodia, Lao PDR, Myanmar, and Viet Nam".
- Action VI: Further the development of national food security strategies through evaluating impact of existing policies and sharing best practices. Action VI has 2 output metrics. The first output metric (implementation of capacity building activities on food security) has been completed by 2 out of 4 countries. In particular, a training on "Food Security and Food Hygiene Management" has been conducted in Lao PDR and Myanmar in 2018. Regarding the second output metric (evaluation of impact of existing national food security strategies), Myanmar has conducted the third round of evaluation of its national strategies.
- Action VII: Enhance capacity to diversify sources of food supply, stockpiling and other new possibilities of food sources for food imports. There are 2 output metrics related to Action VII the first output metric (implementation of food security related capacity building activities for government officials) has been fully completed by CLMV countries. As regards the second output metric (development of national policies and plans to diversify sources of food supply), Myanmar is currently developing national policies on land use.



#### **OUTCOME LEVEL**

Based on data availability, 6 out of the 8 outcome metrics outlined for this strategic area were assessed:

- Cereal yield. 2 out of 4 countries (Cambodia and Myanmar) improved in absolute terms. In relative terms, Viet Nam remained the ASEAN frontier between 2016 and 2017. Both Cambodia and Myanmar narrowed the gap to Viet Nam during the assessment period (Exhibit 20)
- Aquaculture production. All 4 countries exhibited positive growth in the volume of aquaculture production between 2016 and 2017. A similar trend is observed in relative performance, with all 4 countries closing the gap to the ASEAN frontier. <sup>19</sup>
- **Poultry and egg production**. There were improvements in both absolute and relative terms across all 4 countries between 2016 and 2017. Myanmar was the closest to the ASEAN frontier in both years.<sup>20</sup>
- **Agricultural exports**. The value of agricultural exports increased in all CLMV countries between 2016 and 2018. However, only Cambodia closed the gap to the ASEAN frontier.<sup>21</sup>
- **Fishery exports**. The volume of fishery exports improved in Cambodia, Myanmar and Viet Nam, but declined in Lao PDR. In relative terms, Cambodia, Myanmar, and Viet Nam also narrowed the gap to the ASEAN frontier while Lao PDR saw a widened gap.<sup>22</sup>

<sup>&</sup>lt;sup>19</sup> To compare in relative terms, the measure is volume of aquaculture production per capita to account for the population.

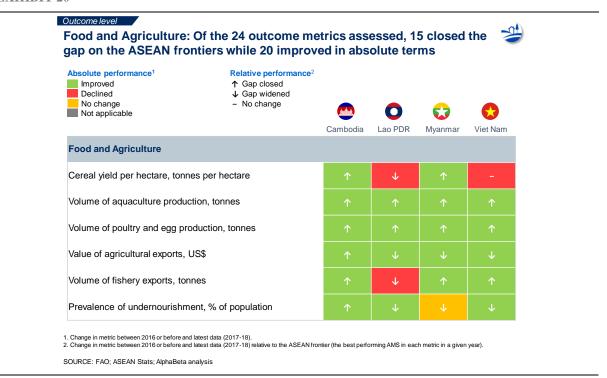
<sup>&</sup>lt;sup>20</sup> To compare in relative terms, the measure is volume of poultry and egg production per capita to account for the population.

<sup>&</sup>lt;sup>21</sup> To compare in relative terms, the measure is value of agricultural exports per capita to account for the population.

<sup>&</sup>lt;sup>22</sup> To compare in relative terms, the measure is volume of fishery exports per capita to account for the population.

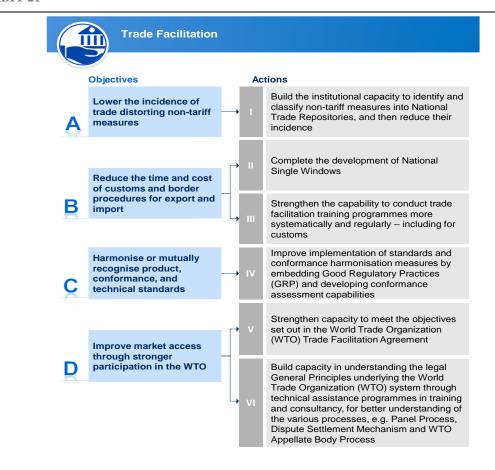
■ **Prevalence of undernourishment**. In absolute terms, this metric improved in Cambodia, Lao PDR, and Viet Nam, but remained the same in Myanmar between 2016 and 2017. However, only Cambodia closed the gap to the ASEAN frontier during the period of assessment.

### **EXHIBIT 20**



# 1.2.2 Trade Facilitation

In "Trade Facilitation", 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 21.



## **INPUT LEVEL**

"Trade Facilitation" has 14 projects totalling US\$3.1 million.<sup>23</sup> These projects have addressed all relevant actions under "Trade Facilitation" (Exhibit 22).

The country coverage of the projects under "Trade Facilitation" varies by action. Action I (build the institutional capacity to identify and classify non-tariff measures into National Trade Repositories, and then reduce their incidence) has the highest coverage, with the full participation of CLMV countries.

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<sup>&</sup>lt;sup>23</sup> As of 3 October 2019

#### Input level **m** Trade Facilitation: all 6 actions have been addressed by approved projects No. of relevant Number of projects that countries are involved in As of 3 October 2019 Cambodia 🕮 Lao PDR 🧿 Myanmar 😯 Viet Nam 🔇 Actions projects1 I Build the institutional capacity to identify and sures into National Trade 15.202 Repositories, and then reduce their incide Complete the development of National Single Windows 175,000 0 III Strengthen the capability to conduct trade facilitation training programmes more systematically and regularly, including for 3 2,306,792 IV Improve implementation of standards and conformance harmonisation measures by embedding Good Regulatory Practices (GRP) 317 817 n and developing conformance assessn V Strengthen capacity to meet the objectives set out in the WTO Trade Facilitation Agreement 159,698 VI Build capacity in understanding the legal General Principles underlying the WTO syste through technical assistance programmes in training and consultancy, for better under 293.842 5 standing of the various processes, e.g. Panel Process, Dispute Settlement Mechanism and WTO Appellate Body Process cis that address more than one action were counted in each of the relevant action and therefore, may add up to more than the total number of projects in this strategic area, by the amount of associated investment was reported for each of the relevant action and therefore, may add up to more than the total investment in this strategic area. mount of investment was converted into US Dollars using the exchange rate on 1 March 2017.

#### **OUTPUT LEVEL**

SOURCE: ASEAN Secretariat; AlphaBeta analysis

Under "Trade Facilitation", 5 out of 9 output metrics (56 percent) have been completed.<sup>24</sup> The current status of output metrics by country is shown in Exhibit 23.

- Action I: Build the institutional capacity to identify and classify non-tariff measures into National Trade Repositories, and then reduce their incidence. 1 out of 2 output metrics under Action I has been fully completed. Specifically, all 4 countries have established National Trade Repositories (NTR) and have started to incorporate the required information into their NTR. The remaining output metric is currently in progress in 3 countries (Cambodia, Myanmar, and Viet Nam).
- Action II: Complete the development of National Single Windows. There are 2 output metrics under Action II. As of October 2019, CLMV countries have completed their National Single Window (NSW). Regarding the integration of NSW with the ASEAN Single Window (ASW), while Cambodia and Viet Nam have joined the Live Operation of the ASW, Lao PDR and Myanmar are expected to join by the end of 2019.
- Action III: Strengthen the capability to conduct trade facilitation training programmes more systematically and regularly, including for customs. Action III, measured by 2 output metrics, has achieved relatively slower progress than other actions. For example, the first output metric (development of new training curriculum for customs officers and other trade facilitation agencies) has been completed by Cambodia. Cambodia Customs has put in place the annual plan for customs training and developed the training curriculum in the field of Risk Management, Post Clearance Audit, and Advance Ruling on Customs Valuation, HS

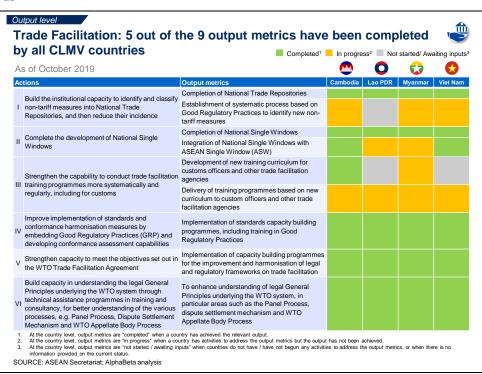
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<sup>24</sup> As of October 2019

classification and Rule of Origin. The second output metric (delivery of training programmes based on new curriculum to custom officers and other trade facilitation agencies) is currently in progress in all 4 countries.

- Action IV: Improve implementation of standards and conformance harmonisation measures by embedding Good Regulatory Practices (GRP) and developing conformance assessment capabilities. Action IV, which is measured by only one output metric, has 100 percent completion rate across the 4 countries. For instance, the "Training and Coaching on Good Practices in Preparation, Including Adoption and Implementation of Standards" was conducted in Cambodia and Myanmar in May 2017.
- Action V: Strengthen capacity to meet the objectives set out in the WTO Trade Facilitation Agreement. The output metric under Action V has been completed by all 4 countries. The "Training Course on World Trade Organization (WTO) and Regional Perspectives in Trade Facilitation" was conducted in all CLMV countries in 2017. In 2018, Myanmar and Viet Nam participated in a workshop on "Electronic Commerce and WTO Agreements on Goods, Services and Trade Related IP Rights (TRIPS)".
- Action VI: Build capacity in understanding the legal General Principles underlying the 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. Action VI has one output metric which has been fully completed by CLMV countries. A number of training courses involving CLMV have been organised. Examples include the "Training Course on Agriculture and Sanitary and Phyto-Sanitary Measures (SPS)" conducted in 2017 and the week-long "Training on New Approaches for Services Trade Negotiations for CLMV Countries" conducted in 2018.

#### **EXHIBIT 23**

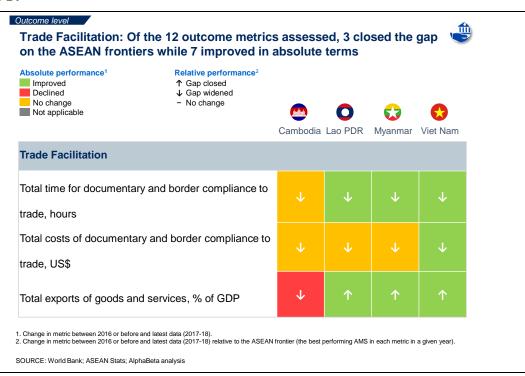


## **OUTCOME LEVEL**

Based on data availability, 3 out of the 5 outcome metrics outlined for this strategic area were assessed:

- Total time for documentary and border compliance to trade. Lao PDR, Myanmar, and Viet Nam improved in absolute terms. There was no change in the total hours for documentary and border compliance in Cambodia. However, the gap between CLMV countries and the ASEAN frontier still widened between 2016 and 2018 due to the significant improvement of the ASEAN frontier (Exhibit 24).
- Total costs of documentary and border compliance to trade. Only Viet Nam reduced the cost of documentary and border compliance by 4 percent between 2016 and 2018. The remaining 3 countries did not improve. In relative terms, none of the countries closed the gap to the ASEAN frontier.
- Total exports of goods and services. Lao PDR, Myanmar and Viet Nam showed progress in both absolute and relative performance. Meanwhile, total exports of goods and services (as a percentage of GDP) declined in Cambodia between 2016 and 2017.

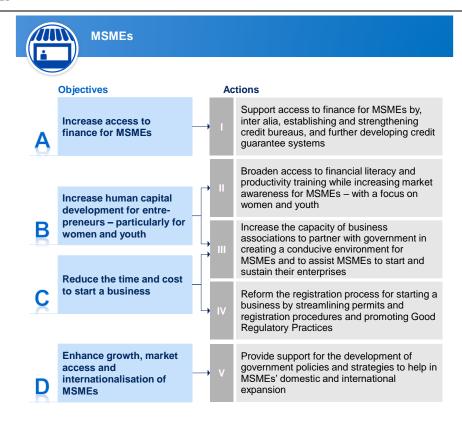
#### **EXHIBIT 24**



## **1.2.3 MSMEs**

In "MSMEs", 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 in Exhibit 25.

## **EXHIBIT 25**

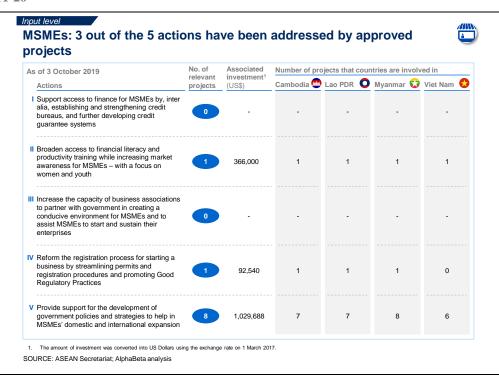


# **INPUT LEVEL**

"MSMEs" has a total investment of US\$1.5 million, covering 10 projects.<sup>25</sup> These projects have addressed 3 out of 5 actions under "MSMEs", with a strong focus on Action V (provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion) (Exhibit 26).

Projects in "MSMEs" have largely covered Cambodia, Lao PDR, and Myanmar while Viet Nam has a lower coverage (7 out of 10 projects).

<sup>&</sup>lt;sup>25</sup> As of 3 October 2019



## **OUTPUT LEVEL**

Analysis of output metrics related to "MSMEs" shows considerable gaps. No output metric has been completed as of October 2019.<sup>26</sup> The status of output metrics by country is shown in Exhibit 27.

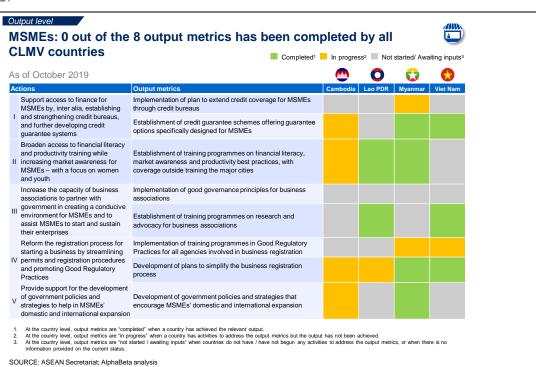
- Action I: Support access to finance for MSMEs by, inter alia, establishing and strengthening credit bureaus, and further developing credit guarantee systems. There are 2 output metrics under Action I. Lao PDR has not started addressing any of the output metrics while the remaining 3 countries have achieved varied progress. For example, in Cambodia, Ministry of Economy & Finance (MEF) is working with Japan International Cooperation Agency (JICA) on finalising the credit guarantee systems. Meanwhile, Myanmar has established the credit guarantee insurance framework, and issued a license for Credit Bureau in July 2018.
- Action II: Broaden access to financial literacy and productivity training while increasing market awareness for MSMEs with a focus on women and youth. 3 countries Cambodia, Lao PDR, and Myanmar have implemented relevant programmes to address the output metric under this action. For instance, the FINTECH Association of Cambodia has been established to support the financial services industry in the era of digital economy. The Ministry of Industry of Myanmar has also conducted financial training and seminars to raise awareness on current national programmes for local SMEs owners and entrepreneurs.
- Action 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. There is a significant gap in the implementation of Action III, with none of

<sup>26</sup> As of October 2019

the countries having completed the first output metric (implementation of good governance principles for business associations). On the second metric (establishment of training programmes on research and advocacy), Lao National Chamber of Commerce has received support in designing policies and conducting policy dialogues with the government. In Viet Nam, a project helping women entrepreneurs develop advocacy skills and increasing their awareness and participation in the formulation of laws and regulations was completed in 2017.

- Action IV: Reform the registration process for starting a business by streamlining permits and registration procedures and promoting Good Regulatory Practices. Action IV has 2 output metrics. The first metric (implementation of training programmes in Good Regulatory Practices for all agencies involved in business registration) is in progress in Myanmar and Viet Nam. Regarding the second metric, while a new system to simplify the business registration process has been established in Myanmar and Viet Nam, Cambodia and Lao PDR faced challenges in implementing such system.
- Action V: Provide support for the development of government policies and strategies to help in MSMEs' domestic and international expansion. CLMV countries have participated in a number of activities related to MSMEs' domestic and international expansion. For instance, CLMV officials have attended 3 training courses on "FDI Promotion Strategies and Enabling Private Sector Growth", "Developing Government Policies for MSME Development", and "Privatisation and Financial Reforms" between 2017 and 2018. Only Myanmar reported completion of Action V's output metric.

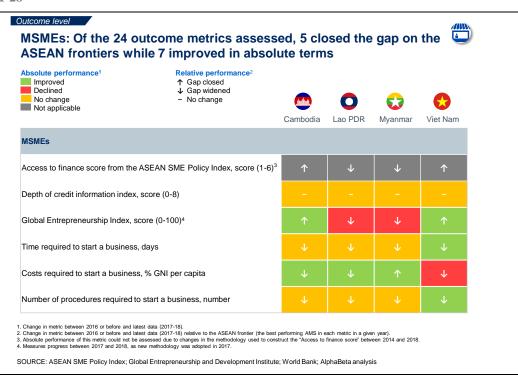
### **EXHIBIT 27**



## **OUTCOME LEVEL**

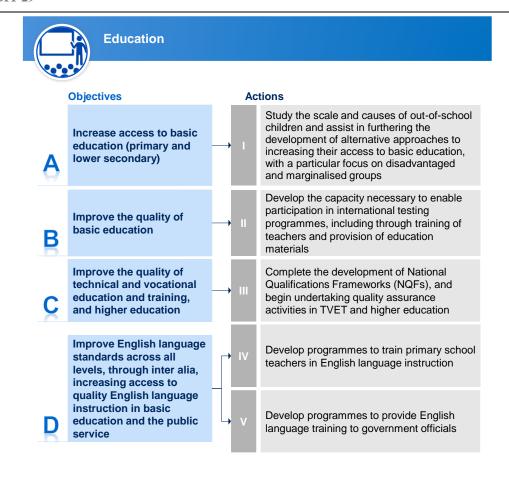
Based on data availability, 6 out of the 8 outcome metrics outlined for this strategic area were assessed:

- Access to finance score from the ASEAN SME Policy Index. Only relative performance was assessed for this metric as the scores are not comparable between 2014 and 2018 due to changes in the methodology used to construct the ASEAN SME Policy Index. Cambodia and Viet Nam closed the gap to the ASEAN frontier while Lao PDR and Myanmar had a widened gap (Exhibit 28).
- **Depth of credit information index**. There was no change in both absolute and relative performance of CLMV countries between 2016 and 2018.
- Global Entrepreneurship Index. The absolute performance of this metric was assessed based on 2017 and 2018 scores, as scores from the preceding years were calculated using a different methodology. Cambodia and Viet Nam showed improvement in both absolute and relative terms, while the scores for Lao PDR and Myanmar declined between 2017 and 2018, leading to a widened gap.
- Time required to start a business. The time required to start a business in Cambodia, Lao PDR, and Myanmar remained the same between 2016 and 2018. Viet Nam, on the other hand, reduced the time required to start a business by almost 30 percent. However, the gap to the ASEAN frontier widened in all 4 countries, given the 40 percent reduction in time achieved by the ASEAN frontier.
- Costs required to start a business. In absolute terms, Cambodia, Lao PDR, and Myanmar recorded progress in reducing the cost required to start a business, but the cost increased slightly in Viet Nam between 2016 and 2018. In relative terms, only Myanmar narrowed the gap to the ASEAN frontier.
- Number of procedures required to start a business. There was no change in the number of procedures required to start a business in Cambodia, Lao PDR, and Myanmar, while Viet Nam showed progress in absolute terms, with 8 procedures in 2018 compared to 9 procedures in 2016. However, none of the countries narrowed the gap to the ASEAN frontier between 2016 and 2018.



## 1.2.4 Education

In "Education", IAI Work Plan III supports the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 in its measures to improve access and quality in basic education, as well as 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 29.

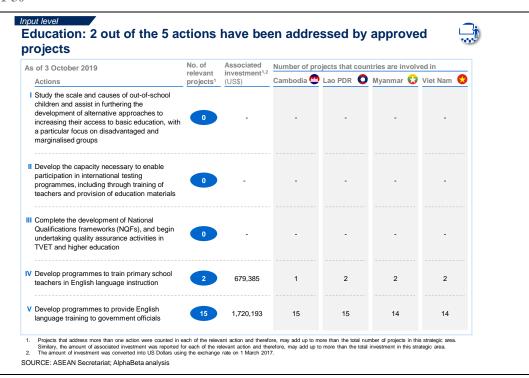


## **INPUT LEVEL**

"Education" has a total investment of US\$1.8 million, covering 16 projects.<sup>27</sup> However, only 2 out of 5 actions are addressed across the 4 CLMV countries (Exhibit 30).

Projects under "Education" have a wide coverage across CLMV countries, with Lao PDR having participated in all of the relevant projects.

<sup>&</sup>lt;sup>27</sup> As of 3 October 2019



## **OUTPUT LEVEL**

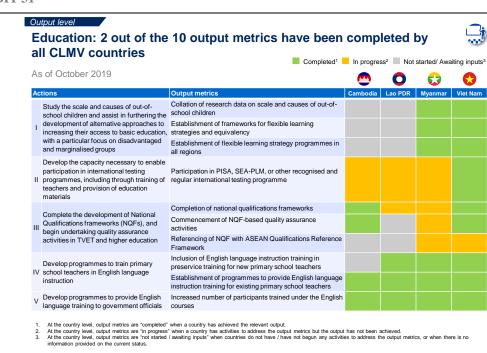
2 out of 10 output metrics related to "Education" have been completed.<sup>28</sup> The current status of output metrics by country is shown in Exhibit 31.

- Action 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. 2 out of 4 countries (Myanmar and Viet Nam) have completed the 3 output metrics under Action I. For example, Myanmar has developed the Non-Formal Primary Education (NFPE) and Non-Formal Middle Education (NFME) for out-of-school children. Viet Nam has established a number of continuous learning centres which have certification schemes.
- Action II: Develop the capacity necessary to enable participation in international testing programmes, including through training of teachers and provision of education materials. All 4 countries have participated in the Southeast Asia Primary Learning Metrics (SEA-PLM). Only Viet Nam participated in the Programme for International Student Assessment (PISA) in 2012, 2015 and 2018.
- Action III: Complete the development of National Qualifications Frameworks (NQFs) and begin undertaking quality assurance activities in TVET and higher education. Cambodia and Viet Nam have completed 2 out of 3 output metrics under this action. For example, Cambodia completed its National Qualifications Framework (NQF) in 2012 and commenced the NQF-based quality assurance activities in 2014. However, the country has yet to start referencing its NQF with the ASEAN Qualifications Reference Framework (AQRF).

<sup>28</sup> As of October 2019

Viet Nam completed its NQF in 2016, and the referencing of its NQF with the AQRF is currently in progress. In Myanmar, although the NQF has been completed, the framework has not been officialised. Meanwhile, the NQF of Lao PDR has not been completed.

- Action IV: Develop programmes to train primary school teachers in English language instruction. There are 2 output metrics under Action IV. 3 out of 4 countries (Lao PDR, Myanmar, and Viet Nam) have completed the first output metric (inclusion of English language instruction training in pre-service training for new primary school teachers). The second output metric has been completed by all 4 countries. CLMV government officials participated in the "Training Course on Teaching English as a Second Language Curriculum Planning and Pedagogy" in 2017.
- Action V: Develop programmes to provide English language training to government officials. This action has achieved the highest completion rate, at 100 percent. There have been a number of training courses conducted in CLMV countries such as "English for Effective Negotiations", "English Language for Business Communication", and "Advanced English Language and Communication Skills".



### **EXHIBIT 31**

## **OUTCOME LEVEL**

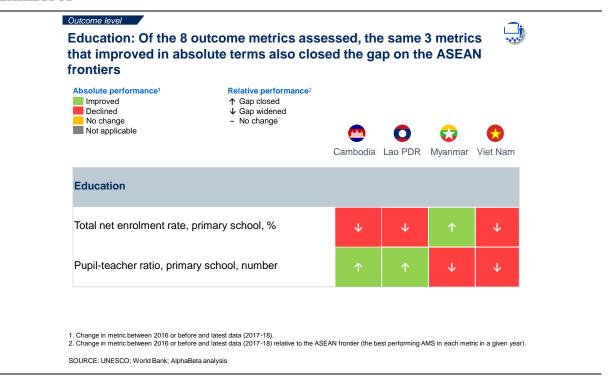
SOURCE: ASEAN Secretariat; AlphaBeta analysis

Based on data availability, 2 out of the 4 outcome metrics outlined for this strategic area were assessed:

■ Total net enrolment rate (primary school). Total net enrolment rate (primary school) increased in Myanmar, but declined in Cambodia, Lao PDR, and Viet Nam. In terms of relative performance, Myanmar was the only country that closed the gap to the ASEAN frontier during the assessment period (Exhibit 32).

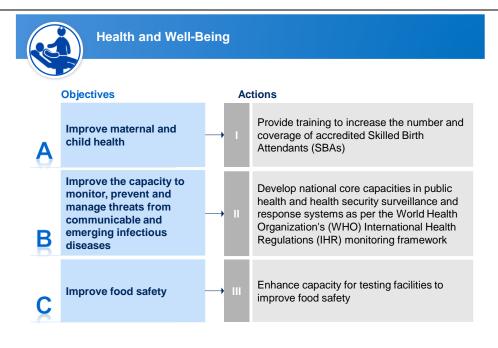
■ Pupil-teacher ratio (primary school). In absolute terms, Cambodia and Lao PDR showed a slight improvement, with 2 percent and 3 percent decrease in the average number of pupils per teacher in primary school respectively. Regarding relative performance, Cambodia and Lao PDR also achieved progress in narrowing the gap to the ASEAN frontier.

#### **EXHIBIT 32**



# 1.2.5 Health and Well-being

In "Health and Well-being", 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 33.



## INPUT LEVEL

"Health and Well-being" has a total investment of US\$1.5 million across 8 projects.<sup>29</sup> 2 out of 3 actions have been addressed by these projects (Exhibit 34).

Myanmar has been involved in all of the 8 projects under "Health and Well-being". Cambodia and Lao PDR have participated in 7 out of 8 projects while Viet Nam has participated in 6 projects.

<sup>&</sup>lt;sup>29</sup> As of 3 October 2019

# Input level Health and Well-being: 2 out of the 3 actions have been addressed by approved projects As of 3 October 2019 No. of Associated Number of projects that countries are involved in Cambodia 🖴 Lao PDR 🔘 Myanmar 😯 Viet Nam 😯 Actions projects (US\$) I Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBA) II Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organisation's International Health Regulations 1,223,854 5 (IHR) monitoring framework III Enhance capacity for testing facilities to 229,638 improve food safety 1. The amount of investment was converted into US Dollars using the exchange rate on 1 March 2017 SOURCE: ASEAN Secretariat: AlphaBeta analysis

## **OUTPUT LEVEL**

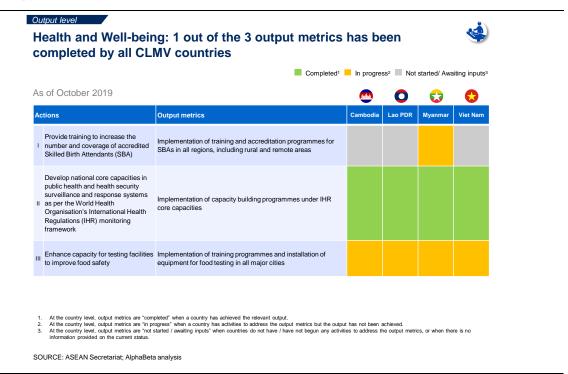
1 out of 3 output metrics related to "Health and Well-being" (33 percent) has been completed.<sup>30</sup> The current status of output metrics by country is shown in Exhibit 35.

- Action I: Provide training to increase the number and coverage of accredited Skilled Birth Attendants (SBA). Only Myanmar has reported progress in addressing the current output metric under Action I (implementation of training and accreditation programmes for SBAs in all regions, including rural and remote areas). The country has developed and disseminated guidelines for training and accreditation criteria for skilled birth attendants.
- Action II: Develop national core capacities in public health and health security surveillance and response systems as per the World Health Organisation's International Health Regulations (IHR) monitoring framework. CLMV countries have completed the output metric under Action II. Two training workshops were conducted between 2016 and 2017 for CLMV countries as part of the ASEAN-Canada Global Partnership Programme: Strengthening Bio Threat Surveillance in CLMV Countries, Phase V. Other examples include the training on "Health Policy and the Role of Data and Technology in Healthcare" conducted in Cambodia and Myanmar and the training on "Outbreak Detection, Control and Prevention of Infectious Diseases" conducted in Lao PDR and Myanmar in 2018. Both were repeated in all 4 countries in 2019.
- Action III: Enhance capacity for testing facilities to improve food safety. The current output metric under Action III (implementation of training programmes and installation of equipment for food testing in all major cities) is in progress in all 4 countries. The programme "Train the

<sup>30</sup> As of October 2019

Trainer: Food Safety Management" was conducted for CLMV countries in 2018 and was repeated in 2019.

## **EXHIBIT 35**



## **OUTCOME LEVEL**

Based on data availability, 3 out of the 4 outcome metrics outlined for this strategic area were assessed:

- Infant mortality rate. Infant mortality rate decreased in all CLMV countries between 2016 and 2018, which is indicative of an improvement in absolute terms. In relative terms, all 4 countries narrowed the gap to the ASEAN frontier (Exhibit 36).
- Maternal mortality ratio. The absolute performance of this metric improved in 3 out of 4 countries (Cambodia, Lao PDR, and Viet Nam). These countries also closed the gap to the ASEAN frontier between 2016 and 2017.
- World Health Organisation's International Health Regulations monitoring framework. Only Cambodia improved in both absolute and relative terms. Meanwhile, the gap to the ASEAN frontier widened in both Myanmar and Viet Nam. This assessment could not be conducted for Lao PDR due to the lack of data for the country in 2017.

## Outcome level





Absolute performane			
	Improved		
	Declined		
	No change		
	Not applicable		

**ASEAN** frontiers

Relative performance<sup>2</sup>
↑ Gap closed
↓ Gap widened
− No change







	Cambodia	Lao PDR	Myanmar	Viet Nam
Health and Well-being				
Infant mortality rate, per 1,000 live births	<b>↑</b>	<b>↑</b>	<b>↑</b>	<b>↑</b>
Maternal mortality ratio, per 100,000 live births	<b>↑</b>	<b>↑</b>	4	<b>↑</b>
WHO's International Health Regulations monitoring framework, score (0-100) <sup>3</sup>	1		<b>+</b>	<b>\</b>

SOURCE: World Bank; WHO; AlphaBeta analysis

Change in metric between 2016 or before and latest data (2017-18).
 Change in metric between 2016 or before and latest data (2017-18) relative to the ASEAN frontier (the best performing AMS in each metric in a given year).
 No data for Lao PDR in 2017.