

ASEAN as the Architect for Regional Development Cooperation

Advancing ASEAN Centrality
& Catalyzing Action for
Sustainable Development



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The Asia Foundation

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FOR REGIONAL DEVELOPMENT
COOPERATION**

**ADVANCING ASEAN CENTRALITY &
CATALYZING ACTION FOR SUSTAINABLE DEVELOPMENT**

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SEPTEMBER 2018



The Asia Foundation



Acknowledgements

The Asia Foundation gratefully acknowledges the contributions provided by many people and organizations throughout the course of this research study. We would like to express our sincere appreciation to the Ministry of Foreign Affairs of Thailand, including the ASEAN Affairs Department in Bangkok and missions in Jakarta, Vientiane, and Phnom Penh, for their advice, input, and encouragement throughout the research phase. We are also grateful to the Ministry of Foreign Affairs of Singapore, including their missions in Jakarta and Vientiane for their valuable input.

We would like to express our appreciation as well to the senior officials who met with us from a number of ASEAN organizations and partnerships, as well as from Australia, the European Union, Germany, India, Norway, Switzerland, the United Nations, and the United States. Furthermore, we would like to thank all of the development practitioners, experts, and researchers who agreed to be interviewed for this study.

Finally, we are grateful to the Rockefeller Foundation for hosting the launch event for the report on this study, in September 2018, at their headquarters in New York.

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This is an independent study, managed and funded by The Asia Foundation. The findings, interpretations, and conclusions expressed in this report are entirely those of the authors. They do not necessarily represent the views of The Asia Foundation, ASEAN Member State governments, the ASEAN Secretariat or any governments or organizations interviewed in the course of this research. This study has no formal association with ASEAN.

Executive Summary

The Association of Southeast Asian Nations (ASEAN) has played a central role in maintaining peace and security in the region for the past 50 years. It has been the primary channel for governments in Southeast Asia to jointly address common challenges and manage disputes among member countries. ASEAN has also become a channel for the region's small and medium-sized countries to improve their negotiating position with major world powers.

ASEAN Centrality and regional development cooperation

Today, ASEAN is at an important crossroads. The widely accepted concept of ASEAN Centrality asserts that ASEAN should be the predominant regional platform for addressing shared challenges and engaging with external powers. However, increasing geopolitical competition is putting new pressure on ASEAN Centrality, and development cooperation is becoming a major facet. Recent developments in Southeast Asia demonstrate that ASEAN's efforts to shape regional cooperation are being tested. These new dynamics have also led to increasing priority and profile for ASEAN within the foreign policies of major external powers. On the whole, there is growing commitment within the international community to strengthen ASEAN's role in regional architecture.

The most striking new trend is that regional development cooperation is becoming a mechanism for geopolitical competition. Major powers recognize that development assistance can be used to strengthen relations with recipient countries. Furthermore, their regional initiatives aim to integrate the economies of Southeast Asia with those of the donor country, and also introduce technology from that donor country. The most prominent regional example is China's Belt and Road Initiative (BRI), though other countries and multi-lateral agencies are creating or expanding similar initiatives too, including Japan, India, the Republic of Korea, Australia, the United States and the Asian Development Bank (ADB). The Mekong River subregion, in particular, has been the focus of several such competing initiatives.

These regional development initiatives are both major opportunities and risks for ASEAN countries. ASEAN Member State governments have largely embraced this assistance, citing the scarcity of development finance within the region, and the economic benefits of further integration and infrastructure development. However, concerns are rising about the accompanying risks, including the need to strike a balance among the major powers that provide financing, avoid overdependence, and keep sovereign debt down to a manageable level. Furthermore, the environmental and social standards of these initiatives vary, and thus there is a risk that some regional development initiatives could have serious negative impacts if they are not carefully managed and monitored.

This report argues that ASEAN Centrality should apply to development cooperation. While the concept typically applies to political and security issues, there is now a compelling case to also encompass development cooperation. Development projects driven by geopolitics tend to create pressures on recipient countries to accept projects. With the growth of regional development initiatives that are increasingly linked to geopolitics, ASEAN Member States should see the value in collectively monitoring and engaging with the lead external actors accordingly to uphold ASEAN Centrality and improve alignment with ASEAN Community-building objectives.

The case for ASEAN leadership on development cooperation

ASEAN Member States should consider a more robust role for ASEAN on regional development cooperation. This includes shaping regional development initiatives collectively, jointly managing the associated risks to individual states, and improving alignment with ASEAN priorities. As ASEAN Member States face new pressures from geopolitical competition, economic competitiveness, disruptive technologies, and humanitarian crises, a collective approach will become increasingly important. With the growing complexity of financing options

in the region, ASEAN should consider playing a more robust role in order to align financial resources with ASEAN goals, and also reduce the burden and risk on individual governments. Dialogue Partners providing assistance to Southeast Asia are generally committed to ASEAN, and while there may be differing perspectives on ASEAN's ideal role in development cooperation, most would welcome a more robust ASEAN-led response.

By extending ASEAN regional architecture to development cooperation, ASEAN Member States will have much more scope to shape the future of development in Southeast Asia. Externally shaped and driven approaches to development cooperation will become less common, and ASEAN actors will be in a better position to set standards and reduce risks. There would be less pressure on individual ASEAN Member States (AMS) from competing regional initiatives, and more positive benefits from improved coordination and reduced duplication. ASEAN Member States will ultimately benefit from having added leverage if ASEAN plays a role in monitoring, coordinating, and engaging with Dialogue Partners and other development actors. In some cases, ASEAN might usefully slow processes to allow for more systematic and careful implementation, or shed light on practices that are not in the collective interest of ASEAN Member States.

Given their impressive experience, assets, and capacities, AMS governments should play a more prominent role in shaping development cooperation in the region. Southeast Asia has a unique context for development cooperation, with its history as a development success story, and extensive economic integration with advanced economies. ASEAN countries as a collective are now both aid providers as well as recipients. Governments in ASEAN have well-informed views on how development cooperation should be conceptualized, monitored, and implemented based on local context and principles. Also, as ASEAN countries become more prosperous, many of the solutions and much of the financing for development will be found within the region. All of these factors make the ASEAN region fundamentally different from other regions of the developing world.

An ASEAN-centric framework for development cooperation would help align regional development initiatives with ASEAN principles and goals, while at the same time, reducing risk. This approach could effectively complement existing development cooperation frameworks such as those of the UN's Sustainable Development Goals (SDGs), the Organisation for Economic Development and Co-operation's Development Assistance Committee (OECD-DAC), and other regional or national frameworks. This approach would differ from the official development assistance (ODA) norms and approaches of OECD countries as it would focus more on regional integration, South-South cooperation, address middle-income country challenges, and possibly regional security threats. Furthermore, ASEAN has its own distinct set of regional development challenges and opportunities that require new thinking and approaches.

This report identifies several opportunities for ASEAN to play a more catalytic role in regional development cooperation. ASEAN has played a catalytic role on many critical political, economic, and security challenges. Although ASEAN has a relatively limited track-record in development cooperation, there are several potential roles:

- *Platform for dialogue* – Facilitate joint action on development challenges across the region by bringing the full range of actors together.
- *Information and monitoring clearinghouse* – Compile data on development outcomes and cooperation that would be widely accepted by ASEAN and donor governments.
- *Informing and supporting ASEAN governments' policy and directions* – Help AMS governments to address shared challenges by supporting their efforts at the national level.
- *Creating mechanisms to shape external policy and action* – Shape the policies and programs of external partners and other development actors to better align with ASEAN principles.

Wider engagement with development actors

If ASEAN is to increase its leadership role on development issues, then it must be at the center of multi-stakeholder dialogue and coordination. At present, a large proportion of regional development programs have little or no engagement with ASEAN. The proportion of regional development programs implemented through ASEAN seems to be relatively stable, while the projects that do not work through ASEAN are growing rapidly. An important step toward greater ASEAN leadership in development cooperation will be more engagement with the wider world of development actors, and not just individual donor countries. This includes NGOs, INGOs, private contractors, corporations, multi-lateral institutions, and private foundations, which are funding or implementing development projects in Southeast Asia. ASEAN engagement beyond donor governments

would help to strengthen and reinforce ASEAN community-building by shaping the actions of actors at multiple levels. Furthermore, ASEAN would become the legitimate point of coordination and oversight for regional activities that currently have no clear authorizing framework. While bilateral and national-level development programs have clear expectations and frameworks for coordination and policy alignment, regional development initiatives tend to operate independently. In addition, ASEAN could benefit from the innovation, technical capacity, regional networks, and grassroots reach of non-government development actors. This would help contribute to its goal of being a more people-oriented ASEAN Community.

One key finding of the study is that ASEAN could enhance its leadership in development cooperation by focusing more on the strategic level as opposed to the project level. This would entail engaging with external partners to shape their broader development priorities and programs, including those that are not implemented through ASEAN. While Dialogue Partners are keen to strengthen ties with ASEAN, their ability to provide direct funding or work through ASEAN to address development challenges is rather limited for various reasons. If ASEAN focused more on facilitating dialogue on key development challenges, and engaged with external partners collectively on broader approaches, then ASEAN would be in a stronger position to shape wider development cooperation in Southeast Asia. This is particularly pertinent in the Mekong River subregion where several competing development frameworks are being implemented.

Furthermore, an ongoing cross-cutting platform within ASEAN is clearly needed for discussing development challenges and coordinating major regional initiatives. One possibility could be holding an annual development conference that brings together all of ASEAN's major external partners. Another approach could be assigning this mandate to a new ASEAN center, which could conduct regular dialogues for interested external parties and officials from ASEAN sectoral bodies.

Understanding the constraints

However, it is also important to be realistic, given the current constraints on ASEAN's role in development. Some of these constraints are structural, and unlikely to change. For example, most development assistance is provided through bilateral channels, which limits ASEAN's role to regional initiatives and functions that do not overlap with bilateral assistance. There are also practical limits on how much ASEAN can engage with the broad spectrum of actors. Beyond engaging with the principal actors (i.e., ASEAN Member States and Dialogue Partners), the ASEAN Secretariat has little capacity to spare. Although frequently approached by development actors, with so many priorities, Secretariat staff simply do not have enough time to meet them all. With fewer than 300 staff, the ASEAN Secretariat is remarkably lean and often overstretched.

There are also political constraints on ASEAN's convening ability. For example, as a consensus-based network, ASEAN has limits on its ability to work on more controversial issues, or programs that seek to increase member governments' accountability. Instead, ASEAN Secretariat officials' first priority is the direction set by ASEAN's member governments, and various sectoral bodies to which they are accountable. Government and NGO leaders often approach ASEAN with a specific development or political agenda such as encouraging member states to adopt a common position on development or human rights, but this usually fails as ASEAN's consensus-based approach requires all of its member governments to agree. Adoption of a new ASEAN position or revising one is generally led by member state governments.

While foreign governments' commitment to ASEAN is growing, some complexities affect their engagement with ASEAN. The resources provided by donors for ASEAN are largely earmarked for development cooperation, which usually requires a development outcome, monitoring, and sharing accountability for results. However, foreign governments' political motivation to support ASEAN largely focuses on strengthening regional architecture and improving relations with ASEAN. Donors are compelled by their political leaders and citizenry to pursue certain agendas which do not necessarily align with ASEAN. Furthermore, the engagement between these external partners and ASEAN on development issues tends to occur at a very high-level (ASEAN+1, ministerial, or joint coordination committee meetings) or in meetings about specific projects.

Many development challenges tend to require cross-sectoral approaches, which present significant challenges for ASEAN. ASEAN's current structure generally leads to activities that work through a specific sectoral body or ASEAN Community pillar, which makes cross-sectoral engagement relatively difficult. However, ASEAN has created a few platforms for working effectively across sectors, most notably on human trafficking issues. This

experience has demonstrated some promising models for working across sectoral bodies and pillars, despite the challenges and resource-intensive processes.

There are no easy solutions for cross-sectoral approaches in ASEAN. The perceived fragmentation within ASEAN is a reflection of its national governments, whose sector-specific ministries often operate in siloes. ASEAN is the platform that its 10-member governments use to speak to each other on a routine basis, and facilitating this engagement is the primary function of the ASEAN Secretariat and sectoral bodies. The isolated siloes of ASEAN's sectoral bodies are, in many ways, necessary to make policy dialogue across its member governments possible. The challenge with this structure, however, is that it can lead to incomplete or overly narrow approaches when dealing with complex development challenges.

ASEAN is primarily a government-to-government platform, though it has ambitions to be more people and community-centric. In this regard, deeper engagement with non-government actors is crucial for ASEAN's future. From the perspective of many non-state development actors, though, ASEAN seems to be a complex and largely impenetrable network. As a result, whether intended or not, most regional programs managed by non-state actors largely bypass ASEAN, and do not necessarily align with ASEAN's agreed objectives.

It is important to understand that ASEAN initiatives can only proceed when there are no objections from member states, and this requirement for consensus makes engaging with non-state actors difficult. ASEAN governments have very different attitudes toward civil society, ranging from open engagement to arms-length suspicion. The scale and complexity of engaging with non-state actors is also daunting, given that there are hundreds of private sector and civil society organizations working on regional development in Southeast Asia.

Successful models demonstrate ASEAN's potential

There are several successful models, however, that illustrate the potential for ASEAN leadership on development cooperation. For example, several ASEAN sectoral bodies have processes that facilitate productive engagement with non-state groups, such as the Senior Officials Meeting on Rural Development and Poverty Eradication (SOMRDPE) and the Senior Officials Meeting on Social Welfare and Development (SOMSWD). The ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) has also become an effective platform for ASEAN engagement with international disaster relief organizations, and shaped their engagement in the region.

ASEAN has already demonstrated that it can shape wider development cooperation by changing its orientation toward facilitation and exerting influence. The Master Plan on ASEAN Connectivity (MPAC), as well as the Initiative for ASEAN Integration (IAI) illustrate how ASEAN can play a role in brokering or facilitating development initiatives that goes well beyond transactional engagement. Similarly, ASEAN's collective efforts to address human trafficking through the ASEAN Convention against Trafficking in Persons, Especially Women and Children (ACTIP), and the Bohol Trafficking in Persons (TIP) Work Plan (2017–2020) are successful examples of cross-sectoral approaches that address multi-faceted issues.

ASEAN centers are another important example ASEAN's potential as a catalyst for development. When these centers have a mandate to spearhead policy and analysis on particular issues, they can usefully set a broad vision and principles for ASEAN sectoral bodies to endorse. For example, the AHA Centre has been recognized as a success due, in part, to its relatively clear-cut mandate and its ability to raise funding both from within ASEAN and donor partners. The AHA centre and other ASEAN centers in general are often in a better position to engage with a broad range of external partners, and can more easily hire technical experts. However, several ASEAN centers have been challenged by their lack of consistent funding, which has led many of them to close or become inactive after a few years.

Development actors need to adapt too

Development actors also need to learn how to work with ASEAN more effectively. The most successful cases involve organizations or donors that understand and respect ASEAN's mandate, culture, and processes. These organizations do not seek exceptions or short-cuts, and do not pressure ASEAN to work in ways that are contrary to its core principles of consensus and non-interference. In addition, successful engagement usually depends on the organization (or government) supporting ASEAN-led initiatives, as opposed to seeking ASEAN

“buy-in” or endorsement for the organization’s initiatives. Dialogue Partners and other external governments should engage openly with ASEAN about their development assistance priorities and spending on regional initiatives, including initiatives that do not directly involve ASEAN bodies.

The most successful partnerships between ASEAN entities and non-state actors usually involve a non-state actor that understands how ASEAN works, and has taken the time initially to build relations with national governments. For example, the Asian Partnerships for the Development of Human Resources in Rural Areas (AsiaDHRRRA), a Philippines-based NGO with a network of representatives in 11 Asian countries, has played an instrumental role in building bridges with SOMRDPE, and has even been asked to help prepare relevant ASEAN plans, including the latest ASEAN Framework Action Plan on Rural Development and Poverty Eradication.

Enhancing ASEAN for future development opportunities and challenges

While ASEAN can play a more catalytic role, shaping externally driven development initiatives will require changes or additions to current ASEAN structures. For example, ASEAN could focus more on influencing how development assistance funds are spent by others. ASEAN’s core function vis-à-vis development assistance should be to influence and shape all regional development programs, not just the ones that ASEAN controls, and thereby enhance ASEAN Centrality and alignment with ASEAN Community-building goals. Furthermore, recognizing that development is cross-cutting by nature, new mechanisms are required that allow for cross-pillar engagement.

In the future, development cooperation in Southeast Asia is likely to be increasingly regional in scope and approach. ASEAN should increase its capacity and improve its organizational structures in order to be in a position to make the most of regional assistance. A new public financing paradigm could be considered that promotes regional development assistance transparency, provides resources for ASEAN Community Blueprints, and commits to sustainable funding for achieving the SDGs. The current system of reporting on development assistance blurs the lines between regional and bilateral spending. Many regional initiatives are presented as bilateral, and implemented through bilateral channels, in part because governments in the region prefer to manage resources directly from donors. However, this under-represents the growing scale of regional initiatives.

The Royal Thai Government’s proposed ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) has the potential to strengthen ASEAN’s leadership in shaping regional development cooperation. The ACSDSD structure would work best if it is based on a network of national SDG focal points, established with a clear mandate and legal framework, and following successful models such as the AHA Centre. The agreed arrangements should acknowledge the center’s regional presence, and clarify its relationship with key national agencies involved in development policy. The proposed center could serve a broad range of functions in areas where there are gaps in current ASEAN structures, including support for implementation and monitoring of ASEAN’s SDG commitments, shaping regional standards for development cooperation, facilitating engagement between ASEAN and development actors, and tracking development finance and debt.

Finally, ASEAN should expand initiatives to help the region prepare for the impact that digital technologies will have on development. Building on the momentum created during Singapore’s Chairmanship in 2018, ASEAN should establish a new platform for strategic-level dialogue and cooperation with the private sector. Key issues to address are the mobility of high-skilled workers among ASEAN countries, reducing the risks from growing inter-connection, and preparing for anticipated technology-driven disruption. Many of the reforms necessary for digital economy success have been constrained because they are managed within narrow traditional policy areas. The lack of high-skilled technology workers in most markets is largely a product of narrowly focused labor mobility policies, and delays in mutual recognition agreements (MRAs) and ASEAN qualification reference frameworks (AQRFs) that would allow skilled professionals from one ASEAN country to work in another. ASEAN could also support member governments in identifying and eliminating a range of other national-level constraints.

Despite the challenges, ASEAN could conceivably develop a greater leadership role on development in the coming years. This study identifies many examples in which ASEAN is already shaping development cooperation. Building on the lessons of successful models, ASEAN and its external partners should encourage new platforms for ASEAN-led coordination and dialogue that prioritize ASEAN Centrality, alignment with ASEAN agendas, and effective value-added engagement with the wider development community.



Acronyms

AADMER	ASEAN Agreement on Disaster Management and Emergency Response
AAPTIP	Australia-Asia Program to Combat Trafficking in Persons
ACB	ASEAN Centre for Biodiversity
ACC	ASEAN Coordination Council
ACCSM	ASEAN Committee on Civil Service Matters
ACDM	ASEAN Committee on Disaster Management
ACE	ASEAN Centre for Energy
ACEDAC	ASEAN Centre for the Development of Agricultural Cooperatives
ACIA	ASEAN Comprehensive Investment Agreement
ACMECS	Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy
ACMW	ASEAN Committee on Migrant Workers
ACSDSD	ASEAN Centre for Sustainable Development Studies and Dialogue
ACSS	ASEAN Community Statistical Systems Committee
ACTIP	ASEAN Convention against Trafficking in Persons, Especially Women and Children
ACWC	ASEAN Commission on the Promotion and Protection of the Rights of Women and Children
ADB	Asian Development Bank
ADMM	ASEAN Defense Ministerial Meeting
AEC	ASEAN Economic Community
AEIC	ASEAN Earthquake Information Centre
AEM	ASEAN Economic Ministers
AEMC	ASEAN-EC Management Centre
AF	ASEAN Foundation
AFAS	ASEAN Framework Agreement on Services
AFDM	ASEAN Finance and Central Bank Deputies' Meeting
AHA Centre	ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management
AHSOM	ASEAN Heads of Statistical Offices Meeting
AI	Artificial Intelligence
AICHR	ASEAN Intergovernmental Commission on Human Rights
AIGE	ASEAN Institute for Green Economy
AIIB	Asian Infrastructure Investment Bank
AITRI	ASEAN Insurance Training and Research Institute
AMBDC	ASEAN Mekong Basin Development Cooperation
AMM	ASEAN Ministerial (Foreign Ministers) Meeting
AMMTC	ASEAN Ministerial Meeting on Transnational Crime
AMRDPE	ASEAN Ministers on Rural Development and Poverty Eradication
AMS	ASEAN Member States
APG	AADMER Partnership Group
APSC	ASEAN Political-Security Community
APT	ASEAN Plus Three
AQRF	ASEAN Qualifications Reference Framework
ARDEX	ASEAN Regional Disaster Simulation Exercise/s
ARF	ASEAN Regional Forum
ARF DiREx	ARF Disaster Relief Exercise
ASCC	ASEAN Socio-Cultural Community
ASCN	ASEAN Smart Cities Network
ASCOPE	ASEAN Council on Petroleum
ASEAN	Association of Southeast Asian Nations
ASEAN-ISIS	ASEAN-Institutes of Strategic and International Studies
ASEC	ASEAN Secretariat
AsiaDHRRA	Asian Partnership for the Development of Human Resources in Rural Areas
ASLOM	ASEAN Senior Law Officials Meeting
ASMC	ASEAN Specialized Meteorological Centre
AUN	ASEAN University Network
B2P	Business-to-Public
BIMP-EAGA	Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation

BRI	Belt and Road Initiative (China-led)
BUILD Act	Better Utilization of Investments Leading to Development Act
CICP	Cambodian Institute for Cooperation and Peace
CLMV	Cambodia, Lao PDR, Myanmar, and Viet Nam
CM4TIP	Case Management for Trafficking in Persons (JICA project)
COMMIT	Coordinated Mekong Ministerial Initiative against Trafficking
COST	ASEAN Committee on Science and Technology
CPR	Committee of Permanent Representatives (ASEAN)
CSIS	Centre for Strategic and International Studies
DAC	Development Assistance Committee (OECD)
DGICM	Director Generals of Immigration Departments and Heads of Consular Affairs Divisions of the Ministries of Foreign Affairs
EAS	East Asian Summit (ASEAN)
ERAT	Emergency Risk Assessment Team
ERIA	Economic Research Institute for ASEAN and East Asia
FDI	Foreign direct investment
FEC	Future Economy Council
FLMI	Friends of LMI
FTA	Free trade agreement
G2B	Government-to-Business
G2P	Government-to-Public
GDP	Gross domestic product
GEF	Global Environment Facility
GMS	Greater Mekong Subregion
GMS Program	Greater Mekong Subregion Economic Cooperation Program (ADB-led)
HADR	Humanitarian assistance and disaster relief
HFA	Hyogo Framework for Action (UN)
IAI	Initiative for ASEAN Integration (ASEAN)
ICSW	International Council on Social Welfare
ICT	Information and communications technology
IFC	International Finance Corporation (World Bank Group)
IFRC	International Federation of Red Cross and Red Crescent Societies
IIR	Institute for International Relations
ILO	International Labour Organization (UN)
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
INGO	International nongovernmental organization
IOM	International Organization for Migration
IOT	Internet of things
IPSAS	International Public Sector Accounting System
ISDS	Institute for Strategic and Development Studies
ISEAS	Institute of Southeast Asian Studies
ISIS	Institute of Strategic/Security and International Studies
JICA	Japan International Cooperation Agency
JTF	Joint task force
Lao PDR	Lao People's Democratic Republic
LMC	Lancang-Mekong Cooperation (China-led)
LMI	Lower Mekong Initiative (US -led)
M&E	Monitoring & evaluation
MDGs	Millennium Development Goals (UN-initiated)
MGC	Mekong-Ganga Cooperation (India-led)
MNP	Movement of Natural Persons
MOU	Memorandum of understanding
MPAC	Master Plan on ASEAN Connectivity (ASEAN)
MRA	Mutual Recognition Agreements
MRC	Mekong River Commission
NDMO	National Disaster Management Office
NEDA	Neighboring Countries Economic Development Cooperation Agency (Thailand)
NGO	Nongovernmental organization
NIMS	National Meteorological Services
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development

OFID	OPEC Fund for International Development
PROGRESS	ASEAN-US Partnership for Good Governance, Equitable and Sustainable Development and Security
R&D	Research & development
RCEP	Regional Comprehensive Economic Partnership (ASEAN+6 Dialogue Partners – Australia, China, India, Japan, New Zealand and ROK)
ROK	Republic of Korea
SASOP	ASEAN Standard Operating Procedure for Regional Standby Arrangements and Coordination of Joint Disaster Relief and Emergency Response Operations
SCP	Singapore Cooperation Program
SDGs	Sustainable Development Goals (UN-initiated)
SEACEN	South East Asian Central Banks
SEOM	Senior Economic Officials Meeting (ASEAN)
SIIA	Singapore Institute of International Affairs
SLOM	Senior Labour Officials Meeting (ASEAN)
SOM	Senior Officials Meeting (ASEAN)
SOMDP	Senior Officials Meeting on Development Planning (ASEAN)
SOMED	Senior Officials Meeting on Education (ASEAN)
SOMHD	Senior Officials Meeting on Health Development (ASEAN)
SOMRDPE	Senior Officials Meeting on Rural Development and Poverty Eradication (ASEAN)
SOMSWD	Senior Officials Meeting on Social Welfare and Development (ASEAN)
SOMTC	Senior Officials Meeting on Transnational Crime (ASEAN)
STEM	Science, technology, engineering, and mathematics
TAC	Treaty of Amity and Cooperation in Southeast Asia (ASEAN)
TCG	Tripartite Core Group
TICA	Thailand International Development Cooperation Agency
TIP	Trafficking in persons
UN	United Nations
UN-ACT	United Nations Action for Cooperation against Trafficking in Persons
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNISDR	UN International Strategy for Disaster Reduction (the UN Office for Disaster Risk Reduction)
UNODC	United Nations Office on Drugs and Crime
UNTOC	United Nations Convention against Transnational Organized Crime
US	United States of America
WFP	World Food Programme (UN)
ZOPFAN	Zone of Peace, Freedom, and Neutrality (ASEAN)

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I. ASEAN Centrality and official development cooperation



The Association of Southeast Asian Nations (ASEAN) has played a central role in maintaining peace and security in the region for the past 50 years. As a platform for regional cooperation, ASEAN is among the world's most successful examples. It has been the primary channel for governments in Southeast Asia to jointly address common challenges and manage disputes among member countries. ASEAN has been described as the fulcrum around which the security, political, and economic architecture of Asia Pacific will be built.¹

ASEAN has also become a channel for the region's small and medium-sized countries to improve their negotiating position with major world powers. Born during the Cold War, in 1967, in a period of intense geopolitical competition, ASEAN was set up to create a more effective counter-balance to great power influence in the region. ASEAN's commitment to peace and regional security is embodied in its Treaty of Amity and Cooperation in Southeast Asia (TAC), adopted in 1976, which focuses on delivering regional order and peace through a soft institutional approach and dialogue. ASEAN later broadened its coverage by inviting Dialogue Partners² to be signatories to the TAC. Thus, ASEAN has successfully created platforms for dialogue with major powers, and through its community-building process, contributed to regional peace and stability.

After the Cold War ended in 1991, changing geopolitics enabled ASEAN to broaden its focus to include more economic integration, and a socio-

cultural agenda. Optimistic ASEAN observers see the organization playing an increasingly active and pivotal role in the evolving regional architecture in the security, political, economic, and socio-cultural fields.

Today, ASEAN is at an important crossroads. Over the next decade, member states are likely to face increasing pressure from geopolitical rivalries and disruptions in regional supply chains and global trade. While the current context is markedly different from the Cold War, the fundamental principle of ASEAN countries coming together to protect their collective interests is more relevant than ever. Many governments and international analysts are calling for renewed commitment to ASEAN, and further investment in multi-lateral approaches. For example, Australia's 2017 Foreign Policy White Paper placed Southeast Asia, and ASEAN, in particular, at the center of Australia's policy and engagement strategy. The United States of America (US), the People's Republic of China (China), Republic of Korea (South Korea), Japan, India, several European countries, New Zealand, and other Western and Asian governments are expanding engagement with ASEAN, and many have publicly committed to deepen ties with the regional body.

Development in Southeast Asia

Southeast Asia has also been one of the most successful regions in the world in terms of economic development. ASEAN's emergence coincided with a period of remarkable economic expansion, with per capita incomes in the region expanding 33 times from

US\$122 in 1967 to US\$4,021 in 2016.³ When ASEAN was founded in 1967, nearly all of its members were low-income economies. Today, the region includes two with high incomes (Singapore and Brunei), two with upper middle incomes (Malaysia and Thailand), and the rest with lower middle incomes.⁴ ASEAN has played an important role in this economic improvement by helping to maintain regional stability and facilitating greater regional economic integration. While the key driver of economic growth has been two-way trade between individual ASEAN countries and major economies (US, Japan, South Korea, China, and Europe), recent evidence shows that intra-ASEAN trade is on the rise,⁵ and trade and investment from other countries is also increasing. In the last decade, trade and investment from China has become an important contributor to ASEAN countries' economic growth, and China is now the largest trading partner for every ASEAN country.

While trade and investment are the major drivers of growth, official development cooperation is still an essential ingredient for development and regional cooperation in ASEAN. In 2016, Southeast Asia received US\$10.4 billion in official development assistance (ODA) from Organisation for Economic Co-operation and Development (OECD) donor countries, which is roughly 6.2 percent of global ODA expenditures.⁶ However, the importance of this funding has declined, relative to other drivers of development. According to the United Nations Development Programme (UNDP), though the trend in ODA and other official flows is rising, in terms of the amount, these funds are only 7 percent of total finance for development in ASEAN countries.⁷

Despite this decline in relative scale, there has been a recent upsurge of interest in ODA to ASEAN countries. Several major regional development initiatives have been announced in recent years. The most prominent of these is China's Belt and Road Initiative (BRI), which aims to integrate ASEAN and other Asian economies with China, by financing extensive interconnecting infrastructure in the region. Other examples of regional development assistance include the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC); three Asian Development Bank-led subregional cooperation frameworks—the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), Greater Mekong Subregion (GMS) Economic Cooperation Program, and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT); the China-led Lancang-Mekong Cooperation (LMC) initiative; the US-led Lower Mekong Initiative (LMI); the India-led Mekong-Ganga Cooperation

initiative; the Mekong-Japan Cooperation program; the Mekong-Republic of Korea Cooperation program; the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), along with various configurations of cooperation frameworks that include Cambodia, the Lao People's Democratic Republic (Lao PDR), Myanmar, and Viet Nam. ASEAN is also leading two ongoing regional development initiatives—the Initiative for ASEAN Integration (IAI), and the Master Plan on ASEAN Connectivity (MPAC). The US has signaled an interest too in expanding its development assistance in the region again. On July 30, 2018, Secretary of State Michael Pompeo announced a “new era in American commitment to the Indo-Pacific region,” including an initial US\$113 million initiative on digital technology, energy, and infrastructure.⁸ The US Congress is also considering several new major initiatives that could begin to reconfigure US foreign assistance to be more focused on connectivity and infrastructure.⁹ While the Indo-Pacific region is wider than Southeast Asia, ASEAN countries are likely to be a major focus for these new efforts.

ASEAN countries have largely embraced this new assistance, citing the scarcity of development finance, and the economic upside to further integration and infrastructure development. But many actors in ASEAN have also raised concerns about the need to strike a balance among the major powers providing financing, and avoid overdependence and increasing sovereign debt. Furthermore, the environmental and social standards of these initiatives vary. Many local actors in ASEAN, and international observers, have raised concerns that the influx of regional development initiatives will have serious negative impacts if they are not carefully managed and monitored.

The most striking new trend is that regional development assistance is becoming a mechanism for geopolitical competition. Major powers recognize the potential for using development assistance to strengthen relations with recipient countries. Furthermore, most regional initiatives aim to integrate the economies of Southeast Asia with the donor country's economy, and introduce technology from the donor country.

Development projects driven by geopolitics tend to create pressures on recipient countries. Faced with multiple options for infrastructure funding, individual ASEAN governments must consider the negative impact on bilateral relations if they say “no” to a project. Around the world, developing countries are under growing pressure to accept projects, and take on sovereign debt to finance them, even if the projects

are not likely to generate enough returns to justify the investment. If a country becomes heavily indebted as a result of accepting development financing, over time the donor government could gain significant leverage.

Beyond contributions from donor governments, financing for development in Southeast Asia is diversifying. A recent study conducted by the UNDP, found that countries in the region have growing access to other financing instruments, including impact investing, public-private partnerships, bond issues, and blended finance.¹⁰ Domestic resources are expanding and, in the future, will provide an increasingly large share of financing options. The study also notes that domestic public finance “grew from an average US\$700 per person in 2007 to US\$940 per person in 2015, yielding additional resources for governments to invest in services and infrastructure that can drive social, environmental and economic progress.”¹¹

Undoubtedly, enormous opportunities are opening up for ASEAN countries as a result of new development financing options. The infrastructure needs in the region are immense, and private investment is not likely to fill the gap. However, there are also significant risks to individual countries and to ASEAN more broadly. With the growing complexity of financing options in the region, as well as their rising political implications, better architecture is needed to align these resources with ASEAN goals, and reduce the burden and risk on individual governments.

ASEAN Centrality and development

The concept of ASEAN Centrality is a broadly accepted position among ASEAN Member States. ASEAN Centrality is based on the assumption that ASEAN should be the predominant regional platform for addressing shared challenges. The concept is particularly relevant for ASEAN countries’ relations with external powers. With ASEAN at the center of the region’s political and security architecture, external powers should not attempt to establish or support alternative platforms for regional cooperation; instead, they should work through ASEAN.

Leading experts and political leaders from the region have emphasized different aspects of ASEAN Centrality, which implies that views vary about its definition. In academic circles, definitions of ASEAN Centrality include: ASEAN’s growing leadership in Asia’s regional architecture; ASEAN as the main node in dense and overlapping regional networks that connect multiple stakeholders; and ASEAN influencing events and decisions, as well as mobilizing collective resources, energies, and will. ASEAN Centrality can

also be defined as the rationale for collective decisions such as the ASEAN Cebu Declaration of 2007,¹² which aimed to accelerate ASEAN integration by 2015, rather than by 2020.

In practice, ASEAN Centrality is seen as both a two-way street and a fluid paradigm. It serves the national interests of ASEAN member countries, but also the interests of great powers that see the concept as an instrument for serving their own interests. As noted by Amitav Acharya,¹³ the notion of ASEAN Centrality has several inter-related dimensions: ASEAN Centrality means that ASEAN lies, and must remain, at the core of Asia’s (or Asia-Pacific’s) regional institutions, especially ASEAN Plus Three (APT), the ASEAN Regional Forum (ARF), and the East Asian Summit (EAS). ASEAN provides the institutional “platform” within which Asia Pacific and East Asian regional institutions are anchored. Essentially, ASEAN Centrality is evolving along with the geopolitical power dynamic.

While ASEAN Centrality is typically applied to political and security issues, it also applies to development cooperation—a form of bilateral engagement, negotiated between a donor and recipient governments. To meet the criteria for ASEAN Centrality, ASEAN would define the intended outcomes of development cooperation at a regional level, and take the lead in establishing mutually-agreeable frameworks for cooperation.

Three important factors should motivate an ASEAN-level focus on development cooperation. First, with the growth of regional development initiatives that are linked to geopolitics, there is a compelling case to include development cooperation in the broad framework of ASEAN Centrality. Most individual projects under regional development initiatives are either negotiated bilaterally or managed through separate multi-lateral platforms. As these major regional initiatives expand, ASEAN Member States should see the value in collectively monitoring and engaging with the lead external actors. While channeling finance through ASEAN has fundamental limits, there are broader functions that ASEAN could play that would help reduce the risks and increase the opportunities for individual member states.

Second, ASEAN countries as a collective are now both aid providers as well as recipients, and have the capacity to play a more significant role in shaping development cooperation in the region. There are several examples of ASEAN-led and partially financed regional initiatives that focus on shared challenges, and disparities in development levels within the region. One such clear-cut example is the creation of the Initiative for ASEAN Integration or IAI in 2000.

In the future, as ASEAN countries become more prosperous, many of the solutions and much of the financing for development will be found within the region. In this way, ASEAN is fundamentally different from other, less economically integrated regions of the developing world.

Finally, ASEAN countries have their own emerging views on how development cooperation should be conceptualized, monitored, and implemented. ASEAN countries' collective experience, assets, capacities, and principles should play a more prominent role in shaping development in the region. A more ASEAN-centric approach to development and humanitarian cooperation would likely entail priorities such as regional integration, South-South cooperation, addressing problems associated with middle-income economies, and collective approaches to addressing emerging threats.

ASEAN's role in development cooperation

While ASEAN has long been recognized for its central role in regional security and political relations, there has been less attention on ASEAN's role in development-oriented matters. In fact, ASEAN has enormous potential to contribute to regional development challenges. Regional economic integration is reducing barriers to trade and investment in a multitude of economic sectors within ASEAN, with significant potential positive and negative impacts on economic and social development in the region. ASEAN has a wide range of functional or issue-specific mechanisms for addressing development issues and supporting regional cooperation. In general, the social and economic pillars of ASEAN have significant relevance for regional development.

To date, ASEAN's role in development has largely focused on:

- 1. Economic integration** – The ASEAN Secretariat (ASEC) and ASEAN Economic Community¹⁴ have led a series of policy alignment and capacity-building programs since 2002 to promote economic integration. Many Dialogue Partners have coordinated some of their regional and bilateral assistance to support this ASEAN-led initiative. The Initiative for ASEAN Integration (IAI) has also played a major role in narrowing the development gap between ASEAN's more-developed and least-developed countries.
- 2. Cross-border challenges** – The ASEAN Secretariat and relevant sectoral bodies have led many programs to address cross-border issues, including human trafficking, safe migration, communicable diseases, and transboundary haze, among others.

3. Building capacity – ASEAN sectoral bodies have used development cooperation for a broad set of capacity development programs, which have largely focused on relevant government officials. These include regional workshops, consultations, and training, usually in support of a sectoral body's work plan and shared agenda.

More recently, ASEAN has agreed to make sustainable development cooperation an important strategic priority. To implement this strategy, Thailand was mandated to serve as the ASEAN Coordinator on Sustainable Development Cooperation in 2016. Since then, ASEAN's approach has been to enhance complementarities between the ASEAN Community Vision 2025 and the UN 2030 Agenda for Sustainable Development, otherwise known as the Complementarities Initiative. At the heart of this initiative is the need to generate regional catalysts that will help the region achieve multiple SDGs simultaneously, while achieving ASEAN community-building that is people-centred and leaves no one behind.

From the ASEAN perspective, development cooperation should align with the region's overall goals and direction. This is articulated in the ASEAN Community Vision 2025, which is underpinned by the Blueprint 2025 documents, which include the ASEAN Economic Community Blueprint 2025, ASEAN Socio-Cultural Community Blueprint 2025, and ASEAN Political-Security Blueprint 2025. But development cooperation should also help ASEAN Member States meet the SDGs.

The structure for managing development cooperation was established by the Declaration of ASEAN Concord II, better known as Bali Concord II, which was signed in 2003. This agreement formally institutionalized the development cooperation framework into a governing structure that comprises the ASEAN Summit, ASEAN Coordination Council (ACC), three ASEAN Community Councils, and theme and focus areas for specific sectors, which are managed by their respective sectoral bodies. Through the ASEAN Foreign Ministers Meeting (AMM), policy-level and working-level deliberations on development cooperation are undertaken with Dialogue, Sectoral, Development, and other partners, and the key development cooperation concerns are presented to ASEAN's leaders. The Committee of Permanent Representatives (CPR) plays a key day-to-day role in liaising with the Secretary-General of ASEAN and the ASEAN Secretariat, and the committee leads in facilitating ASEAN's cooperation with external partners. The ASEAN Secretariat's functions are led and guided by the ASEAN Secretary-General, but its tasks are multi-layered, and entail

cross-sectoral support for the ASEAN Summit, ACC, ASEAN Community Councils, and CPR.

The case for an expanded ASEAN role in development cooperation

ASEAN currently shapes a small proportion of the development assistance to Southeast Asia. As a result, there may be emerging opportunities for aligning international assistance to ASEAN objectives. As development financing in Southeast Asia settles into a new equilibrium adjusting to global, regional, and national needs, it is important to consider how ASEAN envisions its future role with regard to development issues. How can ASEAN build its capacity and mechanisms to play multiple roles, promote ASEAN Centrality, and become even more responsive to the needs and challenges facing the region? Also, with the growing prominence of alternative financing options, along with special assistance funds that accompany free trade agreements, how can development cooperation be re-shaped to be more relevant, and leverage other potential sources of funding?

This report contends that there are compelling reasons for ASEAN playing a greater role in regional development cooperation. Southeast Asia is strategically important for political, security, and economic reasons. As great power competition for influence increases, development cooperation in the region will change in significant ways. Aid programs may increase in scale, but there will be greater risks to recipient countries. There will also be greater pressure on individual ASEAN Member States as competing regional initiatives seek more traction, often with little coordination, and sometimes in direct competition. ASEAN Member States will ultimately benefit from the added leverage and legitimacy of an ASEAN role in monitoring, coordinating, and engaging with development actors and Dialogue Partners. In some cases, ASEAN might usefully slow down processes, or shed light on practices that are not in the collective interest of ASEAN Member States.

With the development of an Indo-Pacific strategy, by the US, Japan, Australia, and India, there are areas of potential contestation that may affect ASEAN, including in development cooperation. ASEAN countries are geographically important in the new geo-political paradigm, and how ASEAN positions itself will determine its future relevance and importance. While the East Asia Summit and ASEAN Regional Forum are natural mechanisms for engaging on political-security issues, there is nothing comparable for regional development cooperation.

ASEAN could play an important role, for example, in shaping a regional development strategy, based on consultations with member states and relevant parties. While there would likely be areas of disagreement among member states, ASEAN could create a platform for developing collective positions on how development cooperation should be framed and implemented, with alternative options or pathways. ASEAN could use this platform to conceive of an ASEAN approach to development cooperation, which reflects the principles, experiences, and capability of the region and its member state governments. For example, based on its collective interests, ASEAN could develop positions regarding how the Belt and Road Initiative, Indo-Pacific Strategy, and other major regional frameworks should be designed and implemented.

Given the changing geo-political dynamics in the Mekong subregion, there is a compelling case for lower Mekong countries to have a collective mechanism for overseeing and guiding development cooperation. There are several potential options for this, most notably the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). However, ASEAN should consider taking on a more pro-active coordination and facilitation role for mainland Southeast Asian countries. Moreover, subregional initiatives should help strengthen the regional architecture and community that ASEAN espouses to build.

However, it is also important to be realistic, given the constraints on ASEAN's role in development. Some of these constraints are structural, and unlikely to change. For example, most development assistance is provided through bilateral channels, and most recipient and donor governments have a strong interest in prioritizing this channel. As such, ASEAN's role in development cooperation will generally be limited to regional initiatives, and functions that complement (and do not overlap with) bilateral channels of assistance. As a consensus-based network, ASEAN has limits on its ability to work on more controversial issues, or programs that seek to increase the accountability of member governments.

Many of these constraints, however, could be addressed through enhancements to ASEAN's structure and mandate. For example, as discussed in Chapters II, III and V, ASEAN could be better organized to play a more strategic role in development cooperation, beyond managing programs that directly support ASEAN-led initiatives or regional functions. Also, as discussed in Chapter V, there are practical ways for ASEAN to engage with a much wider range of



actors involved in development in the region, including nongovernmental organizations (NGOs), community groups, the private sector, and private foundations.

Overview of this study

This study examines the role that ASEAN plays in addressing regional development issues and shaping development assistance in Southeast Asia. The main intention of the study is to provide insights and recommendations on how ASEAN can play a more catalytic role in addressing regional development challenges, and maintain ASEAN Centrality through shaping development assistance to the region. The report will also help international development actors to enhance their collaboration with ASEAN.

This study was conducted by a research team with extensive experience working in the ASEAN Secretariat, ASEAN-associated bodies, multi-lateral agencies, international donors, and NGOs. Over nearly one year (August 2017 to June 2018), the research team conducted interviews with officials of the ASEAN

Secretariat, ASEAN Member States, ASEAN-related bodies and institutions, various external cooperation partners of ASEAN and their respective projects, as well as staff in prominent think tanks, research agencies, selected international organizations, and NGOs. The study team also performed quantitative analysis of development assistance funding data, obtained from the OECD Development Assistance Committee and other sources, to analyze macro trends in funding commitments.

This study is intended for policy-makers in ASEAN Member States, ASEAN's Dialogue Partners, as well policy experts focused on ASEAN's evolving role in the region. The study is also intended for staff in NGOs and private contractors, and people in local communities who are interested in working more closely with ASEAN on regional development programs.

This independent study was funded and carried out by The Asia Foundation and has no formal association with the ASEAN Secretariat or other ASEAN bodies.

II. Can ASEAN be a catalyst on regional development?



Convincing development actors that ASEAN can act as a regional catalyst may be not so easy. In the wider development community, including national government agencies, ASEAN's cooperation partners, the private sector, and both international as well as local nongovernmental organizations, ASEAN is viewed as more reactive than proactive, and not likely to influence the wider world of development programs and funding.

ASEAN has played a catalytic role on many critical political, economic, and security challenges in the past. On development and humanitarian assistance issues, there are some important examples of ASEAN spurring wider action. On the whole, however, while this is an area of significant potential, ASEAN has a relatively limited track-record to date. The purpose of this chapter is to highlight areas where ASEAN could potentially play a more catalytic role, how it could do this, and the constraints it may face.

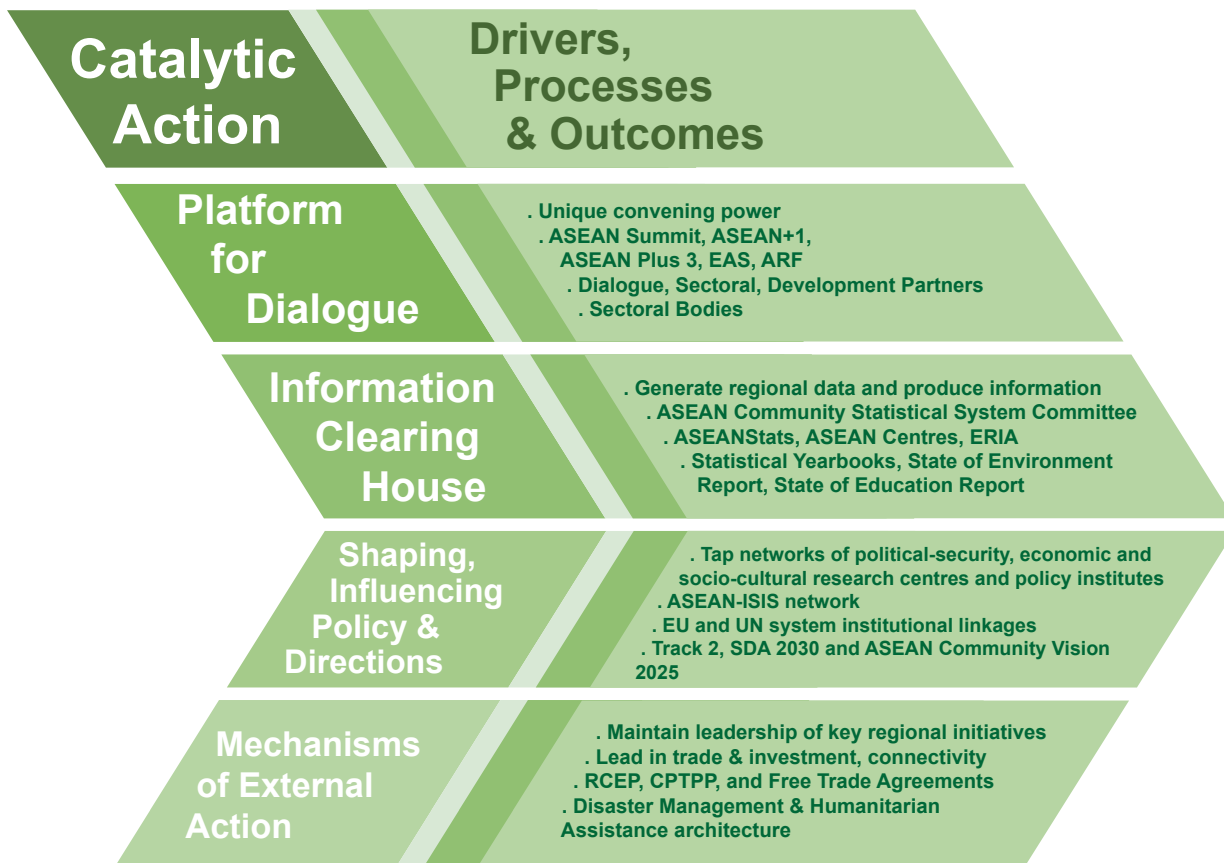
ASEAN's catalytic role with development is defined as its ability to (a) articulate a shared regional vision and principles for development and humanitarian cooperation, (b) support governments and development actors in the region to work towards shared goals, and (c) influence external actors to adopt ASEAN vision and principles, and align their contributions with ASEAN's goals. The point of being a catalyst is to influence development assistance and action well beyond the direct control of ASEAN-related

efforts in order to maximize the alignment of regional development cooperation with ASEAN goals. Diagram 1 illustrates the linkages between ASEAN's catalytic roles, processes, and outcomes.

In practical terms, it is difficult to discern clear-cut situations when ASEAN could take on a catalytic role. ASEAN's structures of regional diplomacy, combined with emphasis on consensus, as well as the diverse interests of ASEAN Member States (AMS) make it difficult for ASEAN-wide entities to be catalytic. ASEAN takes on a catalytic role when the situation is more fluid, allowing one or more countries to take action, but in consultation with the other ASEAN members.

The principles of centrality and consensus narrow the opportunities for ASEAN to be catalytic. There are tensions too between some member states that want ASEAN to have a proactive role, and other members that prefer a pragmatic and cautious approach, especially with regard to engagement with non-member governments. While the principles of non-interference and national sovereignty determine the pace and intensity of ASEAN affairs, there are windows of opportunity when ASEAN could play a greater role in engaging with the development community. These include sharing lessons learned and best practices, as well as strengthening and reimagining ASEAN's institutional arrangements in order to address new and emerging challenges.

Diagram 1: Linking catalytic action with drivers and processes



Evolution of ASEAN's role as a catalyst for regional action

Marty Natalegawa, who served as Indonesia's foreign minister from 2009 to 2014, notes that ASEAN has made three principal transformative contributions.¹⁵ First, ASEAN transformed the dynamics of relations among the countries of Southeast Asia. Second, it transformed the nature of collective engagement with the wider region. Third, ASEAN is going beyond an inter-governmental framework by enhancing the foci of its efforts from the states to its peoples—which is the “people-centered, people-oriented” ASEAN.

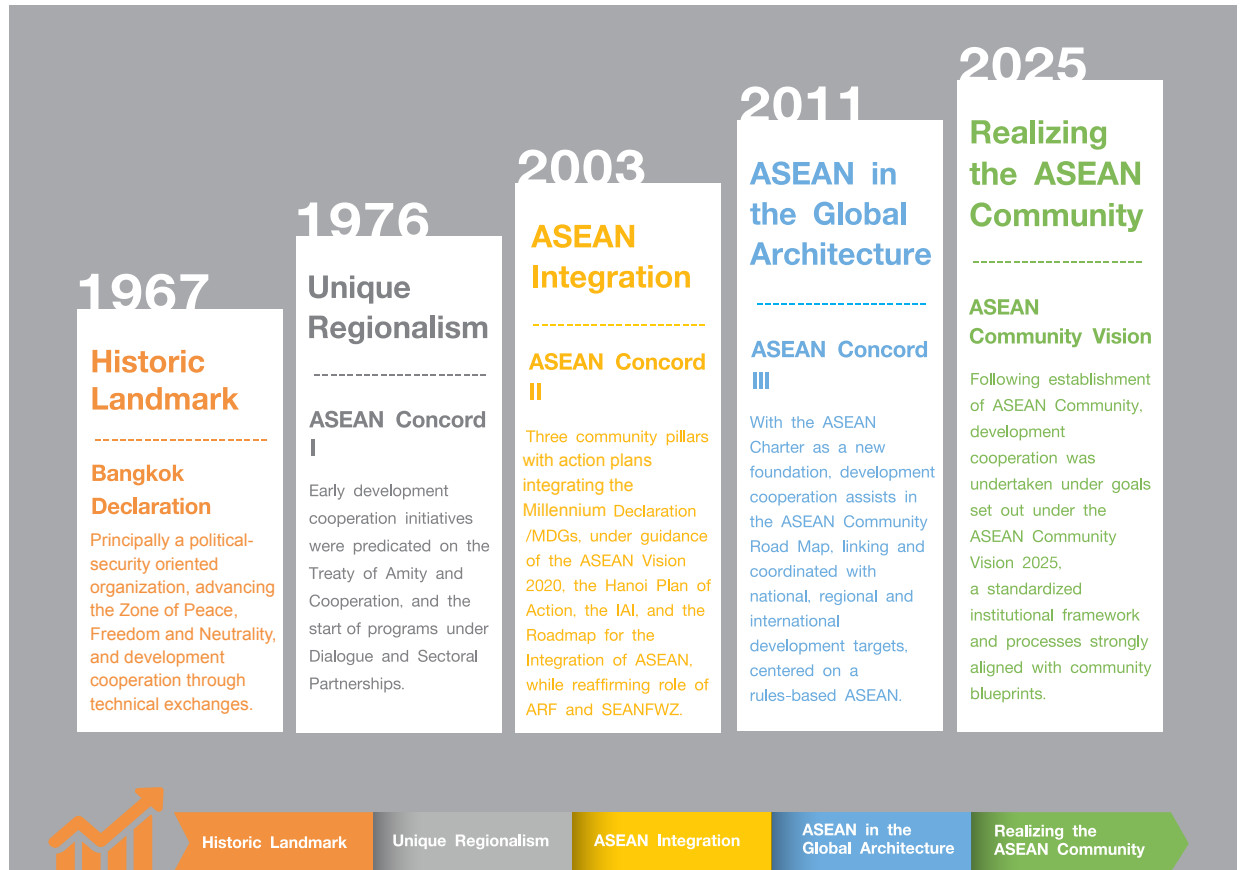
The key milestones in ASEAN's evolving role as a catalyst in the region can be tracked by analyzing the outcomes of the ASEAN Concord, I, II, and III. As illustrated in Diagram 2, these agreements were designed to provide an overarching framework that consolidates and sometimes supersedes the political, economic, and social development objectives of ASEAN.

ASEAN's evolution in the security field was given the highest attention from 1968 to 1976, when active discourse and debate took place in defining regionalism.

Several significant institutional transformations can be traced to these early years, when ASEAN became a more political organization through adopting agreements such as the Zone of Peace, Freedom, and Neutrality (ZOPFAN); the Treaty of Amity and Cooperation (TAC); and the Declaration of ASEAN Concord ('Bali Concord I'). This period coincided with the United Kingdom's diminishing military presence in the region as it withdrew from its colonies; the United States' disengagement after the Viet Nam War, and its rapprochement with China; and Sino-Soviet rivalry in the region.

The Bangkok Declaration in 1967 helped to initiate political commitment, with ZOPFAN being an institutional objective that emphasized non-interference from external actors, and spurred discussions on regional neutrality to achieve ZOPFAN. During these early years, ASEAN introduced the concept of “national and regional resilience,” which focused on intra-ASEAN cooperation, and resulted in the Bali Concord which, for the first time, officially recognized the concept of “ASEAN resilience” and paved the way for one of ASEAN's foundation documents, the Treaty of Amity and Cooperation.

Diagram 2: The evolution of ASEAN's role as a regional catalyst

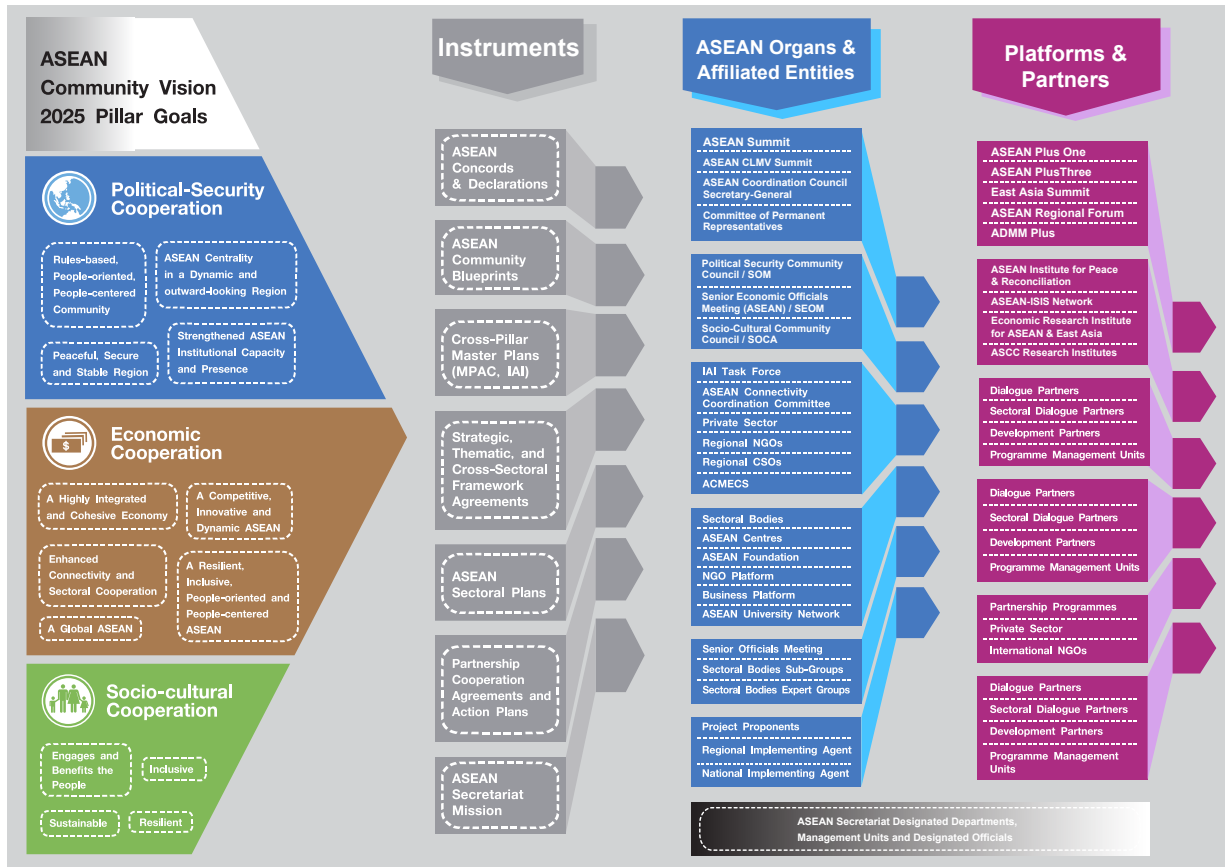


In late 2003, Bali Concord II charted an ambitious path toward creating a community founded on economic, political-security, and socio-cultural "pillars." Key sections of Bali Concord II note that ASEAN should address the challenge of translating ASEAN's cultural diversity and different economic levels into equitable development opportunities and prosperity. Bali Concord II also called on ASEAN to nurture common values, and share information on common issues such as environmental degradation, maritime security, and defense, and develop a set of socio-political values and principles. In addition, Bali Concord II reaffirmed ASEAN's commitment to improve: economic links with the world economy; ASEAN's competitiveness and investment environment; and adherence to TAC, as a functioning and effective code of conduct for

the region. Bali Concord II helped to map out the basic contours of ASEAN's development cooperation governance framework currently in place and shown in the Diagram 3.

Bali Concord III, which was adopted in 2011, committed ASEAN to: (a) speaking with a common voice on matters of mutual concern at international forums, and (b) enhancing ASEAN's capacity to respond and contribute solutions on matters of international concern. Bali Concord III is of historic importance as the issue of democracy was explicitly mentioned for the first time in an official document, and it committed ASEAN to building a "Community" that is "just, democratic and harmonious".

Diagram 3: ASEAN's development cooperation governance framework



The three ASEAN ConCORDs are important political milestones that help to track, and take stock of ASEAN progress. They mark the beginning of key ASEAN transformative changes, directions, and aspirations. The ASEAN Secretariat has been tasked by ASEAN leaders to enhance and refine monitoring of progress on the implementation of ASEAN declarations and commitments.

The diverse cultures and state philosophies in ASEAN have been critical in successfully engendering cooperation. Kishore Mahbubani attributes this to fostering the culture of *musyawarah* and *mufakat* (“consultation and consensus” in Indonesian); success in networking, which has created a rising number of informal networks;¹⁶ and the ASEAN policy of non-intervention. Mahbubani cites Amitav Acharya, who characterizes the ASEAN Way as being highly discrete, informal, pragmatic, expedient, consensus building, and employing non-confrontational bargaining styles. This contrasts with the perceived Western

style of negotiations, which often includes adversarial posturing and legalistic decision-making procedures.¹⁷

These values, norms, and practices have shaped ASEAN’s approach to development cooperation. From the ASEAN perspective, development cooperation should be aligned with ASEAN’s key documents that outline the organization’s overall goals and direction—the ASEAN Community Vision 2025, Master Plan on ASEAN Connectivity (MPAC) 2025, and Initiative for ASEAN Integration (IAI) Work Plan III. In accord with these, development cooperation is viewed as a purposeful action undertaken among, and within ASEAN Member States, and also carried out with ASEAN Dialogue and other external partners. However, development cooperation at the regional level should be aimed at clearly identified regional public goods, while promoting the necessary regional support and complementary interventions that provide the means to achieve such goals through national or local development strategies.

Table 1: ASEAN's catalytic roles

	AHA Centre	ASEAN stats	ACTIP/Bohol	MPAC	ASMC	ACE	SOMRDP	SOMSWD
Dialogue platform on development cooperation	Dark	Light	Light	Light	Dark	Light	Dark	Dark
Information & monitoring clearinghouse	Dark	Dark	Light	Dark	Dark	Dark	Light	Light
Inform ASEAN govt policies and programs	Dark	Dark	Dark	Light	Light	Dark	Light	Light
Mechanism to shape external action and policy	Dark	Light	Light	Dark	Light	Light	Dark	Dark

Note: Dark shading indicates an area where the catalytic role is well established. Light shading are areas of significant potential (or emerging areas) for expansion of a catalytic role.

The tools and methods for ASEAN's catalytic role

This report argues that ASEAN's potential as a catalyst for development cooperation relies on four key roles. Table 1 illustrates how selected ASEAN entities are already playing a catalytic role on development-related issues. The report contends that ASEAN's sectoral and multi-sectoral bodies and centers are key drivers of change and potential catalytic agents that complement and support higher level bodies.

1. Platform for dialogue

ASEAN's convening power is one form of catalytic action, and is particularly suited to promoting dialogue through its established platforms. Each calendar year, ASEAN convenes over 1,000 meetings. At the highest level, the ASEAN Summit and related ASEAN + 1, ASEAN Plus Three, and East Asia Summit meetings are held in the latter half of the year, and are the apex of the dialogue process, an integral part of the institutional structure, and a manifestation of ASEAN Centrality. These meetings are prefaced by a host of subregional, inter-country, thematic, and policy meetings that involve senior officials and experts who channel and catalyze ideas, or take action on decisions or recommendations. These formal and ad-hoc gatherings are arguably ASEAN's most potent catalytic function.

ASEAN's sectoral bodies, which convene the majority of the year's meetings and working groups, provide a network of mini platforms for dialogue that bring ASEAN officials, political leaders, and experts together on a routine basis. Dialogue and external partners also sometimes participate in open plenary sessions, typically to review the progress of specific actions approved under ASEAN-Dialogue Partnership cooperation agreements and memorandums of understanding (MOUs).

ASEAN regularly invites partners to participate in dialogue, cooperate in building new partnerships, and promote peace. To this end, the ASEAN Regional Forum (ARF) is regarded as the region's most constructive dialogue scheme for addressing region-wide and even global security matters. ARF coordinates the ARF Disaster Relief Exercise (ARF DiREx) that brings civilian authorities and the military together to conduct large-scale disaster relief exercises.¹⁸

In this role, ASEAN could help facilitate joint action on development challenges across the region that brings together the full range of actors. For example, the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre)¹⁹ already plays a significant role in facilitating dialogue between ASEAN governments, international organizations, and NGOs involved

in disaster response (see Chapter VI). The AHA Centre has an inclusive approach that promotes engaging with a wide range of stakeholders, through the AADMER Partnership Group, a platform that promotes innovative partnerships with civil society, scientists, think tanks (such as the ASEAN Earthquake Model partners), and the private sector (through risk financing initiatives).

Similarly, two ASEAN sectoral bodies—the Senior Officials’ Meeting on Rural Development and Poverty Eradication (SOMRDPE), and the Senior Officials’ Meeting on Social Welfare and Development (SOMSWD)—play a significant role in facilitating regular dialogue with local and international civil society organizations and the private sector on the respective policy areas (see Chapter V).

Human trafficking is one area where ASEAN could have an immediate impact. Several subregional cooperation projects also deal with human trafficking, which provides another opportunity for ASEAN to play a more visible and pro-active role in ensuring that subregional schemes support ASEAN’s efforts to address human trafficking. The Senior Officials Meeting on Transnational Crime (SOMTC) is collaborating with some regional projects, in particular the Australia-Asia Program to Combat Trafficking in Persons (AAPTIP), while some of the other sectoral bodies have undertaken cooperative activities supported by the ASEAN-US Partnership for Good Governance, Equitable and Sustainable Development and Security (PROGRESS). On the whole, this is a potential area for an expanded role, as described in Chapter VII.

2. Information and monitoring clearinghouse

A core function of the ASEAN Secretariat (ASEC) is collecting regional data to monitor progress in priority areas. ASEAN leaders are conscious that accurate and credible information and statistics help to promote conditions that drive catalytic actions. This requires not only credible statistics and information, but also analytical capacity that meets international standards. Currently the system is being serviced by loosely connected entities: sectoral bodies; ASEAN centers; key ASEC technical divisions and units; and the Economic Research Institute for ASEAN and East Asia (ERIA), an independent research facility created by the East Asia Summit.

At the core of this knowledge and information architecture is the ASEAN Community Statistical System (ACSS) Committee, led by the heads of statistical offices in each ASEAN Member State who report to the ASEAN Economic Ministers (AEM) through the Senior Economic Officials Meeting (SEOM).

This role is also played by ASEAN centers, institutes, and affiliated organizations. As described in Chapter IV, there are a broad range of ASEAN centers and institutes. Table 5 contains a list of current ASEAN policy centers and institutes. Furthermore, there are approximately 80 ASEAN-affiliated regional associations, policy think tanks, and organizations that are recognized by the ASEAN charter under the nomenclature, “Entities Associated with ASEAN.” Many of these organizations provide data and information relevant to ASEAN’s development efforts. As of January 2017, there were five categories under the afore-mentioned “Entities”: parliamentary and judicial bodies, business organizations, think tanks and academic institutions, accredited civil society organizations, and other stakeholders. As there is scope for enhancing these entities’ clearing house functions, ASEC is in the process of developing a monitoring system for tracking implementation of ASEAN declarations and blueprints.

The ASEAN Secretariat plays an important coordinating role in collecting and compiling statistics and information. ASEANstats serves as the technical arm and secretariat of the ACSS Committee and is under the purview of the ASEC directorate. This unit coordinates production of the Secretary-General’s annual reports and other information products, in cooperation with the monitoring directorates under ASEC’s departments for the ASEAN Political-Security Community (APSC), ASEAN Economic Community (AEC), and ASEAN Socio-Cultural Community (ASCC). ASEANstats plays a central role in the widely-distributed flagship reports—the ASEAN Statistical Yearbook, ASEAN State of the Environment Report, ASEAN Integration Report, and ASEAN State of Education Report.

In this role, ASEAN could help to produce objective and credible data on development outcomes and cooperation that is not currently available on a regional level. This information and monitoring role

would address coordination problems and some key development-related risks. ASEAN is uniquely placed to play this role based on its credibility as a neutral actor. The medium-term challenge for the ASEAN Secretariat is how to strengthen its role as the information and statistical hub for ASEAN analytics, while at the same time producing credible policy briefs and annual reports on critical regional issues for ASEAN policy makers and the general public.

3. Informing and supporting ASEAN governments' policy and directions

As an inter-governmental mechanism, ASEAN plays a key role in helping member state governments to address shared challenges, by informing and supporting their efforts at the national level. In this role, ASEAN could help member state governments with key development-related policy reforms and projects at the national level. It can also facilitate regional networks on development issues that could, in turn, help ASEAN Member State governments to accelerate progress on shared development objectives. ASEAN's effort to address human trafficking is a good example of this potential catalytic role.

ASEC is increasingly asked to initiate policy dialogue, as well as aggregate and synthesize the outcomes, based on its capacity for independent policy analysis. ASEC's growing institutional linkages with the European Union and the United Nations system have resulted in landmark joint research on baselines for the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs), and complementary development financing. Translating the results and recommendations from this research into effective sectoral and cross-sectoral work programs is critical.

Another example is ASEAN's linkages with the foreign policy communities in each member state. On political and security issues, ASEAN has helped member state governments to develop policy and capacity, in part through the ASEAN-Institutes of Strategic and International Studies (ASEAN-ISIS)²⁰ network of think tanks. These institutes have played a proactive and sometimes influential role in regional debates on Asian economic integration and, more prominently, security cooperation. The main objective of ASEAN-ISIS is to strengthen cooperation with other think tanks and research institutions, within and outside ASEAN. ASEAN-ISIS has helped to develop Track 2 diplomacy in the region via discussions and interactions, primarily

among un-official leaders, which promotes policy dialogue on economic, political-security, and social issues.

The ASEAN Convention against Trafficking in Persons, Especially Women and Children (ACTIP), along with the Bohol TIP Work Plan 2017–2020, have helped galvanize action at the national and regional level by member state governments. As discussed in Chapter VII, human trafficking is a complex, multi-faceted problem, with responses including prosecution of criminals, provision of appropriate social services, victim protection measures, prevention strategies, and responses to transnational organized crime. With 11 ASEAN sectoral bodies involved in addressing trafficking issues, the Bohol TIP Work Plan has consolidated the actions they need to take into one integrated framework, led by the SOMTC.

Furthermore, the ASEAN Centre for Energy is helping to inform member state governments on key energy challenges, policy options, technologies, and regulatory frameworks (see Chapter IV).

4. Creating mechanisms to shape external policy and action

ASEAN has been at the helm of key regional initiatives such as the ASEAN+1 summits, agreements on trade and investment, and the Regional Comprehensive Economic Partnership (RCEP). On development and humanitarian cooperation, there is enormous potential for ASEAN to expand its role through influencing the policies, programs, and engagement of Dialogue Partners, and the full range of international development actors operating in Southeast Asia. ASEAN's role in this area is most prominent on trade and investment. Bilateral free trade agreements or comprehensive economic partnership agreements (signed with Japan, China, India, and South Korea) have been critical for infrastructure development, and especially so for Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV). Since the latter half of the 2000s, bilateral free trade agreements (FTAs) in the ASEAN region have rapidly increased. ASEAN has a framework of legally binding agreements to reduce or eliminate barriers to trade, and facilitate the cross-border movement of goods and services, and ASEAN now has six FTAs with external partners.²¹

FTAs act as a catalyst in strengthening ASEAN's trade and economic relationship with Dialogue Partners by creating a large free trade area to

provide companies with economies of scale. FTAs also enhance the economic competitiveness of ASEAN countries, as well as increase the standard of living of people through the progressive liberalization and promotion of trade in goods and services, and the establishment of a transparent, liberal, and facilitative investment regime.

The Master Plan on ASEAN Connectivity (MPAC) 2025 is another clear example of ASEAN catalyzing action by external partners, for the benefit of member states. MPAC 2025 is a new generation of regional program management arrangements that respond to emerging trends in connectivity, by brokering linkages between external financing sources and projects in ASEAN. MPAC 2025 works through an innovative approach to strategic planning that focuses on targets, with clear and aligned planning. Furthermore, performance measurement is delegated to national focal points and implementing bodies; while a robust performance management system is in place to track overall progress that involves the ASEAN Secretariat, and the national coordinators, focal points, and chairs of key sectoral bodies.

Beyond trade and investment, the AHA Centre, and ACTIP/Bohol are clear examples of ASEAN mechanisms shaping external support to the region. Several dialogue partners have shaped their support for human trafficking around the Bohol work plan, most notably Australia.

The AHA Centre plays a significant role in influencing the wider humanitarian community. The AHA has established a network of partnerships with other humanitarian actors and organizations, both within and beyond the region. Its work in re-defining regional resilience has led to regular engagement with traditional global partners, e.g. the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), International Federation of Red Cross and Red Crescent Societies (IFRC), World Food Programme (WFP), and United Nations Children's Fund (UNICEF). In addition, AADMER helps to ensure that ASEAN, and ASEAN member governments take a lead role in humanitarian aid delivery in the region, by balancing regional and global support mechanisms' operational and supportive roles.

Catalyzing role redefined

Coinciding with the rise of multilateral institutions, ASEAN has successfully secured a place in the international order. By strategically balancing its relations with all the great powers, ASEAN has been

able to shape the security environment in the post-Cold War era through the creation of the ASEAN Regional Forum, the ASEAN Defence Ministers' Meeting, the East Asia Summit (EAS), and other multilateral institutions.²² Over the last decade, ASEAN has sought to influence geopolitical dynamics in Asia-Pacific by inviting major non-ASEAN powers into dialogue partnerships that serve as a vehicle for engaging on political-security issues and economic cooperation. Kishore Mahbubani has argued that this approach has created "an arena for great powers to engage one another, but also provide a means for ASEAN to participate in the regional balance of power."²³

ASEAN aspires to open regionalism, which it envisages will be crucial for framing its role in response to the forces of globalization and rapid technological change. ASEAN's emerging challenge is to figure out how to balance its intergovernmental approach with business- and citizen-friendly approaches. Reinventing partnerships (government-to-business [G2B], business-to-public [B2P], and government-to-public [G2P]) across ASEAN, seems to be the best way forward. Equally important for meeting the challenge of changing conditions is learning how to address and re-define problems, including through tapping into previous solutions. As Dialogue Partners tend to have the more dominant voices in global forums, coalition building for global public goods (e.g., (poverty eradication, social cohesion, and sustainable development) is another important challenge for ASEAN leaders.

ASEAN's role will change as it is shaped by transformations in development cooperation. New types of partnerships among traditional and emerging donors, the impact of private financial flows, the blurring of public and commercial financial flows, and broader support for South-South and triangular²⁴ cooperation, will put new pressures on ASEAN's state-to-state structure. To realize its potential, ASEAN needs to develop practical approaches to open regionalism and demonstrate how this will directly and positively impact people's lives.

Broadly speaking, ASEAN has a nascent, under-developed catalytic role in shaping international and national development assistance. There are areas and sectors, such as humanitarian assistance, where ASEAN's catalytic role is undisputed. To achieve ASEAN's primary goal of regional integration and community building, ASEAN should explore a more specific and targeted catalytic role in influencing development assistance. The following chapters will discuss practical approaches for realizing this potential.

III. Development cooperation in ASEAN



Development cooperation is changing in Southeast Asia. Traditionally, almost all development cooperation has come from outside the region, with most of it coming from donors of the Organisation for Economic Co-operation's Development Assistance Committee (OECD DAC). Similarly, most of the aid to Southeast Asia has been bilateral—i.e., provided by a donor government to a recipient government, and managed through the bilateral relations of the two governments. Thus, regional development programs have been relatively few, when compared to bilateral programs.

Several new trends, however, are changing the fundamentals of development cooperation in the region, and these trends are likely to accelerate.

First, when compared to other developing regions, development assistance funding from foreign donors is a relatively small proportion of overall development financing. Foreign direct investment, national government budgets, and public-private partnerships are much larger sources of financing for development.

Second, many ASEAN countries are no longer purely aid recipients; they have become donor countries themselves. Thailand, Singapore, Malaysia, Brunei Darussalam, and Indonesia all have development cooperation programs that are providing technical cooperation and development financing to ASEAN countries, as well as countries outside of the region. These governments have agencies responsible for development assistance policy and dissemination, and generally have well-developed conceptualizations about the role and functions of development

cooperation with regard to foreign policy and regional integration.

Third, while OECD donors are still a significant source of development assistance, funds from non-OECD-DAC (or non-DAC) donors have expanded rapidly, and especially funding from China, India, and several Middle Eastern countries. While it is difficult to determine the exact amount of official non-DAC development funding, it is growing rapidly. Between 2012 and 2016,²⁵ total development assistance funding from non-DAC providers rose 21 percent annually, and likely will surpass OECD donors' contributions in Southeast Asia in the near future.

Over the past decade, a trend has also been emerging for regional development initiatives. While by far the largest percentage of development assistance is delivered through bilateral channels, many programs are part of a regional strategy or initiative, and administered primarily through centralized aid agencies, rather than county-level missions or embassies. For the purposes of this study, we define **regional development cooperation** as *official development assistance provided by a donor government or funding agency to a cluster of countries that follows a common vision and framework across recipient countries and encourages greater cooperation and integration among the donor and recipient countries*. This includes infrastructure programs that contribute to regional economic integration, cross-border collaboration, and programs that deal with inherently trans-national issues (e.g., human trafficking, migration, trade, environment, and communicable diseases).

Official development cooperation is usually motivated by a combination of universal norms and national interests. When governments provide development assistance, they are usually attempting to serve their national interests by improving bilateral relations with the beneficiary government, or addressing risks and opportunities that are a direct concern of the donor country. However, since the advent of the Millennium Development Goals in 2000, there has been a strong focus on universal norms and principles as a motivating factor for development assistance budgets. Led by the United Nations, and strongly supported by OECD donors over the past 20 years, most of the policy justifications donor governments use for development assistance budgets have been based on these universal values, including humanitarian concerns such as ending poverty, and protecting vulnerable groups. Trends over the past five years, however, point to a return to national interest motivating foreign assistance, especially for non-OECD governments, and OECD governments that have merged their development agency with their foreign ministry (e.g., Canada and Australia). The current rise of geopolitical rivalries is likely to accelerate this trend toward national interests.

To better understand the likely future of development cooperation in Southeast Asia, this study included an in-depth analysis of current development funding trends. The source for official funding information was the OECD DAC, obtained through the AidData

platform.²⁶ This database provides extensive data on foreign aid funding, primarily from OECD government voluntary reporting on funding commitments and expenditures. Figures shown in this section are project commitments, not actual expenditures.

Regional development assistance is growing

Since 2000, bilateral development assistance to countries in Southeast Asia has been significantly higher than for regional programs, in terms of the amount committed. From 2000 to 2013, bilateral funding to Southeast Asian countries was US\$236.5 billion,²⁷ while funding for regional programs was only US\$945.6 million (0.4 percent). However, bilateral funding was in decline for much of this period, and only rebounded in the final year. Regional funding was much more varied but showed a general upward trend over the period.

However, development assistance flows to regional development programs are growing. As shown in Table 2, while bilateral funding grew 1.3 times from 2000 to 2013, regional program funding grew 4 times. Over the same period, the percentage change for bilateral programs was 32.5 percent or 2.5 percent annually (from US\$20.9 billion in 2000 to US\$27.7 billion in 2013), while the percentage change for regional funding was 300.7 percent or 23 percent annually (from US\$47.6 million in 2000 to US\$190.9 million in 2013).

Table 2: ODA amounts to Southeast Asia (OECD, 2000–2013)

Unit: Constant USD 2014 (Million)

Year	Bilateral	Regional
2000	20,900	47.6
2001	14,300	35.2
2002	12,600	60.8
2003	11,400	51.8
2004	10,300	18.3
2005	14,800	28.8
2006	15,000	28.1
2007	16,500	39.9
2008	17,200	123.0
2009	24,900	60.9
2010	19,600	104.3
2011	17,000	74.3
2012	14,300	81.7
2013	27,700	190.9

Source: AidData

Note: OECD DAC donor commitments only.

While overall data for 2014–2017 were not available for this study, evidence from individual donors shows a rising trend in ASEAN regional funding. For example, Australia’s ASEAN regional programs grew by 29 percent, annually, from 2000 to 2013. US foreign assistance to ASEAN regional programs also increased 12 percent annually.

With regard to non-DAC donors, exponential growth in their ASEAN regional development programs has largely been in the past five years. India’s and China’s assistance to ASEAN has grown rapidly, and especially through the Belt and Road Initiative, Lancang-Mekong Cooperation, and Ganga-Mekong Cooperation.

A growing proportion of regional funding does not engage with ASEAN

The ASEAN Secretariat and sectoral bodies benefit in significant ways from the development assistance funding provided by Dialogue Partners. As a result, development assistance is an essential source of funds for the ASEAN Secretariat’s key functions and for ASEAN-led initiatives. For those regional development programs that do not channel funds to the ASEAN Secretariat, many will directly support ASEAN work plans or agendas. However, the evidence is clear that a large proportion of regional development programs have no engagement with ASEAN.

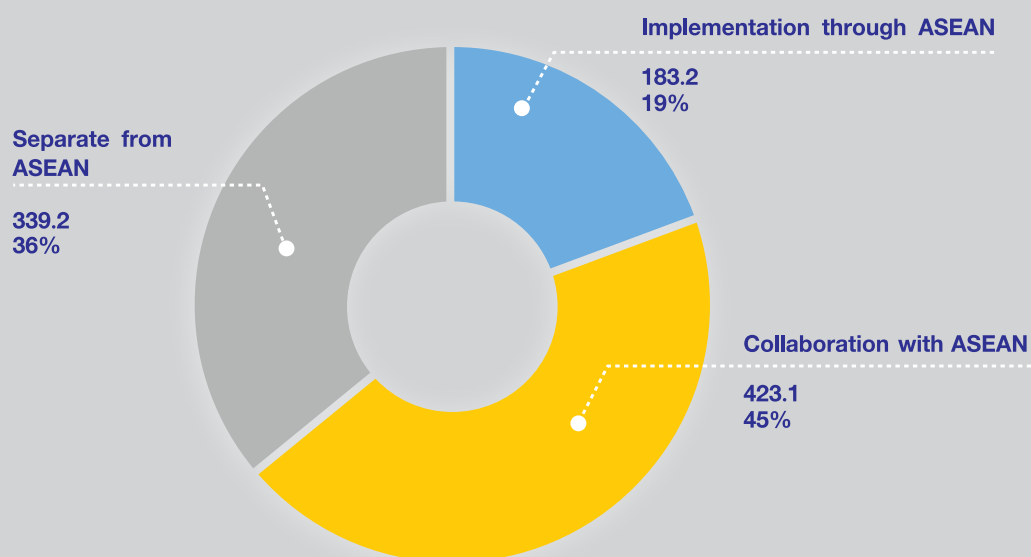
This study analyzed development assistance funding for regional programs in Southeast Asia, and divided these into three categories. These data are presented in

Figure 1. The first category is development assistance implemented through the ASEAN Secretariat, sectoral bodies, and ASEAN’s associated entities—in other words, programs that directly engaged with ASEAN bodies by supporting activities as well as providing direct funding. From 2000 to 2013, funding levels in this category were 19 percent (US\$183.2 million).²⁸

The second category is development assistance provided for activities conducted in collaboration with the ASEAN Secretariat, sectoral bodies, or ASEAN’s associated entities. Under this category, development assistance project activities partially relate to ASEAN agendas, as well as engaging or collaborating with the ASEAN Secretariat and/or its sectoral bodies, or associated entities, *but only for some portion of the project*. The total funds in this category were 44 percent (US\$423.1 million), but it is unclear what proportion of funding was dedicated to supporting ASEAN engagement and ASEAN agendas. For many of the programs concerned, the majority of funds were spent on national-level programs, or civil society activities. The portion of program funds supporting ASEAN directly may be less than 20 percent, in some cases.

The third category is development assistance that is completely separate from ASEAN. This has no formal connection to ASEAN, and is largely delivered through INGOs or private contractors. This category of funding is for issue-based agendas defined by the donor government. This study found that from 2000 to 2013, this category accounted for 36 percent of total development assistance funding

Figure 1: ODA for regional programs in Southeast Asia (2000–2013)



Source: AidData

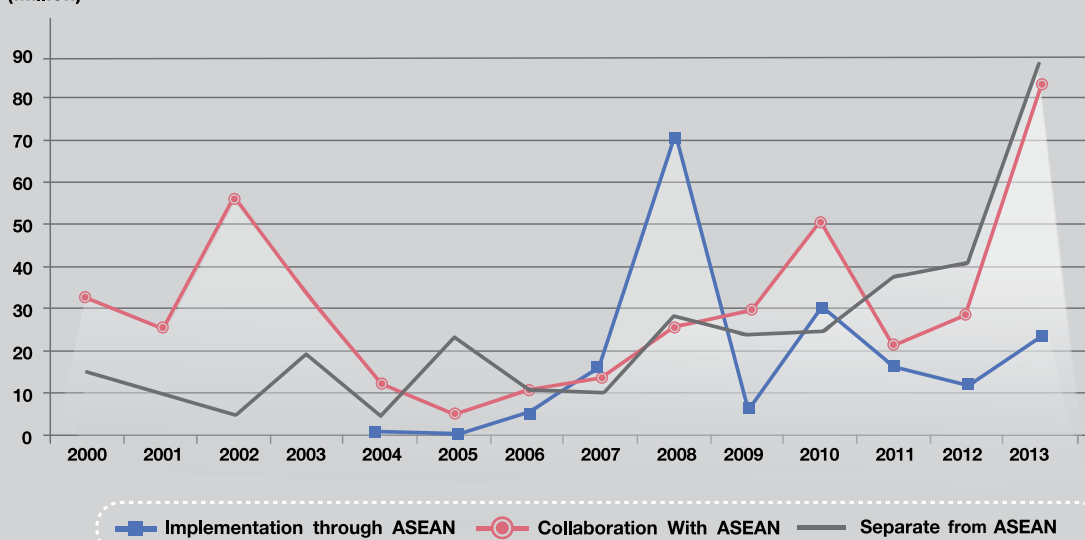
Note: OECD DAC donor commitments only.

From 2000 to 2013, all three categories of development assistance for regional programs increased. However, these trends fluctuated from year to year, and funding implemented through ASEAN rose sharply in 2008, and then fell sharply a year later and rose somewhat in the following year but has been declining in the last three years of available data (see Figure 2). Compared to other categories, the development assistance provided in collaboration with ASEAN had the highest level of fluctuation. For funding that was provided separately from ASEAN, fluctuation was less, with steady growth since 2007, and acceleration since 2013.

The proportion of overall regional development assistance implemented through ASEAN seems to be stable, while the other two categories of funding are growing, as seen in Figure 2. For 2000–2013, the proportion of development assistance that was delivered through ASEAN, or in collaboration with ASEAN, was 63 percent, while funding delivered separately from ASEAN was 36 percent. However, for 2010 to 2013, the ASEAN-aligned categories dropped to 52 percent; while funding delivered separately from ASEAN increased to 48 percent.

Figure 2: ODA flows for regional programs in Southeast Asia (2000–2013)

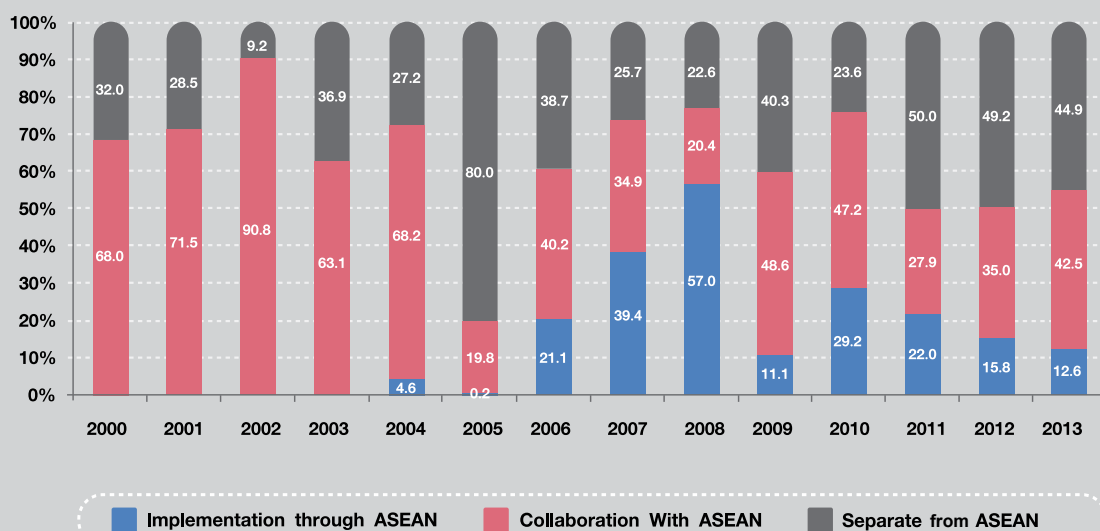
Constant USD 2014
(Million)



Source: AidData

Note: OECD DAC donor commitments only.

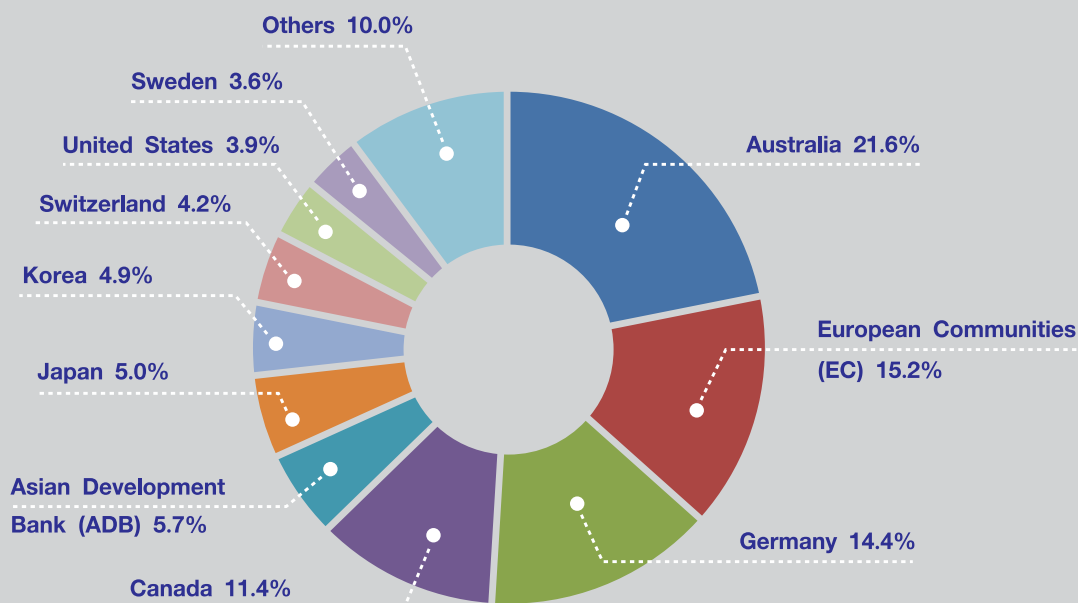
Figure 3: Proportion of ODA for regional programs in Southeast Asia (2000–2013)



Source: AidData

Note: OECD DAC donor commitments only.

Figure 4: ODA for regional programs in Southeast Asia (2000–2013), by donor



Source: AidData²⁹

Note: OECD DAC donor commitments only.

For 2000–2013, Australia was the top donor for regional programs in Southeast Asia (US\$204.6 million, or 22 percent), as seen in Figure 4. The second and the third highest contributors were the European Community (US\$144.1 million, or 15 percent) and Germany (US\$135.9 million, or 14 percent). The data also show that two-thirds of development assistance for regional programs came from just five donors.

Challenges in tracking regional programs

There were some notable challenges in analyzing development assistance for regional programs in Southeast Asia. First, most publicly available data are provided on a bilateral basis. OECD’s annual reports and its official website are the main publicly available sources of information and analysis on development assistance funding levels. The OECD and other comprehensive databases on development assistance have data on bilateral, multilateral, and regional programs; however, the categorization of programs makes it difficult to identify ASEAN-only programs. Instead data sets are for Asia, the Far East, East Asia, and Central Asia. As a result, for this study’s analysis, all data on development assistance for regional programs in Asia were filtered, and then manually reviewed to filter out any programs that did not fit the definition of regional aid to Southeast Asia.

Second, development assistance from non-DAC donors is quite fragmented, and difficult to track in publicly available databases. Although funding data are reported from OECD DAC and non-DAC donors, some non-DAC donors do not share their development assistance funding information with the OECD. Some development cooperation figures from non-DAC donors may be available in news articles or research reports, however, with regard to the exact definition and extent of funding contributions, the information is quite limited.

Expanding regional infrastructure initiatives

Since 2013, regional and subregional infrastructure initiatives that include ASEAN countries have expanded substantially. While these initiatives are largely channeled through bilateral agreements between the donor and recipient countries, they can be included in this study’s definition of regional development because these infrastructure initiatives focus on cross-border economic integration, and apply the same vision and framework across recipient countries.

While some initiatives are long-established, with robust safeguard mechanisms (e.g., the ADB-led GMS and BIMP-EAGA), some of the newer regional

infrastructure programs tend to have different standards, that are generally seen as less rigorous. Also, despite the benefits of increased infrastructure financing, these initiatives are placing new risks and burdens on ASEAN Member States in the form of excessive sovereign debt, negative environmental and social impacts, and tension in communities adversely affected by the projects. Above all, ASEAN Member States are concerned about the large volume of joint investment required which, if not carefully managed, may lead to high levels of national debt. ASEAN-China co-investment is expected to reach US\$150 billion by 2020.³⁰

Key examples of regional infrastructure investment initiatives include the:

1. Belt and Road Initiative (BRI) – Proposed by China in 2013, the Belt and Road Initiative (BRI) action plan,³¹ launched in March 2015, will enhance regional connectivity to promote free trade and economic integration through connecting China with countries in Asia, Europe, and Africa. The main components of the BRI are joint cooperation to improve the transport infrastructure of the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The Silk Road Economic Belt will connect China to Europe through Central Asia; to the Persian Gulf and the Mediterranean through West Asia; and to the Indian Ocean through South Asia. The 21st Century Maritime Silk Road will improve maritime connections and land transport links. The ASEAN region is a major beneficiary of the BRI.

2. Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) – These four ASEAN members launched their subregional cooperation initiative in 1994 to accelerate economic development by improving trade, tourism, and investments. ADB has provided strategic and operational assistance to BIMP-EAGA, including preparation of the BIMP-EAGA Vision 2025 (BEV 2025), which generally complements the ASEAN Vision 2025.³² Planned infrastructure investments under BIMP-EAGA are worth US\$21 billion. ADB is currently supporting implementation of BEV 2025 by providing technical assistance and financing to the BIMP-EAGA working groups and other relevant bodies, and also supporting cooperation with ASEAN.³³

3. Greater Mekong Subregion (GMS) – The GMS, which launched in 1992, with ADB support, comprises the six Mekong River countries (Cambodia, China (Yunnan Province and

Guangxi Zhuang Autonomous Region), Lao PDR, Myanmar, Thailand, and Viet Nam). The initiative supports subregional economic cooperation and infrastructure investment, with the aim of enhancing the six GMS countries' economic integration. Since 1992, ADB has provided US\$21 billion for support in sectors that include transport, tourism, health, urban development, environment, human resources development, agriculture, and energy. These GMS development and infrastructure projects, which were designed to fit country-specific contexts, were financed by ADB (40 percent), GMS governments (25 percent), and bilateral and multilateral development partners (35 percent). The latest initiative, the GMS Ha Noi Action Plan 2018–2022, will receive US\$7 billion from ADB.³⁴

4. Master Plan on ASEAN Connectivity (MPAC) – MPAC 2025, an integral part of ASEAN 2025: Forging Ahead Together, aims to promote connectivity and inclusiveness through physical, institutional, and people-to-people links. MPAC and the China-led BRI share the common objective of facilitating connectivity to increase economic integration. MPAC's main donors are ADB and Japan.

5. Asian Infrastructure Investment Bank (AIIB) – The AIIB is a multilateral development bank initiated by China, and launched in 2016 to promote interconnectivity and economic integration in the Asia-Pacific Region through financing infrastructure. As of 2018, 66 countries had joined AIIB and are providing funds.³⁵ Many ASEAN countries are interested in AIIB funds to finance both Silk Road and Maritime Silk Road infrastructure.

Changing landscape of development financing

The relative importance of foreign government assistance for development financing is declining. Apart from development assistance funding, there are significant potential sources of financing for development that are just starting to emerge. The 2014 OECD Development Co-operation Report revealed that, on average, only US\$2 billion was mobilized annually for innovative financing for development. This was only one-seventieth the amount of development assistance in 2012. However, the United Nations has estimated that US\$635 billion³⁶ could be mobilized for development from proposed innovative financing mechanisms.³⁷ This is five times higher than all the development assistance in 2012.





Thailand's Development Cooperation

The Kingdom of Thailand, as an emerging middle-income country with growing financial resources, and an extraordinary story of economic development, has been providing development assistance to other countries for quite some time. Initially, assistance took the form of training and scholarships, but in 2002, Thailand became a full-fledged development assistance provider.

Thailand's economic success and security is closely linked with its neighbors, especially Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV). Thailand has a long history of providing humanitarian assistance to refugees, and has been home to millions of migrants from the region. Thailand is also a major trading partner with its neighbors in the energy, agriculture, and services sectors.

In fiscal year 2015, Thailand provided aid totaling almost US\$80 million to around 100 countries/international organizations. Recipients of this aid included seven countries in ASEAN, with CLMV receiving the bulk of the aid (about 82 percent), as shown in Table 3. Of the aid Thailand provided in FY 2015, approximately 55 percent was for grants/technical cooperation, 35 percent for loans, and 10 percent went to international organizations. Around 85 percent of Thailand's aid is bilateral, with the remaining 15 percent going to multilateral activities.

The Thailand International Development Cooperation Agency (TICA) was established in 2004 under the Thai Ministry of Foreign Affairs, with responsibility for development cooperation. In 2015, TICA, which provides grants and technical assistance, was designated the principal government agency overseeing Thailand's development cooperation.

The Ministry of Finance established the Neighboring Countries Economic Development Cooperation Agency (NEDA) in 2005 as the government agency responsible for cooperation in economic and social development with the countries bordering Thailand (CLMV). NEDA provides both bilateral and multilateral technical and financial assistance in the form of loans (about 70 percent) and grants (about 30 percent), which are used primarily for infrastructure development.

In addition to TICA and NEDA, several line ministries also provide development assistance, as indicated in Table 4.

Thailand's development cooperation has been predicated on the principle of sharing its expertise with other countries, and especially with less developed ones, through bilateral, regional, and multilateral channels, including South-South and triangular cooperation. This assistance has been provided in the sectors where Thailand excels, which traditionally have been health, agriculture, rural development, and tourism. With new issues and development challenges emerging in the region and worldwide, Thailand is re-orienting its role to help address these challenges, as reflected in TICA's latest motto of "Building Bridges for Global Sustainable Development."

Thailand's Development Cooperation

Table 3: Thailand's development assistance (2015, million US\$)

	TICA	NEDA	Other	Total US\$ million	%
CLMV countries	9.21	35.23	19.79	64.23	82.53
Malaysia	0.02	-	0.06	0.08	0.10
Indonesia	0.03	-	0.33	0.04	0.05
Philippines	0.09	-	0.15	0.23	0.30
The rest of the world	4.70	0.01	8.22	12.92	16.61
TOTAL	14.04	35.25	28.54	77.82	100.0

Source: Thailand International Cooperation Agency

- Thailand's ODA provided for Malaysia, Indonesia, and the Philippines was about US\$ 350,000
- Other refers to the other 27 Thai ministries and government agencies
- The rest of the world includes approximately 90 countries and international organizations

Table 4: Thailand's development assistance for CLMV (2007-2015)

2007-2015	NEDA	TICA	Other	Total US\$ million	% by countries
Cambodia	46.04	14.83	9.09	69.95	14.9
Lao PDR	193.79	26.97	115.85	336.61	71.8
Myanmar	0.86	10.42	42.83	54.12	11.5
Viet Nam	0.98	4.43	2.85	8.26	1.8
TOTAL	241.67	56.65	170.63	468.94	100.0
% by funding sources	51.5	12.1	36.4	100.0	

Note: The amount shown in U.S. dollars was estimated by using the Bank of Thailand's 2015 U.S dollar rate.



Singapore's Development Cooperation

Singapore has managed to reach high-income status, despite its limited natural resources. The key to this success was human resource development. Instead of providing financial assistance, the Singapore Cooperation Program (SCP), established in 1992, has focused largely on capacity building and technical assistance. Through the SCP, Singapore's development approach has been shared with over 117,000 government officials from 170 countries. To date, 70,000 people from ASEAN countries have benefited from these capacity-building programs.

Singapore has been involved since the beginning of the Initiative of ASEAN Integration (IAI), which was adopted at the November 2000 Summit in Singapore. The IAI is a special program set up to narrow the development gap in ASEAN countries, and especially for newer members such as Cambodia, Lao PDR, Myanmar, and Viet Nam. The IAI's aim is to "promote, through concerted efforts, effective cooperation and mutual assistance to narrow the development gap among ASEAN members and between ASEAN and the rest of the world". Under the IAI, Singapore pledged about \$170 million from 2000–2016 to build human resource capacity in CLMV through training, and has established training centers in each of these four countries.

In addition to development assistance and government budgets, ASEAN members have other sources of financing for development. Although more focused on investment, foreign direct investment (FDI) is a possible financing source for infrastructure and other types of development. Recent figures indicate that in 2014–2015, FDI flows to Southeast Asia from outside the region declined, while intra-ASEAN FDI rose significantly. In 2015, intra-ASEAN investment was 18.5 percent of total FDI flows to the region (US\$22.1 billion out of US\$120 billion), which was 17 percent higher than in 2014. Malaysia, the Philippines, Thailand, and especially CLMV countries, received a relatively higher level of intraregional investment. In general, investment has been greater in the manufacturing, finance, and infrastructure sectors.³⁸ Based on the information above, it is important to understand more about the relevance of FDI to regional development cooperation.

Globally, financing is at the center of discussions on the Sustainable Development Goals. The Addis Ababa Action Agenda (the Addis Agenda)³⁹ provides a framework for financing sustainable development as well as supporting commitments to development assistance. Governments are also developing their capacity to explore new sources of financing, including mobilizing domestic resources and creating an environment that encourages entrepreneurship and investment.

ASEAN Member States have already started to consider financing for the Sustainable Development Goals. All are signatories to the Addis Agenda, and most are on their way to providing integrated national financing frameworks that contribute to national development agendas.⁴⁰

An ASEAN approach to development cooperation

Given ASEAN's history as a development success story, and its mixed role as a donor and recipient region, the region has a unique context for development cooperation. Furthermore, ASEAN Member States generally have approaches to development assistance that differ from some Dialogue Partners, and more broadly, OECD donors (particularly non-Asian donors). ASEAN Member States' approaches to development and humanitarian cooperation tend to have the following characteristics:

- Focus on regional integration and shared regional challenges
- Government-to-government approaches, with a strong emphasis on technical cooperation
- Avoid issues that appear to intrude on internal politics
- South-South cooperation





ASEAN's responses to development challenges must be customized to the regional context. Countries in ASEAN face a set of conditions that are distinctive from the countries where most development assistance is spent, namely low-income regions and fragile states. Key distinctions include:

- Emerging challenges for middle-income countries (e.g., declining competitiveness, stagnant productivity)
- A high rate of natural disasters
- Relatively stable, high capacity governments
- Shared regional threats like environmental and social issues
- A broad spectrum of development levels, with high levels of economic complementarity

ASEAN's development trajectory will be shaped by solutions and finance that will be found overwhelmingly within the region. For many development challenges, the most promising solutions involve progress on further regional integration, and shared approaches. Governments in the region generally have the capacity to address development needs, as well as access the resources required. The vast majority of resources come from within ASEAN — mostly from governments funding their own development initiatives. Furthermore, with the growing geopolitical and economic significance of the region, ASEAN Member States often have multiple options to choose from for technical assistance and for financing development. Given the current dynamics in ASEAN, externally shaped and driven approaches to development cooperation will become less common in the future, and ASEAN actors will have much more scope for shaping future development themselves.

IV. ASEAN centers



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While most of ASEAN’s functions are carried out by the various ASEAN sectoral bodies and the ASEAN Secretariat, this is supplemented by a dozen ASEAN centers. These are usually anchored in, and working closely with a specific ASEAN sectoral body, and support the work of that particular body. Table 5 contains a list of current centers and institutes. Key examples of these autonomous centers that play a catalytic role in ASEAN are the: ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre), which coordinates ASEAN’s response to disaster and humanitarian

assistance; ASEAN Centre for Biodiversity (ACB), which is the focal point for handling many biodiversity and nature conservation-related matters within the region; ASEAN Centre for Energy (ACE), which assists the energy sector in ASEAN; and ASEAN Institute for Green Economy (AIGE), which was recently established to help address the crucial nexus between environmental protection and economic development considerations—a cross-sectoral issue involving the pillars for both the ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC).

Table 5: ASEAN policy centers and institutes

ASEAN Political-Security Community	ASEAN Economic Community	ASEAN Socio-Cultural Community
ASEAN Institute for Peace and Reconciliation	ASEAN Centre for the Development of Agricultural Cooperatives (ACEDAC)	ASEAN Coordinating Centre for Humanitarian Assistance on disaster management
ASEAN Center of Military Medicine	ASEAN Council on Petroleum (ASCOPE)	ASEAN Coordinating Centre for Transboundary Haze Pollution
Southeast Asia Regional Centre for Counter-Terrorism	ASEAN-EC Management Centre (AEMC)	ASEAN Earthquake Information Centre (AEIC)
ASEAN Narcotics Cooperation Centre	ASEAN Insurance Training and Research Institute (AITRI)	ASEAN Centre for Biodiversity (ACB)
ASEAN Regional Mine Action Centre	South East Asian Central Banks (SEACEN)	ASEAN University Network (AUN) Secretariat
ASEAN Peacekeeping Centres Network	ASEAN Centre for Energy (ACE)	ASEAN Specialised Meteorological Centre (ASMC)
		ASEAN Resource Centres of the ASEAN Committee on Civil Service Matters (ACCSM)
		ASEAN Institute for Green Economy

These centers could be valuable in supporting ASEAN's catalytic role in development as they were established to play an autonomous role linked to ASEAN, and provide analytical and/or policy leadership in an area of importance. In comparison to other ASEAN entities, these centers tend to have a few advantages:

- **Technical expertise** –The centers were established outside the ASEAN Secretariat, and as a result, have the ability to more easily hire technical specialists.
- **Mandate to spearhead work on a specific issue** – Each center has been mandated to spearhead policy and analysis on a particular set of issues, and facilitate certain functions that enable them to shape wider policy and programs. This allows them to set a broad vision and principles for endorsement by ASEAN sectoral bodies.
- **External engagement** – ASEAN centers are in a better position to engage with a broad range of external partners, including INGOs, universities, and private actors. Each of the above-mentioned centers collaborates with its own set of ASEAN internal and external partners, some of which provide human and financial resources to support joint project activities.

Examples of successful ASEAN centers

Thailand is planning to establish a few new centers during its year as ASEAN Chair in 2019. To make these new centers successful, drawing lessons from existing (and previous) centers is important. This assessment focuses on a select group of centers that have important lessons for how an ASEAN center can play a catalytic role on development issues.

1) ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre)

The ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre), located in Jakarta, is an intergovernmental organization established by the 10 ASEAN Member States with the aim of facilitating ASEAN cooperation and coordination on disaster management. The AHA's mission is to "facilitate and coordinate ASEAN's effort in reducing disaster losses and responding to disaster

emergencies as ONE, through regional collaboration, national leadership and global partnership in disaster management."

The AHA Centre's mandate is articulated in an agreement signed by the ASEAN Foreign Ministers on November 17, 2011, and witnessed by the heads of state/government of all 10 ASEAN countries.⁴¹ This mandate gives the center the autonomy to engage with key actors involved in disaster relief, and coordinate these actors to improve alignment with ASEAN priorities and principles. The AHA Centre works with the national disaster management organization (NDMO) of each ASEAN Member State; international organizations; private sector entities; and civil society organizations such as the International Federation of Red Cross and Red Crescent Societies, United Nations, and ASEAN Agreement on Disaster Management and Emergency Response (AADMER) Partnership Group.

The AHA also cooperates with Australia, China, the European Union, Germany, Japan, New Zealand, Switzerland, and the United States. In the event of large-scale disasters, such as Typhoon Haiyan in the Philippines in 2013, to mobilize more resources and coordinate with ASEAN leaders and partners worldwide, the AHA Centre works closely with the Secretary-General of ASEAN, who is also the ASEAN Humanitarian Assistance Coordinator.

2) ASEAN Centre for Biodiversity (ACB)

The ASEAN Centre for Biodiversity (ACB), based in Los Banos, Philippines, was established on September 27, 2005, as ASEAN's response to the challenge of biodiversity loss. The ACB's mission is to "effectively facilitate regional cooperation and deliver capacity building services to the AMS in conserving biodiversity."

The ACB is an intergovernmental organization that facilitates cooperation and coordination among the 10 ASEAN Member States, and with regional and international organizations, on the conservation and sustainable use of biological diversity, and the fair and equitable sharing of benefits.

3) ASEAN University Network (AUN)

The 4th ASEAN Summit in 1992 called for ASEAN member countries to help "hasten the solidarity

and development of a regional identity through the promotion of human resource development so as to further strengthen the existing network of leading universities and institutions of higher learning in the region.” The ASEAN University Network (AUN) was initiated in November 1995 when the ministers responsible for higher education signed its charter. An MOU was subsequently signed by the presidents/rectors/vice-chancellors of 11 participating universities in ASEAN’s then six countries, and an AUN Secretariat was set up in Thailand.

When the ASEAN Charter was signed by the ministers of ASEAN’s 10 member states in 2007, the AUN became a key implementing agency for ASEAN’s socio-cultural portfolio. The AUN’s programs and activities promote and improve cooperation among ASEAN’s institutions of higher education.

The AUN’s strategic focus areas are those identified by ASEAN to facilitate regional cooperation. First, the AUN supports interdisciplinary undergraduate and graduate programs on Southeast Asian studies in at least one major university in each member state, and also supports ASEAN regional research projects undertaken by scientists/scholars from more than ASEAN state, as well as other countries.

4) ASEAN Centre for Energy (ACE)

The ASEAN Centre for Energy (ACE) was established in 1999, as an independent intergovernmental organization to represent the 10 ASEAN Member States’ interests in the energy sector. ACE’s mission is to “accelerate the integration of energy strategies within ASEAN by providing relevant information and expertise to ensure the necessary energy policies and programs are in harmony with the economic growth and the environmental sustainability of the region.”

ACE is guided by a governing council comprised of senior energy sector officials from each AMS, with a representative from the ASEAN Secretariat as an ex-officio member. ACE’s office in Jakarta is hosted by Indonesia’s Ministry of Energy and Mineral Resources. In 2015, ACE’s Governing Council endorsed the business plan for enhancing ACE to serve as a high-performing, regional center of excellence for building a coherent, coordinated, focused, and robust energy policy agenda and strategy for ASEAN.

ACE’s expanded mandate encourages it to be more proactive and influential in several ways. First, ACE should serve as an energy think tank for ASEAN to assist in identifying and promoting innovative solutions for ASEAN’s energy challenges, including policies, legal and regulatory frameworks, and

innovative technologies. Second, ACE should be a catalyst to unify and strengthen energy cooperation and integration in ASEAN by implementing relevant capacity building programs and projects that assist ASEAN Member States to develop their energy sector. Finally, ACE should serve as the energy data center and knowledge hub for ASEAN.

5) ASEAN Specialized Meteorological Centre (ASMC)

The ASEAN Specialized Meteorological Centre (ASMC) was established in January 1993 as a regional collaboration program for the national meteorological services (NMSs) of ASEAN members. ASMC is hosted by Meteorological Service Singapore of the National Environment Agency, and monitors land and forest fires that cause transboundary haze, and makes climate predictions for the ASEAN region.

Since 1997, when ASMC was appointed to monitor and assess land and forest fires, and their resulting smoke blowing across the ASEAN region, the center has monitored the problem. Initially the countries covered by ASMC were Brunei Darussalam, Indonesia, Malaysia, and Singapore, but in 2003 monitoring was extended to Cambodia, Lao PDR, Myanmar, the Philippines, Thailand, and Viet Nam. ASMC also serves as a technical member on various ASEAN inter-agency committees to provide information on forest fires and haze.

Lessons learned from existing ASEAN centers

Of the various ASEAN centers and networks formally recognized within the ASEAN structure, the ones mentioned above stand out in their respective fields for being the most active, publicly visible, and significantly engaged with external partners.

Several key lessons from the experience of these centers should be considered when establishing ASEAN-wide centers in the future. First, it is essential for a center to have adequate and continuous funding (whether from ASEAN Member States or external donors). One of the major shortcomings of practically all the centers established under ASEAN has been their lack of sustained financing from within ASEAN. Instead, most centers have had to depend on external partner(s) to fund the majority of their programs and activities. Thus, in addition to the centers discussed above, due to lack of funds, nearly a dozen other centers established by ASEAN have had to close or they have been converted into national centers.

Second, it is very important for a center to fulfill a clearly defined and high priority need for ASEAN cooperation, and have authority from relevant ASEAN sectoral bodies to operate independently. Most of the successful centers demonstrate the importance of having enough autonomy so that they can function in a timely and effective manner. AHA has been recognized as one of the most successful centers due, in part, to its relatively clear-cut, tangible, and obvious mandate and ability to raise funding from both ASEAN and donors. The ACB and ACE are more sector-specific in their ASEAN mandate and tasks (biodiversity and energy cooperation, respectively), and both the ASEAN bodies, and the donors supporting the ACB and ACE, consider the two centers effective. In both cases, the centers have benefitted from a combination of a clear mandate and autonomy.

Third, centers must be able to conduct cross-discipline and cross-sectoral coordination, and engage well both

within ASEAN and beyond. For example, ASMC was set up originally under the auspices of the ASEAN Committee on Science and Technology (COST), but for the past two decades, it has focused on ASEAN environmental challenges, including transboundary haze, which concerns a wider set of sectors and ASEAN actors.

Finally, successful centers need effective leadership. The successful ASEAN centers have had capable leaders who avoid letting politics interfere with their center's operations and mandate, and effectively protect the interests of their center. For example, the AHA's previous and current Executive Directors have been this type of effective leader. Although the AHA's mandate and method of operation have involved cross-sectoral, and even cross-pillar coordination and collaboration, its role has generally been accepted by ASEAN's concerned sectors.

V. ASEAN engagement with the development community



An important step toward greater ASEAN leadership in development cooperation will be expanded engagement with the wider world of development actors. This includes donor governments, INGOs, private contractors, corporations, multi-lateral institutions, and private foundations—all of which are funding or implementing development projects at the regional level in Southeast Asia. If ASEAN is to shape development cooperation more broadly, it needs to be at the center of dialogue among these actors.

However, ASEAN is not ideally structured to play this role. At present, there are practical and political limits on how much ASEAN can engage with the broad spectrum of actors. ASEAN's Secretariat has fewer than 300 staff, which makes it remarkably lean and often overstretched. Beyond engaging with the principal actors (i.e., member states and Dialogue Partners) the Secretariat has little capacity to spare. Also, the ASEAN sectoral bodies are generally meetings of senior government officials who only convene occasionally, and have extremely full agendas during their short time together.

Despite this, there is overwhelming demand to engage with ASEAN. The ASEAN Secretariat is frequently approached by development actors, but with so many priorities, Secretariat staff simply do not have enough time to meet them all. In general, ASEAN Secretariat officials' first priority is to be responsive to the direction of ASEAN's Committee on Permanent Representatives and the sectoral bodies that they support. They must also closely follow

policies and implementation arrangements stipulated in cooperation agreements with Dialogue, Sectoral, Development Partners and their respective program coordination bodies. If Secretariat staff are concerned that engagement with an external actor will carry burdens beyond their capacity, diffuse support to their core partnerships, or be viewed negatively by their principals, then staff will understandably refrain from engagement. Furthermore, non-state actors that are not well known to ASEAN officials generally need to demonstrate their value and mandate first, before they will be able to meet with Secretariat staff, or attend sectoral body meetings (which are for the most part closed meetings). Also understandably, ASEAN staff and officials may be suspicious about civil society organizations or leaders that claim to represent a constituency, but have no official mandate.⁴²

In addition, there may be a "disconnect" with regard to objectives. Many governments and INGO leaders approach ASEAN with a specific development or political agenda. For example, if they want to encourage ASEAN Member States to adopt or endorse a development or human rights position, this will likely fail, given ASEAN's consensus-based approach that requires all ASEAN political leaders to agree. Adopting a new ASEAN position or revising one is generally led by a member state government, rather than through a direct approach to the ASEAN Secretariat. It is also common that ASEAN leaders reject attempts to impose externally developed agendas, arguing that they must follow the principle of ASEAN Centrality.

ASEAN's engagement with other multi-lateral organizations is evolving. For example, while ASEAN and the United Nations are currently exploring complementarities between the UN Agenda 2030 for the Sustainable Development Goals (SDGs) and the ASEAN 2025 Blueprint, much more could be done by ASEAN to improve cooperation and synergies.

This study examined the range of ASEAN mechanisms, how international development actors have engaged with them, and possible opportunities for improving this engagement. This chapter intends to describe the current challenges with regard to engagement, and suggest approaches for improving future engagement.

Engagement between ASEAN and partner governments

The commitment of donor governments to support ASEAN is strong and likely to continue to grow. Interviews with Dialogue Partner representatives indicate that changing geopolitical dynamics in the region have made ASEAN more important from a foreign policy perspective. Furthermore, for some of the smaller donor governments, which have largely reduced their bilateral funding to Southeast Asia, regional programs that partner with ASEAN have become their main approach for engaging in the region. This means that the number of programs that collaborate with ASEAN is growing rapidly, even though the number of programs provided directly to ASEAN is relatively stable.

While foreign governments' commitment to ASEAN is growing, regarding development, there are some complexities that affect their engagement with ASEAN. First, while the primary motivation to support ASEAN is political, the resources available are largely earmarked for development cooperation. Thus, most Dialogue Partners have a dual objective in using development assistance to support ASEAN. Use of development assistance implies a development outcome focus (usually linked to the SDGs or priorities enunciated by the concerned donor government), which requires monitoring outcomes and sharing accountability for results. However, foreign governments' political

motivation to support ASEAN largely focuses on strengthening regional architecture and improving relations with ASEAN. As a result, there are tensions between the political and development objectives that donor officials must manage in supporting ASEAN, while also ensuring development impact.

Another challenge comes from Dialogue Partners' emphasis on their development priorities or approaches. Donor governments may seem out-of-step with the principle of ASEAN Centrality on development issues, especially when large regional programs are designed to meet the donor's development objectives. Donors are compelled by their political leaders and citizenry to pursue certain agendas which are not necessarily aligned with ASEAN. This can create gaps between ASEAN and other development programs in the region, even when they are largely working on the same issues.

Dialogue Partners may be keen to support ASEAN, even if they hesitate to directly fund the Secretariat, or ASEAN-led initiatives. This study's interviews with Dialogue Partners indicated a general concern that the ASEAN Secretariat already has all the funding it can absorb, and has little spare capacity to dedicate to new projects. Dialogue partners must follow procurement and reporting procedures that do not necessarily align with those of ASEAN. As such, it is often more feasible for Dialogue Partners and other donor governments to engage intermediary organizations (usually private contractors or INGOs) to manage funds and implement activities, but still make decisions jointly with ASEAN about priorities and specific projects.

Based on interviews, Dialogue Partners would welcome more opportunities to jointly shape development programs and objectives with ASEAN. At the bilateral level, most donor governments engage with the relevant ministry, and jointly shape a program that fits the interests and values of both sides. With ASEAN, this is largely done through the formal ASEAN+1 dialogue processes, which generally are dominated by political-security discussions. Some programs, such as the Initiative for Asian Integration, have donor "bidding meetings" where Dialogue Partners are invited to join and raise their hand to

support programs that are already fully developed. As such, the engagement between Dialogue Partners and ASEAN on development issues tends to be a combination of very high-level (ASEAN+1 meetings) and transactional meetings (on specific project ideas). There is very little opportunity for back-and-forth discussion on individual projects—ASEAN develops a plan, and Dialogue Partners are invited to support it.

Dialogue Partner governments make decisions regularly on whether to work with ASEAN on regional development initiatives. If policy alignment is necessary across the 10 ASEAN governments (or a sub-set of them), and if there is a need for sustained cross-border collaboration by governments, then it usually makes sense to try to work with ASEAN. If Dialogue Partners have a specific priority or initiative, and they must seek ASEAN endorsement, this will take time and significant additional effort. Occasionally, donors are frustrated with what they perceive as rigidity in ASEAN's current frameworks—for example, that new projects must benefit all 10 member countries. Increasingly, Dialogue Partners create programs that have one component for engaging with ASEAN—with timeframes and expected outcomes that reflect the realities of working with ASEAN—and other components with different expectations, usually working outside of ASEAN-affiliated networks.

A final key difficulty for donors is that of working across sectors in ASEAN. Most development challenges tend to require cross-sectoral approaches. ASEAN's current structure requires working through a specific sectoral body and ASEAN pillar, which makes it relatively difficult to engage on a cross-sectoral basis. ASEAN has managed to create some platforms for working effectively across sectors, most notably on human trafficking issues (see Chapter VII). However, as has been the experience with the Bohol Trafficking in Persons Work Plan, working across sectoral bodies and pillars is a challenging and resource-intensive process.

There are no easy solutions for cross-sectoral approaches in ASEAN. The perceived fragmentation within ASEAN is a reflection of its national governments, with issue-specific ministries often operating in siloes as well. ASEAN is the platform that 10 governments use to speak to each other on a routine basis, and facilitating this engagement is the primary function of the ASEAN Secretariat. The isolated siloes of ASEAN's sectoral bodies are, in many ways, necessary to make policy dialogue across governments possible. The challenge with this structure, however, is that it can lead to incomplete or narrow approaches when dealing with complex development challenges.

Engagement between ASEAN and non-state actors

From the perspective of many of non-state development actors, ASEAN seems to be a complex and largely impenetrable network. Working with ASEAN mechanisms often requires significant effort to find a meaningful entry point, and even then, this may not necessarily lead to collaboration and useful impact. As a result, whether intended or not, most regional programs managed by non-state actors largely bypass ASEAN, and do not necessarily align with ASEAN's agreed objectives.

It is important to understand the constraints non-state actors face in engaging with ASEAN. The key factors that limit engagement are as follows:

- **ASEAN is primarily a government-to-government platform** – The core mandate of ASEAN is to allow governments in Southeast Asia to collaborate in addressing shared problems and engage with external governments. As a government-to-government platform, largely managed by foreign ministries, the natural tendency is to refrain from publicly releasing information without a clear need, and be cautious when engaging with non-government entities. This generally contrasts with the more open, inclusive, and collaborative style of development organizations, and civil society groups.
- **Consensus is often difficult to achieve in engaging with non-state actors** – ASEAN initiatives only proceed when there are no objections from member states. Governments in the region have very different policies toward civil society, ranging from open engagement to arms-length suspicion. Furthermore, there have been problems in the past with national-level civil society groups, or international NGOs, seeking to use ASEAN as a platform to criticize the policies of specific ASEAN governments. As a result, ASEAN sectoral bodies and the ASEAN Secretariat can be wary in engaging with non-state actors out of concern for the sensitivities of member state governments. For organizations working regionally on issues where ASEAN does not have consensus, there is a long history of criticizing ASEAN for not taking a principled stance. These criticisms generally disregard the reality that within ASEAN, consensus is required.
- **The scale and complexity of engaging with non-state actors is daunting** – There are

hundreds of organizations working on regional development in Southeast Asia. There is a broad spectrum of organizations too, ranging from well-established institutes with strong government connections, to advocacy NGOs with adversarial approaches to government. As ASEAN is a multi-lateral network, with a relatively modest number of staff, it is unrealistic to think that ASEAN can engage with the full spectrum of non-state development actors.

ASEAN's best examples of external engagement

However, there are several successful cases of engagement between ASEAN and non-state actors, which usually involve a non-state actor that understands how ASEAN works, and has taken the time initially to build relations with national governments. In other cases, ASEAN sectoral bodies have more open processes that facilitate productive engagement with non-state groups.

In some cases, ASEAN has managed to excel in its engagement with the wider development community. This has been particularly the case with ASEAN's Socio-Cultural Community pillar which, on specific sectoral issues, has set up multi-stakeholder platforms with the active participation of private sector and civil society representatives. The following are some examples of these platforms.

Senior Officials' Meeting on Rural Development and Poverty Eradication (SOMRDPE): An ASEAN Public-Private-Peoples' Forum on Rural Development and Poverty Eradication was established in 2012, and has convened annually, coinciding with the annual SOMRDPE meetings. This platform for dialogue and information sharing among government, civil society, and private sector representatives fosters collaboration on rural development and poverty eradication. The outcomes of each forum are presented to SOMRDPE for consideration. In addition, beginning in 2013, and coinciding with the biennial meetings of the ASEAN Ministers Meetings on Rural Development and Poverty Eradication (AMRDPE), ASEAN Rural Development and Poverty Eradication Leadership Awards have been presented to outstanding civil society and private sector representatives. For both the forum and the awards, the Asian Partnership for the Development of Human Resources in Rural Areas (AsiaDHRRA), a Philippine-based NGO with a network of representatives in 11 Asian countries, including eight in ASEAN. AsiaDHRRA has played an instrumental role in building bridges by fostering dialogue between

SOMRDPE and various private sector and civil society groups engaged in rural development and poverty eradication in the region. In fact, in addition to gaining the trust of ASEAN through accreditation as a civil society organization (CSO) under Annex 2 of the ASEAN Charter (entities associated with ASEAN), AsiaDHRRA has even been requested to help prepare the latest ASEAN Framework Action Plan on Rural Development and Poverty Eradication.

Senior Officials Meeting on Social Welfare and Development (SOMSVD): Since 2006, an annual GO-NGO Forum for Social Welfare and Development has been organized to coincide with SOMSDW meetings. The forum serves as a platform for information sharing and collaboration among government and non-government organizations on key regional social welfare and development issues, and the outcomes are usually presented to SOMSDW's leadership. Regional and/or national private sector representatives may also be invited, depending on the forum's theme. The International Council on Social Welfare (ICSW) is the co-organizer, and the liaison with SOMSDW for the forum. SOMSDW also has a number of multi-stakeholder mechanisms, and their activities are reported to the yearly SOMSDW meeting.⁴³

ASEAN Foundation (AF): The ASEAN Foundation (AF) was established in 1997, under the ASEAN Charter's mandate, to "support the Secretary-General of ASEAN and collaborate with the relevant ASEAN bodies to support ASEAN community building by promoting greater awareness of ASEAN identity, people-to-people interaction, and close collaboration between the business sector, civil society, academia and other stakeholders in ASEAN." Over the years, the AF has conducted collaborative activities with the private sector to support ASEAN-wide objectives. The AF also established the ASEAN CSR Network, which has been an accredited ASEAN entity since 2010, and undertakes projects in collaboration with NGOs/CSOs in the region.

Regional coordination on the Sustainable Development Goals (SDGs)

ASEAN collaborated with the UN and other partners in implementing the Millennium Development Goals (MDGs), primarily through the ASEAN Roadmap for the Attainment of the Millennium Development Goals.⁴⁴ In 2015, when the Sustainable Development Goals (the successor to the MDGs) were adopted, ASEAN member countries were fully committed to achieving these universally-endorsed development objectives. Thailand has volunteered to serve as the



ASEAN Coordinator for Sustainable Development Cooperation, and has led a process to coordinate the aligning of ASEAN commitments on the SDGs with the priorities of ASEAN Community Vision 2025 and the UN 2030 Agenda for Sustainable Development. Two tangible outcomes/products from this alignment have been: the Framework for Action on complementarities with the SDGs, which was prepared by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), ASEAN Secretariat, and Ministry of Foreign Affairs (MFA) of Thailand; and, a report on Financing the Sustainable Development Goals in ASEAN, which was prepared by the ASEAN Secretariat, UNDP, and Government of China, based on the results of a conference held in Chiang Rai, Thailand. In addition, UNESCAP, the ASEAN Secretariat, and the Thai MFA have held annual dialogue sessions since 2015 to advance the agendas of ASEAN 2025 and UN 2030.

Thailand, which will serve as the ASEAN Chair in 2019, proposes to establish an ASEAN Centre for Sustainable

Development Studies and Dialogue (ACSDSD), which would serve as the lead coordinating facility for advancing sustainable development initiatives in the ASEAN region. This new center would play a leadership role on the SDGs in Southeast Asia by providing policy guidance and analysis on the pertinent issues, and implementing a robust monitoring and evaluation (M&E) system for tracking the region's progress on the SDGs.

Approaches for more enhanced engagement

ASEAN could enhance its leadership in development cooperation by focusing more on the strategic level (as opposed to the project level). This would entail engaging with Dialogue Partners to shape broader development priorities and programs, including those that are not implemented through ASEAN. Dialogue partners and other external governments are keen to strengthen ties with ASEAN, but their ability to provide direct funding or work through ASEAN to address development challenges is limited. If



ASEAN focused more on facilitating dialogue on key development challenges, and engaged with Dialogue Partners collectively on broader approaches, then ASEAN would be in a stronger position to shape wider development cooperation in Southeast Asia.

Furthermore, an ongoing cross-cutting platform within ASEAN is clearly needed for discussing development challenges and approaches, and coordinating major regional initiatives. In the past, the Senior Official Meeting on Development Planning (SOMDP) was the only forum where development issues could be discussed across sectors. However, with its focus on national development planning agencies, this senior-level effort faced significant challenges, and eventually was disbanded. Because development at the regional level encompasses so many different official authorities and actors, it may be difficult to establish this form of dialogue through a new sectoral body. Thus, other approaches should be explored which will allow for cross-sectoral dialogue on development. One possibility could be holding an annual development

conference that brings together all of the major Dialogue and sectoral Dialogue Partners. Another approach could be assigning this mandate to a new ASEAN center, which could conduct regular issue-specific dialogues for interested Dialogue Partners and officials from sectoral bodies. If the ACSDSD is established in 2019 by Thailand, it could serve such a purpose.

Clearly, there are important lessons for development actors to learn about how to work with ASEAN more effectively. The most successful cases involve organizations that understand and respect ASEAN's mandate, culture, and processes. These organizations do not seek exceptions or short-cuts, and do not pressure ASEAN to work in ways that are contrary to the core principles of consensus and non-interference. In addition, successful engagement usually depends on the willingness of the organization (or government) to support ASEAN-led initiatives, as opposed to seeking ASEAN "buy-in" or endorsement for the organization's own initiatives.

VI. Case study: Response to natural disasters



Photo: Ryan DeBerardinis/Shutterstock.com

Natural disaster response is a clear example of ASEAN playing a catalytic role. Southeast Asia is particularly vulnerable to cyclones, earthquakes, landslides, tsunamis, and floods. This means that post-disaster response is a large-scale, shared problem across ASEAN Member States that often requires high levels of cross-border coordination and support. Over recent decades, ASEAN Member State governments have built considerable capacity in responding to disasters. For these reasons, humanitarian response is a good example of ASEAN playing a catalytic leadership role in the region. To better understand how, and under what circumstances ASEAN can play a catalytic role on region-wide concerns, the research team conducted a case study on ASEAN's role in humanitarian response and disaster relief.

The ASEAN region has one of the most complex disaster profiles in the world. From 2004–2014, the region accounted for more than 50 percent of the world's disaster fatalities, and the total economic loss was an estimated US\$91 billion. During this period, 191 million people were displaced temporarily and disasters affected an additional 193 million people—in short, more than one in three people in the region experienced losses.⁴⁵ The rate of disasters is increasing too. Over the next decade, experts project that 1,000 disasters are likely to occur in the region, or an average of about 100 disasters per year. This is because climate change is aggravating the frequency and severity of natural disasters such as typhoons, floods, sea surges, and droughts. Also, disasters in the ASEAN region are becoming more severe due to

relentless urbanization, rapid population growth, and increasing economic exposure.

The devastation of the Indian Ocean Tsunami in 2004, which caused the deaths of more than 230,000 people, motivated ASEAN Member States to take collective action to better prepare for disasters, and sign the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) in July 2005. Cyclone Nargis, which struck Myanmar in May 2008, killing around 140,000 people, was considered a turning point for ASEAN leadership on humanitarian response. Following the cyclone, a Tripartite Core Group (TCG), comprising the Government of Myanmar, ASEAN, and the United Nations (UN), was set up to coordinate relief efforts. ASEAN assumed a leadership role in the TCG, and helped to convince Myanmar's government to cooperate with the international community in managing the response. Thus, ASEAN played a decisive role in creating an unprecedented space for an international response to the crisis.

Since that time, ASEAN has developed the organizational capacity to catalyze regional action and shape foreign assistance in this area. ASEAN's disaster management architecture has grown and expanded significantly to become a robust and frequently modeled legal, policy, and action framework. Critical to this architecture is the ASEAN Agreement on Disaster Management and Emergency Response (AADMER), which was ratified by all 10 ASEAN Member States in 2009, and became the first legally-binding instrument of its kind in the world.⁴⁶

While ASEAN's role in disaster response entails more autonomy and authority than in other areas, it also closely adheres to national sovereignty interests. Although ASEAN is in a position to drive collective action to rapidly facilitate assistance, it can only do so at the request of the affected country. However, when a disaster is likely to affect other member state(s), the affected country is expected to respond promptly to a request for information from other member states that are, or may be affected by the disaster.

AADMER has also helped pave the way for a more inclusive mechanism through the AADMER Partnership Group (APG), a consortium that currently comprises seven prominent civil society organizations that assist in implementing AADMER. Civil society groups are also invited to participate in the annual ASEAN Regional Disaster Simulation Exercises (ARDEX).

Effective regional structures

AADMER provides a good example of how sectoral bodies can define and operationalize ASEAN Centrality, establish ASEAN as a regional public good, and reach out to the global community. AADMER also shows that focusing on operations and results is a key factor in accelerating how ASEAN agreements can be adopted, internalized, and institutionalized as a regional mechanism. AADMER is perceived too as a replicable model and, as such, efforts have been made to translate its lessons to other cross-sectoral and thematic issues. Its organizational framework also serves as a model or template for addressing cross-cutting issues.

Because women are disproportionately affected both during and after disasters, at its 32nd meeting in June 2018 in Kuala Lumpur, the ASEAN Committee on

Disaster Management (ACDM) formally acknowledged the important role of women in disaster response planning and management. The meeting also agreed to pursue new initiatives on women, peace, and security, and to strengthen efforts to mainstream gender in disaster risk reduction and adaptation to climate change.

In response to lessons from the 2004 tsunami, Cyclone Nargis, Typhoon Haiyan, and other disasters, the AHA Centre was established as an instrument of AADMER. The AHA Centre's mandate provides the impetus and legal basis for it to play a catalytic role in driving national, regional, and global policy on disaster management issues that has changed the discourse on disaster response. As a result of maintaining the center's capacity and sustainability through providing adequate human, technical, and financial resources, the center has been able to play a strategic role in realizing ASEAN's collective response to disasters. Central to the AHA's mandate is a multisectoral and multi-country partnership that places the AHA at the center of stakeholders' emergency management framework. This makes the AHA unique in the region, with very few peers globally.

Recently ASEAN developed a new policy for the AADMER Fund that earmarks 80 percent of the money for operating the AHA Centre. This covers the AHA's budget for 2016–2018 (core staff and operating costs). The AHA should be resourced adequately to cover staff costs and retain key staff with predictable financing, which is a concrete step toward the sustainability of the AHA. In 2016, Indonesia, the AHA Centre's host country, provided the AHA with new premises and high-tech equipment. However, to address emerging and complex disaster management challenges, the AHA Centre will need to ramp up its efforts to mobilize resources and financing.

Thailand's Great Flood

Urban disasters have come to the forefront of disaster management. A recent example is the 2011 flood in Thailand, which was the worst flood in modern Thai history. It inundated 9.1 percent of the country's total land area; disrupted the lives of more than 13 million people; caused 680 deaths; and resulted in losses worth US\$46.5 billion. The floods paralyzed Bangkok and its suburbs for two months, including large industrial estates, and this adversely affected investors' confidence. According to estimates, the floods forced seven big industrial estates north of Bangkok to close, affecting at least 9,859 factories and 660,000 jobs, most of them in the electronic and automotive sectors. Based on World Bank estimates, the disaster ranks as the world's fourth most costly, surpassed only by the 2011 earthquake and tsunami in Japan (US\$235 billion), 1995 Great Hanshin earthquake (US\$100 billion), Hurricane Katrina in 2005, and the Chile earthquake in 2010 (US\$81 billion). Enhancing regional disaster response in the urban context to comprise the range of activities within the entire disaster management cycle will be a critical challenge for regional disaster management strategies.



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A critical mechanism for ASEAN coordination on disasters is the Joint Task Force (JTF) on Humanitarian Assistance and Disaster Relief (HADR), which is co-chaired by the ASEAN Committee on Disaster Management (ACDM) and the ASEAN Senior Officials Meeting (SOM), representing the disaster management sector and the political-security track, respectively. The JTF also includes representatives from the Senior Officials Meeting on Health Development (SOMHD); Senior Officials Meeting on Social Welfare and Development (SOMSWD); and ASEAN Defense Ministerial Meeting (ADMM), and it facilitates exchanging views and ideas, and developing partnerships among the various ASEAN sectoral bodies. At a JTF meeting in 2017, members affirmed the importance of integrating the ACDM's work with sectoral body initiatives on disaster management and emergency response. The JTF recommended tasking the ACDM and Senior Officials Meeting on Health Development to undertake a joint study on ASEAN's response to pandemics.

Partnerships

The AHA Centre's partnership mechanism, which is broad and flexibly designed, comprises two types of partnerships. These are direct partnerships, in which the AHA Centre partners with another organization, with all resources provided under the partnership directed to specific outcomes and objectives; and, indirect partnerships, in which the AHA Centre works with its partner as one of a number of components under the framework of a broader, usually ASEAN-focused agreement. ASEAN Dialogue Partners tend to prefer indirect arrangements, based on an umbrella cooperation agreement between the Dialogue Partner and ASEAN. Specific terms and arrangements for each partnership are generally made between the parties themselves.

The Dialogue Partners have been an integral part of the AHA's supporting mechanisms since its establishment in 2011. ASEAN Dialogue Partners collaborate directly with the AHA Centre through funding support; program development and implementation; training and educational engagement; and knowledge-sharing activities. Such partnerships have enabled the AHA to grow into the flourishing organization that it is today. Increasingly, the AHA Centre has provided stronger and more substantive input into disaster management functions through working with Dialogue Partners, and creating a unique and innovative coordination process. The AHA Centre has ongoing or completed programs with the governments of Australia, China, Japan, New Zealand, the US, and Switzerland, as well as the United Nations, International Federation of Red Cross and Red Crescent Societies, European Union, and a number of civil society organizations.

The ASEAN disaster management system is fully aligned with the Sendai Disaster Risk Reduction Framework,⁴⁷ which adheres to several core principles:

- **National resilience** – ASEAN countries are now becoming more assertive and resilient in disaster relief policy and response operations. Generally, when a disaster occurs, countries do not immediately ask for international assistance because most governments have adequate domestic capacity and expertise. As a result, there has been a shift from “asking for international assistance,” to “welcoming assistance.” ASEAN countries now also know what they want and how they can most effectively utilize external support when needed.
- **Technological advancement** – By applying advanced technology and research and development (R&D) to disaster risk reduction, ASEAN Member States can reduce their lag-time in responding to disasters. This has led to greater use of knowledge-sharing and information management systems, and encouraging technical and policy dialogue between the disaster management and scientific communities.
- **Innovative governance** – To reduce information gaps, the AHA Centre has helped to deconstruct and redesign coordination mechanisms. Institutional coordination between first responders, and policy and research centers is routinely re-assessed, and the results localized and field-tested through engagement with risk-affected communities.

- **Mainstream Risk Reduction and Risk Management** – The AHA Centre has encouraged the integration of disaster risk reduction, climate change adaptation, and sustainable development. This is reducing risks at all stages from disaster mitigation to rehabilitation, and channeling resources, methods, and facilities to non-traditional actors such as civil society organizations that have been working with governments to reduce the risks at all stages.

Prospects for a more catalytic role

Building on its remarkable success, the AHA Centre should focus on strengthening its internal capacity, so it can expand its influence. This would mean shifting priorities from facilitating and coordinating emergency response, to the broader policy areas of disaster risk management, post disaster recovery, and building resilience. Key areas for support include corporate capacity building; program development and implementation; resource mobilization; communication; coordination and networks; and monitoring and evaluation. In addition, there is a strong argument for further embedding AHA operations and aligning them with the interests of National Disaster Management Offices (NDMOs). The AHA Centre's role as a facilitator of aid and logistics for ASEAN Member States and other disaster-affected countries should also be strengthened.

A critical challenge for regional disaster management strategies is focusing on urban areas, and addressing all the stages of the disaster management cycle from risk reduction and preparedness, to response and recovery. This is crucial now that such a high percentage of ASEAN's population lives in urban areas, and urban communities are projected to continue growing at an unprecedented rate.

Building a disaster-resilient society is one of the key principles of the ASEAN Agreement on Disaster Management and Emergency Response (AADMER). At this stage ASEAN is concerned with establishing the policy framework, the incentive structures, and the operational means to reach out to those most affected by disasters, and firmly establish the leadership role of the ASEAN Humanitarian Assistance Centre (AHA). ASEAN is also working to ensure that funding for the AHA is secure, to determine how the AHA Centre's work plan can best be implemented, and how best to support the ASEAN Secretary General's function as the regional humanitarian assistance coordinator.

VII. Case study: Human trafficking



ASEAN's efforts to lead a coordinated regional response to trafficking in persons (TIP), is an important example of a cross-sectoral approach. Throughout the world, this complex problem has often been addressed in silos both at the national and regional levels. Recognizing this problem, a collection of ASEAN sectoral bodies led by the Senior Officials Meeting on Transnational Crime (SOMTC) came together to develop a collaborative, holistic approach. This case study illustrates the challenges of working across sectors, but also provides an important model for ASEAN initiatives in other areas of development cooperation.

Human trafficking is a global challenge that requires highly coordinated action across borders. While TIP is a transnational organized crime issue, efforts to combat TIP should consider many other related factors including prevention, victim protection and services, safe migration, and sustainable livelihoods for vulnerable populations. While reliable data are difficult to access, the International Labour Organization (ILO) estimates on the illicit profits from forced labor are US\$150.2 billion annually, of which US\$99 billion was for forced sexual exploitation, and US\$51.2 billion was for other forms of forced labor.⁴⁸

There have been several global efforts to address human trafficking. For example, the United Nations Convention against Transnational Organized Crime (UNTOC)⁴⁹ was adopted by the UN General Assembly in 2000, and entered into force in 2003. The Convention was supplemented by the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, which was also adopted in 2000 and entered into force in 2003. The Protocol sets out legal definitions for human trafficking, as well as relevant provisions, including criminalization,

prevention, and protection for victims of human trafficking. The United Nations Office on Drugs and Crime (UNODC) is responsible for implementing both the Convention and the Protocol. In support of this global effort, ASEAN Member States ratified UNTOC.⁵⁰

ASEAN Member States have also been involved in inter-regional efforts to address human trafficking. All 10 ASEAN countries are members of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process). Started in 2002, the Bali Process is a policy-dialogue, information sharing, and practical cooperation forum to address TIP in the Asia-Pacific region. Co-chaired by Indonesia and Australia, the Bali Process has more than 48 members, including countries in the Asia and Pacific Region, the United Nations High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), and UNODC.

ASEAN's efforts in addressing human trafficking

TIP is not a new issue for the Southeast Asia region. Human trafficking has been included in ASEAN's agenda since 2004, when a declaration against trafficking in persons, especially women and children was issued. Despite sensitivities among member states, ASEAN continued to pursue the issue with a careful and gradual expansion of action and statements. These efforts culminated in the landmark adoption of the ASEAN Convention against Trafficking in Persons, Especially Women and Children (ACTIP) in 2015. SOMTC was identified as the lead body responsible for promoting, monitoring, reviewing, and reporting on the effective implementation of ACTIP. In this role, SOMTC brought together nine ASEAN sectoral bodies to produce the

Bohol TIP Work Plan 2017–2020, which has become the integrated framework for ASEAN sectoral bodies' collective efforts to address the problem.

As the first legal instrument for addressing human trafficking at the regional level, the scope of ACTIP includes prevention, investigation, prosecution, and protection of TIP victims. The Bohol TIP Work Plan is a multi-sectoral and cross-pillar collaborative effort among 11 sectoral bodies in ASEAN that are involved to some extent in human trafficking issues, with SOMTC being the main sectoral body overseeing implementation of both ACTIP and the Bohol TIP Work Plan. The work plan is, therefore, an attempt to promote integration, coordination, and cooperation among all relevant regional sectoral bodies.

TIP is a major priority of several Dialogue Partners, including Australia, the United States, Japan, and the United Nations. To address TIP issues, ASEAN has had ongoing collaboration with several relevant development actors. On the criminal justice side, the Australia-Asia Program to Combat Trafficking in Persons (AAPTIP) has been the primary initiative to work with SOMTC over the past decade at both the regional and national levels. On the social welfare and victim protection side, there has been some support from the United States, provided through the ASEAN-US Partnership for Good Governance, Equitable and Sustainable Development and Security (PROGRESS).⁵⁷

The International Labour Organization has also provided assistance to ASCC sectoral bodies. TRIANGLE in ASEAN (an ILO project) is providing substantive support to implementation of several projects under the ASEAN Committee on the Implementation of the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers (ACMW) Work Plan 2016-2020 and the SLOM Working Group on Progressive Labour Practices to Enhance the Competitiveness of ASEAN (SLOM-WG) Work Plan 2016-2020. This engagement started soon after establishment of the ACMW in 2007, and has involved several supporting organizations, including the ASEAN Forum on Migrant Labour (AFML) each year.

However, the landscape of counter-TIP efforts is complex. There are many initiatives that have little or no engagement with ASEAN sectoral bodies or the ASEAN Secretariat. Diagram 4 contains an illustration of the existing human trafficking cooperation mechanisms at both the ASEAN regional and Mekong

subregional levels. In addition, there are multiple other regional projects working to address TIP that are not shown in the diagram. These projects are mostly led by INGOs that have no engagement with ASEAN.

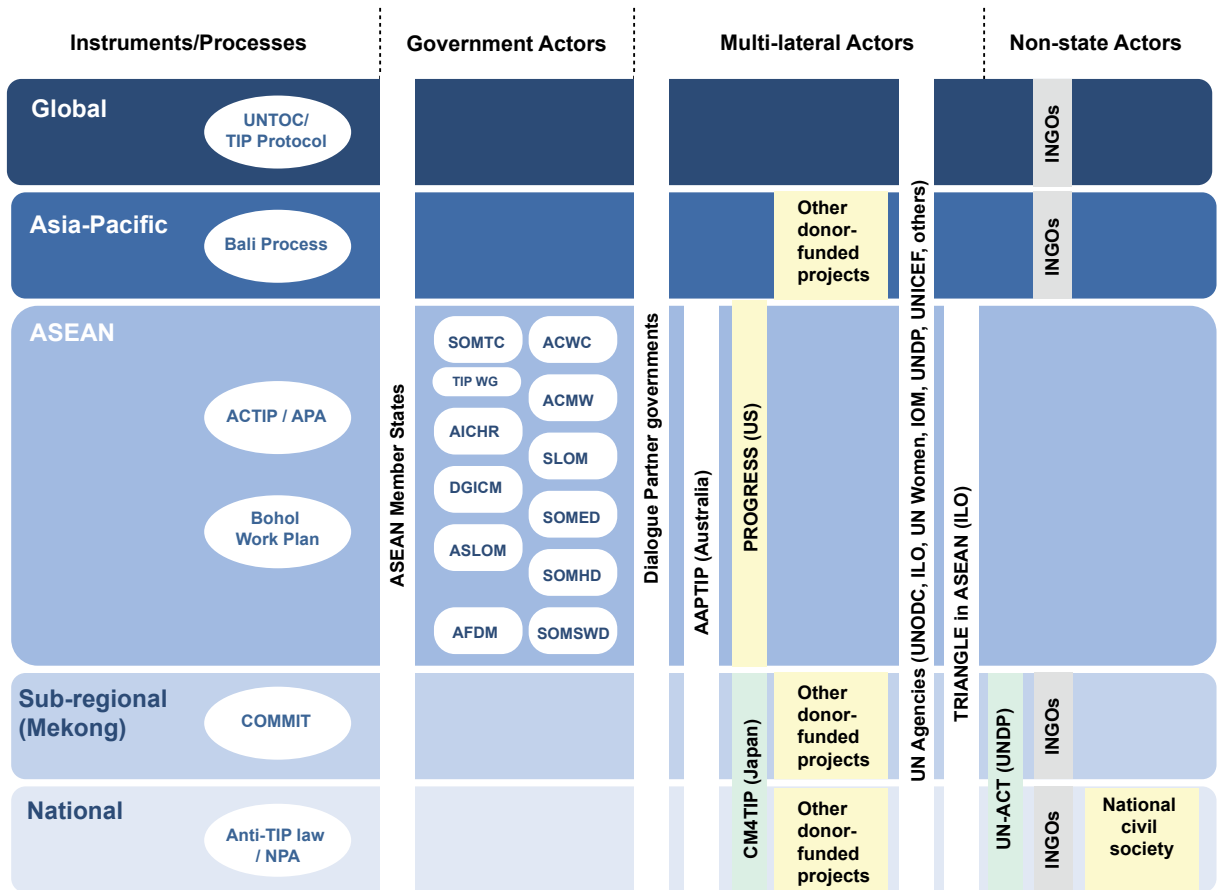
One prominent regional initiative is the United Nations Action for Cooperation against Trafficking in Persons (UN-ACT), a United Nations Development Programme (UNDP) project, which has no formal association with ASEAN. As the Secretariat, UN-ACT supports the implementation of the Mekong subregional mechanism known as the Coordinated Mekong Ministerial Initiative against Trafficking (COMMIT), which started in 2003. COMMIT covers six countries (Cambodia, China, Lao PDR, Myanmar, Thailand, and Viet Nam), five of which are also ASEAN Member States, and China is a Dialogue Partner of ASEAN.

The Japan International Cooperation Agency (JICA) has also implemented anti-trafficking activities with five countries in the Mekong subregion that are also ASEAN Member States. This project, Case Management for Trafficking in Person (CM4TIP), is helping to enhance both subregional and bilateral cooperation in the Mekong subregion.

With several closely overlapping regional programs, there is a need to link and coordinate the various activities at both the ASEAN regional, as well as the Mekong subregional levels. While there is a regular meeting among donors and INGOs to coordinate on TIP initiatives in the region, ASEAN has generally not been involved.

Building on the cross-sectoral model of the Bohol TIP Work Plan, the next step for ASEAN would be to expand cross-sectoral initiatives during implementation. ACTIP and Bohol illustrate the real-world practical challenges of cross-sectoral efforts in ASEAN. Given the high number of sectoral bodies involved, there are real operational challenges to achieving all of the objectives, especially those that involve multiple sectors. ACTIP and the Bohol TIP Work Plan are under the overall purview of SOMTC and the ASEAN Ministerial Meeting on Transnational Crime (AMMTC), which are under the ASEAN Political-Security Community (APSC) pillar. Most of the other ASEAN sectoral bodies concerned with human trafficking are under the ASEAN Socio-Cultural Community (ASCC) pillar. Furthermore, assistance from Dialogue Partners has become largely organized around this division of labor between sectoral bodies and pillars.

Diagram 4: Illustrative cooperation mechanisms for addressing human trafficking in Southeast Asia



Many of the projects and organizations listed in diagram 4 could be more closely aligned with ASEAN, especially since the adoption of the ASEAN Convention against Trafficking in Persons, Especially Women and Children. However, coordination is largely ad hoc, with ASEAN playing a relatively minor, if any, role in meetings outside formal ASEAN structures. ASEAN

could potentially shape these initiatives in important ways by creating a common consultative platform to set the future direction for regional efforts to address TIP. This would ensure better coherence, as well as effectiveness, of all the activities that various parties are undertaking.

Prospects for a more catalytic role

Cross-sectoral collaboration and cross-pillar integration are directives clearly stated in the current blueprints for ASEAN's three pillars. ASEAN's work on human trafficking is an outstanding example of this, but implementation is only in the early stages. For ASEAN to further progress its role as a catalyst, these are the key priorities for the future.

First, the ASEAN sectoral bodies involved in ACTIP should prioritize implementation of the remainder of the Bohol Work Plan (until 2020). Despite the challenges, this is an important effort in cross-sectoral collaboration that will have wider significance for ASEAN's leadership on development.

Second, it will be important to clarify the roles of various ASEAN entities for reporting and monitoring of Bohol Work Plan implementation and, more generally, progress under ACTIP. SOMTC is ostensibly the lead on monitoring of the Bohol Work Plan, and other sectoral bodies are in the process of reporting on their activities for the mid-term report. However,

it would be beneficial to further clarify cross-pillar monitoring responsibilities. Both the APSC and ASCC pillars are in the process of setting up their M&E mechanisms. Each pillar is supposed to establish its own monitoring and evaluation unit to report on progress in achieving the agreed goals for each pillar, including cross-sectoral collaboration. For these pillars, it is important to set appropriate targets and indicators to measure achievements in accomplishing stated human trafficking objectives, and especially those pertaining to cross-pillar integration and cross-sectoral collaboration. At the moment, the Bohol TIP Work Plan commits to some level of monitoring under the APSC pillar blueprint, but no specific reference to the ASCC pillar blueprint was mentioned.

Finally, non-state actors working on human trafficking should expand their efforts to engage with ASEAN, and respond to new ASEAN-led initiatives for regional coordination. Regional international NGOs, multi-lateral agencies, and private contractors should encourage more active engagement, which puts ASEAN at the center for leadership of wider efforts to combat human trafficking in Southeast Asia.

VIII. Case study: Subregional development



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Should ASEAN play a role in subregional development initiatives? This question is crucial in determining ASEAN's future role in development cooperation. Given the diversity of Southeast Asia, very few regional initiatives cover all 10 ASEAN Member States. Instead, most initiatives focus on a cluster of countries that share similar geography and development challenges. The most common groupings in the ASEAN region are those of maritime and mainland countries.⁵²

If ASEAN is confined to only playing a role in initiatives that cover all 10 countries, then it will inevitably have an extremely narrow window of influence. While acknowledging the importance of full inclusion and consensus in ASEAN, since development initiatives are unlikely to match ASEAN's geographic area precisely, exceptions should be made to allow ASEAN to engage in subregional initiatives.

To address this question, the research team conducted case study research on the Mekong subregion. This region has seen significant political and economic changes in recent decades, including the resolution of long-running conflicts; the integration of Cambodia, Lao PDR, Myanmar, and Viet Nam into ASEAN; the gradual opening of China (and especially Yunnan province and Guangxi Zhuang Autonomous Region) to its southern neighbors; and the inflow of financing, most notably from the Asian Development Bank and countries such as China, Japan, US, Australia, and South Korea.

The region is also the focus of multiple regional development cooperation initiatives. Since 2000, 13 separate regional development initiatives have been launched in the region, involving the five mainland Southeast Asian countries: Cambodia, Lao PDR, Myanmar, Thailand, and Viet Nam. Each of these initiatives includes a subset of ASEAN countries, and is driven by an external donor government partner. Multilateral organizations, such as the Asian Development Bank and Mekong River Commission, have also played a lead role in some initiatives.

Each country in the Mekong subregion faces opportunities, but also risks and challenges as a result of competing regional and subregional development initiatives. The lack of overall synchronization and harmonization among subregional initiatives is significant; most are implemented piece meal, in separate silos, instead of being well-coordinated. The assorted activities duplicate and even compete with each other, which ultimately impacts their effectiveness in addressing critical development challenges.

ASEAN has so far played a limited role in the large-scale, subregional, infrastructure development cooperation frameworks. To date, ASEAN Member States in the Mekong subregion have preferred to work bilaterally, or through alternative subregional frameworks such as the Greater Mekong Subregion

(GMS) or the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). Arguably, involvement with these subregional mechanisms is easier because they do not require agreement from the ASEAN Member States that do not share the Mekong River. With so many summit-level frameworks in the region,⁵³ governments in the region have generally not sought ASEAN's involvement. Thailand,

for example, has recently revitalized ACMECS to address Mekong-related subregional challenges. Furthermore, projects implemented through these subregional initiatives are largely negotiated through bilateral channels. The table below provides a snapshot of inter-governmental development cooperation frameworks in the Mekong subregion.

Table 6: Major inter-governmental cooperation frameworks in the Mekong Subregion ⁵⁴

Framework	Year Established	Membership	Level of Interaction
Mekong River Commission (MRC)	1957 as Mekong Committee; became MRC in 1995	ASEAN4*; China & Myanmar are observers; plus numerous donor partners	C/SO, Ministerial & Leaders
Economic Cooperation Program	1992; initiated by the Asian Development Bank (ADB)	ASEAN5 + China	C/SO, Ministerial & Leaders
ASEAN-led initiatives with China such as ASEAN Mekong Basin Development Cooperation (AMBDC)	Since the 1990s	ASEAN10 + China	C/SO, Ministerial & Leaders (latter only for ASEAN-China Summit)
Cambodia, Lao PDR, Viet Nam (CLV) Development Triangle Area	1999	ASEAN3*	C/SO, Ministerial & Leaders
Initiative for ASEAN Integration (IAI)	2000	ASEAN10	C/SO
Agreement on Commercial Navigation on Lancang-Mekong River	2000	ASEAN3** + China	C/SO
Mekong-Ganga Cooperation (MGC)	2000	ASEAN5 + India	C/SO & Ministerial
Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS)	2003	ASEAN5	C/SO, Ministerial & Leaders
Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) Cooperation	2003	ASEAN4**	C/SO, Ministerial & Leaders
Mekong – Japan Cooperation	2007	ASEAN5 + Japan	C/SO, Ministerial & Leaders
Lower Mekong Initiative (LMI) & Friends of LMI (FLMI)	2009	ASEAN5 + US, and including several other external partners for FLMI	C/SO & Ministerial
Mekong – Republic of Korea (ROK) Cooperation	2011	ASEAN5 + ROK	C/SO & Ministerial
Lancang-Mekong Cooperation (LMC)	2015	ASEAN5 + China	C/SO, Ministerial & Leaders

Key:

- ASEAN3*: Cambodia, Lao PDR, Viet Nam
- ASEAN3**: Lao PDR, Myanmar, Thailand
- ASEAN4*: Cambodia, Lao PDR, Thailand, Viet Nam
- ASEAN4**: Cambodia, Lao PDR, Myanmar, Viet Nam

- ASEAN5: Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam
- ASEAN10: All ten ASEAN Member Countries
- C/SO: Committee/Senior Officials

However, these initiatives are becoming increasingly relevant to ASEAN Centrality, unity, and cohesion, and are highly significant for ASEAN efforts to lead development related to physical connectivity and SDG alignment.

ASEAN itself has also established several schemes that largely cover the Mekong subregion and predominantly concern connectivity. These are ASEAN-Mekong Development Cooperation (AMBDC), which was initiated in 1996; the Initiative for ASEAN Integration (IAI), which began in 2000; and more recently, the region-wide Master Plan on ASEAN Connectivity (MPAC). In some ways, both the IAI and MPAC are addressing crucial needs of the Mekong subregion, but they remain relatively small-scale in comparison with other initiatives, and have mostly focused on capacity building. Urban-focused activities such as the new ASEAN Smart Cities Network (ASCN) also focus on both the subregional and regional levels.

At the national level, the focal points vary from country to country for each of the above-mentioned cooperation frameworks. As pointed out in earlier sections of this report, coordination and coherence within and among these various frameworks have become a major challenge, especially when there are several donors involved. As a result, efforts are often duplicated, and resources dissipate over time as more initiatives are added and/or their level of activity intensifies. Most importantly, the already limited personnel resources present in each country's focal points and at ASEC are being over-stretched by the multiple frameworks and tasks that require their time and attention leading to lack of strategic focus and efficiency.

ASEAN's potential contribution to shaping the overall direction of development cooperation in the subregion could be significant. Since 2016, foreign policy experts in Southeast Asia have been calling for more attention on the development challenges and opportunities in the Mekong subregion.⁵⁵ For example, one seasoned ASEAN observer,⁵⁶ recently noted that the growing number and complexity of subregional development initiatives involving different external funders and pursuing different objectives, raises a question about "how effective the international efforts have been in assisting the poor riparian countries in addressing transnational development policy issues and harnessing the vast resources of the Mekong River." Furthermore, ASEAN has a key role to play in "ensuring that the primary interests of five of its [*Mekong riparian*] member states are put front and centre vis-à-vis external parties." In effect, rather than act as stumbling blocks, these numerous schemes should instead be building blocks.

These concerns have been discussed in ASEAN at the highest level. The Chairman's Statement for the 23rd ASEAN Summit held in Brunei Darussalam in October 2013 included a call for "assessing impacts that economic development has on the environment and people's livelihoods in major river basins including the Lower Mekong Basin."⁵⁷

The rapid proliferation of regional initiatives is evidence of the increasing geopolitical importance of the Mekong subregion, and it is becoming a contested space among external powers. However, with these initiatives playing an increasingly prominent role in the changing geopolitical dynamics in the region, particularly in the Mekong subregion, there is a strong case for ASEAN Member States to consider a more pro-active and engaged role for ASEAN. Furthermore, if alignment improves between these varied and often externally-driven initiatives, and the ASEAN Community 2025 Vision and Blueprint, subregional initiatives could strengthen the regional architecture that ASEAN espouses to build.

Prospects for a more catalytic role

With so many similar subregional initiatives competing in the Mekong subregion, how can ASEAN play a meaningful catalytic role? While there is little need for yet another project implementation mechanism in the subregion, strategic-level coordination and oversight is clearly needed, particularly in the areas of transparency, standards, effectiveness, and social and environmental safeguards. Furthermore, there should be relatively little opposition to ASEAN serving as a coordination and information clearinghouse, given ASEAN's history of playing similar roles.

ASEAN could facilitate policy dialogue and coordination among the following cooperation frameworks: ACMECS, MRC, ASEAN-China, AMBDC, ADB, and LMC. All these include ASEAN countries of the Mekong subregion, they have key roles to play in determining the future trajectory for sustainable and inclusive development in the subregion, and they have indicated willingness to cooperate with each other to pursue shared goals.

ASEAN could address transparency and coordination issues by serving as an information clearinghouse that consolidates details on the various initiatives being planned, implemented, and completed under each framework. This database would provide a "bird's eye" view of each activity in terms of its location, sector, affected populations, timeframe, and approximate budget. With this database, overlaps and gaps in the Mekong subregion could be quickly assessed, and



joint planning and intervention could then take place to address these. Better synchronization and alignment of future programs should also result in higher returns on investment through achieving more impact where it really counts, while minimizing adverse environmental and socioeconomic consequences.

Thus, conceptually, there is much scope for cooperation, rationalization, and alignment, but the crucial challenge is finding a balance between ASEAN leadership on shared objectives, and the national interests of member states. Compromises and tradeoffs would inevitably have to be made among countries, or even between competing sectors, but with good will, confidence building, and a collective sense of purpose, solutions should eventually appear. It may also be worthwhile to look at these multi-dimensional problems using a nexus such as Water-Energy-Food or Infrastructure-Environment-Livelihoods, rather than the conventional, single-sector silos. What are most needed are neutral, multi-stakeholder platforms that facilitate further collaborative studies, dialogue, and implementation, which maximize the benefit of all by exploring synergies and developing strategic alliances among the various cooperation schemes.

The soon-to-be established ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD), which is expected to launch when Thailand assumes the chairmanship of ASEAN in 2019, could play a lead role in preliminary engagement with the secretariats/overseers of subregional initiatives. This center could identify appropriate channels and important areas where ASEAN could interact on how to achieve the universally agreed UN Sustainable

Development Goals. Where feasible to do so, the previously-discussed “nexus” approach could be explored.

Furthermore, ASEAN’s institutional linkages with Mekong subregional frameworks should be strengthened. For example, agreements between ASEAN and the Mekong River Commission (MRC) should be reviewed and better aligned with the ASEAN Secretariat statement presented at the Ministerial Meeting for the 3rd MRC Summit in Siem Reap, Cambodia on April 4, 2018. Dormant initiatives such as ASEAN Mekong Basin Development Cooperation (AMBDC) could be revitalized with a new mandate to focus on strategic-level coordination and oversight functions.

Efforts could be made as well to convene an initial policy discussion on the following cooperation frameworks: MRC, ACMECS, ASEAN-China, AMBDC (if revitalized), ADB, and LMC. The aim would be to forge a common direction, and find synergy and complementarity among these inter-related schemes. Having a commonly-shared facility for storing and disseminating program and project data among these cooperation frameworks would be a good start.

Existing ASEAN-led initiatives are also in a good position to participate in information clearinghouse functions. The Master Plan on ASEAN Connectivity (MPAC) could serve as an information-clearing mechanism for most, if not all, connectivity-related matters pertaining to the various parts of Southeast Asia.

IX. Case study: High-skill labor integration



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The free flow of skilled labor is an essential element of ASEAN's economic integration. The rapid growth of digital technology in ASEAN has helped businesses and social entrepreneurs to gather region-specific market intelligence; share information; and launch digital services and products that support logistics, manufacturing, outsourcing, and banking. Workers with high-level digital technology skills are now recognized as catalysts for knowledge, innovation, and creativity in ASEAN's digital economy.

High-skilled labor integration, especially for high-tech workers, is a clear area of collective interest for ASEAN Member States. Allowing highly skilled workers, especially those with digital technology skills, to move from one ASEAN country to work in others, is clearly in the interest of ASEAN Member States. There is ample evidence to show that better mobility of workers with digital technology skills could help ASEAN to boost economic growth and create jobs. However, various policy barriers and regulatory mechanisms limit such mobility. To facilitate the movement of the region's technology workers, could ASEAN play a more proactive role at the national level to support policy and regulatory reforms?

The ASEAN Economic Community Blueprint 2025 seeks to transform ASEAN into a region with free movement of goods, services, investment, skilled labor, and freer flow of capital. The AEC Blueprint 2025 envisions establishing ASEAN as a single market and manufacturing hub to make the region more dynamic

and competitive. Some of the key elements of this are new mechanisms and measures that facilitate the movement of people engaged in business, including entrepreneurs and high-skilled labor.

ASEAN is one of the largest economic zones in the world, with a burgeoning middle class projected to increase from about 67 million households in 2010 to about 125 million households by 2025. In a region with technological powerhouse economies such as China, South Korea, Japan, and India, ASEAN Member States need to upgrade their technological capacity, so their economies stay relevant and competitive. The potential for ASEAN-country growth is enormous. Recent projections indicate that if the AEC and Regional Comprehensive Economic Partnership (RCEP)⁵⁸ were implemented, ASEAN's real GDP level could reach US\$4.6 trillion, and as much as US\$7.6 trillion.

High-skilled, technology-savvy workers are crucial for ASEAN's upgrading plans. Yet, although trade in services is one of the fundamentals of ASEAN economic integration, high-skilled workers have not been a priority for regional policies and statistical monitoring. As the ASEAN region has traditionally been attractive for its cheap labor, low-cost infrastructure, tax benefits, and manufacturing base, its current policies and systems are largely focused on low-skilled workers. As a result, high value-added professions such as digital technology workers have not been a major priority. With the exception of

Singapore and Malaysia, many ASEAN countries rely on foreign expertise to upgrade and manage their use of digital technology.

The potential gains from more open, region-wide mobility of skilled workers are tremendous.⁵⁹ Such mobility could help address skill shortages and gaps, reduce youth unemployment, and improve economic inclusiveness. Nevertheless, in many cases the necessary policies to facilitate the mobility of highly skilled workers are not in place. Even for high-skilled professions where Mutual Recognition Agreements (MRAs) are in place (see the box later in this chapter), studies indicate that these agreements are difficult to implement, and do not allow the unrestricted movement of skilled professionals. There is a broad misperception that MRAs are tools for permanent migration, even though studies show that the migration of highly skilled workers tends to be temporary, and it accelerates the transition from foreign experts to local experts filling the same needs.

Currently, data show that intra-ASEAN migration is comprised largely of the low skilled. While Singapore has one of the highest proportions of foreign workers in the world—rising from 3 percent of the population in 1970 to 35 percent in 2010—in 2012, skilled workers and professionals accounted for less than one-quarter of Singapore’s total nonresident workforce of 1.3 million workers. Apart from Malaysians, the majority of skilled and professional workers come from beyond the ASEAN region. In Malaysia, although more than half of migrants are from the region, only 10 percent are working in high-skilled occupations.⁶⁰ Similarly, in Thailand, nearly all migrants (97 percent) are from other ASEAN countries, but only 3 percent of these workers are highly skilled.

By 2020, talent shortages are expected to get worse. While digital skills and STEM (science, technology, engineering, and mathematics) will be in high demand, nearly all jobs will also require much stronger social and collaboration skills—unique human traits that go beyond mastering machines. Businesses and governments in the ASEAN region will then confront a unique challenge—growth in employment opportunities but a shortage of employees with the skills to occupy both new and existing roles. ASEAN countries have historically relied on offering low-skilled

labor as their competitive advantage. To seize the opportunities that Industry 4.0⁶¹ presents, workforces need to be equipped with the right skills. In the ASEAN context, this will represent unprecedented demands on workforces that need to be addressed if countries are to remain competitive.

Disruptive technologies such as artificial intelligence (AI) are transforming global production systems. Factory processes and the management of global supply chains are being impacted, creating a new wave of competition among countries. The global shift to automation means that other countries will soon have low-cost production capabilities, potentially putting ASEAN economies at a disadvantage if they do not keep up. Also, a significant portion of jobs in ASEAN (as elsewhere) will be threatened by automation. According to a 2016 report by the ILO,⁶² in the next couple of decades, in the five countries that account for about 80 percent of ASEAN’s workforce (Cambodia, Indonesia, the Philippines, Thailand, and Viet Nam), nearly 56 percent of all workers are likely to be replaced by technology.

Developing Industry 4.0 capabilities has the potential to increase productivity by 30–40 percent. All ASEAN Member States are adopting some level of artificial intelligence, with Singapore leading ASEAN in experimentation in AI across multiple industries. The rest of the region is still constrained by limited AI expertise, thereby limiting the ability of businesses to identify the specific processes or sectors where AI could be applied. Across ASEAN, sectors are currently at varying levels of digital maturity. If AI development were left purely to market forces, the early adopters would likely be the financial services, telecommunications, and information and communications technology (ICT) sectors. But AI’s application in other sectors would remain largely untapped.

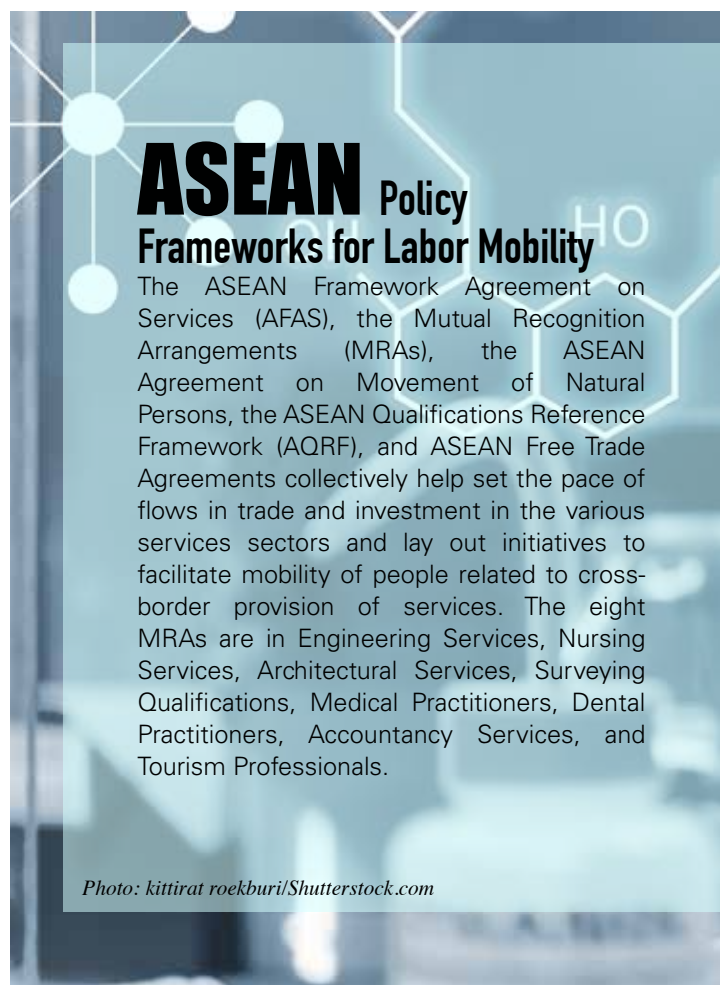
Migration is a structural feature of a modern globalized economy, but its function in ASEAN region growth is not fully appreciated. Many ASEAN Member State governments have difficulty making the case for increasing the flow of intra-ASEAN workers due to negative public attitudes in their countries. According to the UN, 70 percent of the 9.5 million migrants in the ASEAN region in 2013 (or 6.5 million people)

were from other ASEAN Member States.⁶³ This is considerably different from 1990, when 60 percent of ASEAN migrants emigrated beyond the region.

There are some disagreements among ASEAN Member States on migration issues, which are often based on migration patterns in the region. As such, it is important to understand the policy drivers and national interests in order to determine who are the losers and winners on migration issues, including with regard to high-skilled labor. About 97 percent of the 6.5 million intra-ASEAN migrants in 2013 were destined for just three countries: Thailand, Malaysia, and Singapore. And while data from the United Nations identified 57 migration corridors involving intra-ASEAN migrants, the top five corridors—Myanmar to Thailand, Indonesia to Malaysia, Malaysia to Singapore, Lao PDR to Thailand, and Cambodia to Thailand—represent 88 percent of the total for intra-ASEAN migration. Around two million migrants from Myanmar are in Thailand—accounting for almost one-third of the total for intra-ASEAN migration—while roughly one million migrants each have moved from Indonesia, Malaysia, and Lao PDR to Malaysia, Singapore, and Thailand, respectively.⁶⁴

Compounding this challenge is that ASEAN is facing a crunch in digitally-knowledgeable human capital. Over the past five years, the “gig economy;” “sharing economy;” “collaborative economy;” and “on-demand economy” have emerged as new ways to connect consumers with traditional and nontraditional service providers. The term “digital skills” refers to a range of different abilities, many of which are not just “skills” per se, but a combination of behaviors, expertise, know-how, work habits, character traits, dispositions, and critical understandings. ASEAN Member States might see opportunities for substantial job creation, but these will be meaningless without bold reforms and people with the skills to fill the new positions.

The lack of digital technology workers is also having a wider impact on economic growth in traditional sectors. According to the World Economic Forum’s Human Capital Index,⁶⁵ business leaders in Myanmar, Cambodia, Lao PDR, Thailand, and Viet Nam all report acute shortages of talent, especially in high-tech professions. This puts their countries in the bottom half of the 124 countries surveyed. Out of the 124 countries, Indonesia, the Philippines, and Singapore rank 37th, 35th, and 20th, respectively, while Malaysia, in fourth place, is the highest ranked ASEAN country.



ASEAN Policy Frameworks for Labor Mobility

The ASEAN Framework Agreement on Services (AFAS), the Mutual Recognition Arrangements (MRAs), the ASEAN Agreement on Movement of Natural Persons, the ASEAN Qualifications Reference Framework (AQRF), and ASEAN Free Trade Agreements collectively help set the pace of flows in trade and investment in the various services sectors and lay out initiatives to facilitate mobility of people related to cross-border provision of services. The eight MRAs are in Engineering Services, Nursing Services, Architectural Services, Surveying Qualifications, Medical Practitioners, Dental Practitioners, Accountancy Services, and Tourism Professionals.

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The growing digital economy in ASEAN is helping to accelerate the mobility of ASEAN-country workers with advanced, and highly valued skills in the MRA service sectors (see the box in this chapter). However, accurate data on the movement of these professionals are hard to find as there are serious gaps in the available data, and especially the data disaggregated by occupation and/or sector. Information in government surveys on the background of migrants is inconsistent, and the administrative data that could contain valuable information on this topic are incomplete and difficult to access.

ASEAN’s regional framework for economic integration has helped to catalyze growth in the services sector, which is a significant component of Gross Domestic Product (GDP). Since 2013, an average ASEAN Member State generates about 45% to 55% of its GDP from the services sector, as compared to the agriculture and industrial sectors.⁶⁶ ASEAN promotes liberalization in two areas: the promotion of trade in



services; and the promotion of flows of skilled labor through the establishment of MRAs for professional services. Under the ASEAN Framework Agreement on Services (AFAS), ASEAN has made concerted efforts to enhance cooperation among member states, setting specific targets for the process of liberalizing and integrating the services sector in the region to enable the free flow of services envisioned for the ASEAN Economic Community (AEC).

There have been noteworthy successes in some sectors such as health in Thailand, education in Malaysia, and finance in Singapore, which have paved the way for future opportunities. Overall, however, intra-ASEAN trade in services remains low relative to the economic size, complementarity, and geographical proximity of ASEAN Member States.

ASEAN plays a catalytic role too through multilateral and bilateral free trade agreements.⁶⁷ These agreements are likely to expand growth in the services

sector, which should bode well for qualitative increases in the mobility of high skilled workers. ASEAN free trade agreements (FTAs) have helped progress labor protection and improve labor conditions in the region.⁶⁸ For the countries participating, FTAs have set legal standards to protect and enforce labor rights, improve working conditions and living standards, strengthen cooperation on labor issues, and enhance the capacity of labor. ASEAN FTAs also help regional companies and employees by setting minimum labor obligations, thereby enhancing ASEAN's competitive advantage in trade.

Challenges to high-skilled labor mobility

Beyond the mutual recognition of qualifications, there are barriers at the national level that impede professionals from moving within the region and practicing their skills. These include:

- Constitutional provisions reserving particular occupations for nationals.
- Complex and opaque requirements and procedures for employment visas, including limits on employing the spouses of highly skilled migrants.
- Restricting non-nationals to certain sectors and occupations through caps on the number of foreign professionals and foreign skilled workers.
- Economic and labor market tests that must be employed to demonstrate that there are no local/national workers available for a job before permission is granted to employ a foreign worker.
- Requiring employers to replace foreigners with local workers within a stipulated period of time—in effect, requiring employers to train local workers for available jobs.
- Local language proficiency requirements.

Dispute mechanisms defined in FTAs represent an area that needs further cross-sectoral/cross-country study. All FTAs provide specific procedures for consultation on labor issues, and parties are directed to resolve disputes through cooperation and consultation, and in some cases through binding arbitration. The exercise of trade sanctions or monetary compensation for breaches could narrow the national policy space and pose risks to parties that could lead to unintended or unexpected actions.



One important challenge is that the current ASEAN agreements do not apply to individuals but rather to intra-corporate transferees.⁶⁹ The ASEAN Agreement on the Movement of Natural Persons (MNP) provides the legal framework to facilitate the temporary cross-border movement of people conducting trade in goods, services, and investment, including business visitors, intra-corporate transferees, and contractual service suppliers. Neither the MNP nor the ASEAN Comprehensive Investment Agreement (ACIA) applies to individuals seeking employment in another member state. ACIA, in particular, applies only to individuals employed by a registered company in the country of origin. Even in the absence of solid data, experts agree that most of the movement of professionals in the region involves intra-corporate transfers.

While MRAs are necessary steps toward greater mobility, even their full implementation does not guarantee mobility. MRAs enable professionals to

register or become certified within the ASEAN region, and able to practice their profession on an equal basis in other ASEAN countries, but the agreements do not allow the unrestricted flow of professionals from one country to another.

Prospects for a more catalytic role

A more integrated skilled work force is in the interest of all ASEAN Member States, as it will help accelerate the transition of ASEAN economies toward the knowledge economy, expand the services sector, encourage higher value-added manufacturing, and enable digital economy professionals to advance digital resilience and cyber security. ASEAN could play a leading role in facilitating the movement of highly skilled ASEAN professionals across the region by initiating a research and policy development program that encourages member states to remove barriers.



The prospects for ASEAN advancing its role in integrating the skilled workforce is significant, given the work and progress already made in developing the framework for regional economic cooperation, its strategic goals, and the range of bilateral and multilateral FTAs in ASEAN. As a result of current uncertainties about the rise of trade barriers between the US and other countries, interest and commitment to ASEAN regional integration is now growing. ASEAN should now be able to advocate more assertively for the benefits of regional integration, while also promoting social protection systems to protect against labor market shocks.

To facilitate the movement of highly skilled workers, ASEAN could establish a standardized region-wide program for certifying and placing skilled workers, with emphasis on high-demand professions that will expand the digital economy.

To promote informed public discourse and policy formulation, ASEAN could also help establish and strengthen new statistical standards that provide credible estimates for the number of foreign workers, their professional grades in each ASEAN state, and disaggregate these by the MRA/AQRF-designated professions.

Finally, ASEAN could galvanize the member states to adopt internationally recognized and common regional standards for documenting the skilled expatriate workforce from the ASEAN region, which would enhance measurement of this segment of the workforce, help to determine the efficacy of MRA/AQRF implementation, reveal the magnitude of high-skilled labor mobility, and help track and improve the job comparator metrics for further enhancing the MRA/AQRF.

X. Key findings and recommendations



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ASEAN provides the architecture for regional cooperation in Southeast Asia. But can it be the architect for regional development cooperation? This would entail giving the ASEAN Secretariat, sectoral bodies, policy centers, and other ASEAN entities more autonomy and political space to be catalytic on key issues of shared interest. For this to happen on development cooperation, ASEAN’s member state governments need to recognize the advantages of engaging collectively in this area.

While there are challenges in doing so, in the coming years, ASEAN could conceivably develop a greater leadership role in development cooperation. This study has identified many examples where ASEAN is already shaping development cooperation. The models for catalytic action are readily accessible from other sectors as well, particularly on political-security issues. Furthermore, as development becomes more influenced by geopolitical competition—leading to questions around ASEAN Centrality—it is increasingly likely that ASEAN governments will embrace a more robust role in development cooperation.

To support this outcome, the following recommendations are intended for ASEAN Member State governments, senior ASEAN officials, Dialogue Partners, and other development actors.

Recommendation 1: ASEAN Centrality and regional development initiatives

In the coming decade, to maintain ASEAN Centrality, ASEAN Member States should consider a more robust role for ASEAN on regional development cooperation. This includes shaping regional development initiatives collectively, jointly managing the associated risks to individual states, and improving alignment with ASEAN priorities. A collective approach will become increasingly important as ASEAN Member States face new pressures from geopolitical competition, economic competitiveness, disruptive technologies, and humanitarian crises.

Development cooperation has historically been a bilateral concern, with minimal implications for regional political and security relations. While such cooperation has been a concern since ASEAN was founded, it has prioritized the building of an ASEAN-centric, regional political-security architecture. Through dialogue partnerships with external governments, ASEAN has played a limited role in shaping regional development issues and development cooperation, largely through the silos of its sectoral bodies.

However, ASEAN's drive to accelerate regional economic integration and close the development gap, has led to a broader mandate and vision for ASEAN. Beginning with the Bali Concord, ASEAN Vision 2020, and the latest ASEAN Community Vision 2025, member states have progressively paved the way for a clearer economic and social development mandate for ASEAN, including promotion of an ASEAN community and regional identity, inclusivity, rights, and humanitarian assistance.

Increasing geopolitical competition is putting new pressure on ASEAN Centrality, and development cooperation is becoming a major facet. The 32nd ASEAN Summit in Singapore in 2018, and other recent developments, demonstrate that ASEAN's efforts to shape the regional narrative are being tested by rapidly changing events and geopolitical alignments. Regional development initiatives such as the Belt and Road Initiative (BRI) epitomize this new form of competition. The BRI has already had a significant impact on the region through promising transport infrastructure that will link China and all ASEAN countries, especially those on the mainland. Other major powers have followed suit, with Japan, India, and recently the US, announcing new regional infrastructure initiatives that could co-exist with, or offer alternatives to BRI.

These initiatives are largely driven by major external actors, and are both major opportunities and risks for ASEAN countries. The Mekong River subregion, in particular, has been the focus of several competing initiatives, as elaborated in the Case Study on Sub-Regional Development in Chapter VIII. The advent of competing regional development cooperation initiatives in Southeast Asia has raised concerns that ASEAN is not ideally prepared or organized to shape regional development cooperation.

Recommendation 2: Need for an ASEAN-centric approach to development assistance

There is a clear need to adopt a more ASEAN-centric approach to development cooperation that builds on the region's experience, assets, capacities, and principles. This approach could effectively complement existing development cooperation frameworks (e.g., SDGs, OECD DAC), and other existing frameworks at the national or regional levels. This approach would

differ from the development assistance approaches advanced by OECD countries as it would focus more on regional integration, South-South cooperation, address middle-income country challenges, and possibly address specific regional security threats. Furthermore, ASEAN has a distinct set of regional development challenges and opportunities that require new thinking and approaches in order to reach the goals of ASEAN Community Vision 2025.

ASEAN is moving toward a future when the solutions and financing for development will be largely found within the region, which will reduce the reliance on external support. ASEAN is different from other regions of the developing world as it encompasses the full spectrum of development, from low to high income. After decades of rapid growth, many ASEAN states have reached upper middle-income or even high-income status; with some still lagging far behind. This has created significant opportunities, but has also led to new challenges.

Governments in the region generally have both the capacity to meet development needs, and access to the necessary financial resources. Not only are governments funding their own development initiatives, but a growing number of ASEAN countries are providing development assistance to fellow ASEAN Member States. Furthermore, with the growing geopolitical and economic significance of the region, ASEAN Member States often have multiple options to choose from for both technical assistance and financing for development.

However, ASEAN's responses to development challenges must be customized to the regional context. For example, several countries (e.g., Thailand and Malaysia) are challenged by declining economic competitiveness (generally referred to as the middle income trap), disruptive technologies, and demographic trends that could exacerbate inequality, and affect social protection goals. A number of recent studies have shown that the problems faced by middle-income countries are fundamentally different from low-income countries. Furthermore, for many development challenges, the most promising solutions involve progress on further regional integration, and shared approaches.



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ASEAN has an important opening to shape development assistance. This study shows that partner governments providing development assistance to Southeast Asia are deeply committed to ASEAN, and many would welcome a more robust ASEAN-led response. Given the current dynamics in ASEAN, externally shaped and driven approaches to development cooperation will become less common in the future, and ASEAN actors will have much more scope for shaping their own development.

Recommendation 3: ASEAN should prepare for a development assistance future that is increasingly regional in focus

ASEAN should increase its capacity and improve its organizational structures in the near future, in order to be in a position to make the most of future regional assistance and reduce the risks from debt burdens. A new public financing paradigm should be considered that promotes transparency of regional development assistance, resources for ASEAN Community Blueprints, and commitments to fund the SDGs based on sustainable financing.

In the future, development assistance to Southeast Asia is likely to be increasingly focused on regional approaches, though in the near term, bilateral development assistance will remain significantly

higher. ASEAN's IAI Work Plan III, as described earlier, is an example of a regionally-directed approach of attempting to bridge the development gaps existing in the region.

This study shows that development assistance funding is growing in regional development programs. In the future, as ASEAN Member States move into higher income levels, donors will have greater limits on their spending at a bilateral level. This trend will push most donors to pursue more regional activities in Southeast Asia in order to stay engaged on key development and humanitarian issues.

The current system of reporting development assistance funding blurs the lines between regional and bilateral spending. Many regional initiatives are presented as bilateral, and implemented through bilateral channels, in part because governments in the region prefer to manage resources directly from donors. However, the current system underrepresents the growing scale of regional initiatives. This means that it is more important than ever to track regional development programs. Large infrastructure programs have potential to trap individual countries in serious debt, as recently seen in Sri Lanka, and some Pacific island countries. To avoid high levels of debt, ASEAN and Dialogue Partners should improve the visibility of regional development programs by

reporting on development assistance across the region. In this regard, it might be worthwhile for ASEAN to consider developing closer links and cooperation with the OECD's Development Assistance Committee. A stronger internal accountability framework, in alignment with the International Public Sector Accounting System (IPSAS), would provide further impetus to regional programming.

Recommendation 4: ASEAN should be at the center of regional efforts to shape development assistance

To strengthen ASEAN Centrality and enhance alignment of development assistance with ASEAN agendas, ASEAN should focus on influencing and shaping official development cooperation in Southeast Asia. While ASEAN will require development assistance funds from Dialogue Partners and other partner governments, it will be important for ASEAN to shift its focus from fundraising and transactional approaches toward more strategic influence over development assistance. Dialogue partners and other government partners should engage openly with ASEAN on their development assistance priorities and spending on regional initiatives, including initiatives that do not directly involve ASEAN bodies.

ASEAN has enormous potential to shape development assistance to the region, but ASEAN should focus more on influencing how funds are spent by others rather than on attracting more funds to ASEAN-led programs. The ASEAN Secretariat and sectoral bodies will continue to rely on development assistance funds from Dialogue Partners and sectoral Dialogue Partners to finance many of their capacity development-oriented activities. This funding support is crucial, and is very likely to increase in the future. However, ASEAN's core function vis-à-vis development assistance should be to influence and shape broader regional programs, not just the ones that ASEAN controls.

The analysis of development assistance funding in this research shows that ASEAN directly engages with only one fifth (19.4 percent) of all the programs addressing regional development challenges in Southeast Asia. With the exception of government agencies, ASEAN has very little consistent engagement with the broad spectrum of organizations that are implementing development assistance programs. This study also found that many donors and regional programs are interested in working through official regional channels (i.e. ASEAN), but have taken little action as they perceive that the complexities of engaging with the ASEAN Secretariat and the sectoral bodies will require extra time and costs.

ASEAN has already demonstrated that it can effectively shape wider development cooperation by changing its orientation toward facilitation and exerting influence. The Master Plan on ASEAN Connectivity, as well as the Initiative for ASEAN Integration (IAI) illustrate how ASEAN can play a role in brokering or facilitating development initiatives. Similarly, ASEAN's collective efforts in addressing human anti-trafficking issues through the ASEAN Convention against Trafficking in Persons, Especially Women and Children (ACTIP), and the Bohol TIP Work Plan (2017–2020) are model platforms for a more balanced, cross-sectoral approach to addressing such multi-faceted issues.

However, the potential for ASEAN's current structures to play this outwardly oriented role should be viewed realistically. To play this role effectively, ASEAN may need to create specialized capacity such as an autonomous policy center (see Recommendation 7), and the possible convening of periodically-held conferences to address development cooperation issues in the region.

Recommendation 5: Enhance ASEAN structures to allow for more proactive, cross-sectoral, externally oriented action

ASEAN can play a more catalytic role in leading development cooperation in the region, and shaping regional development assistance, but this will require changes or additions to current ASEAN structures. If ASEAN Member States intend to expand ASEAN's role in regional development assistance, they should start by re-examining existing organizational structures, reviewing external relations mechanisms and processes, and developing new approaches to financing regional development.

Development is cross-cutting by nature, which may require new mechanisms that allow for cross-pillar engagement. One of the findings from this study is that power dynamics and hierarchies among ASEAN sectoral bodies and pillars generally reflect the hierarchies present in the governments of member states. Some ministries and agencies within governments are naturally more influential and/or insular than others, and especially those that concentrate on security and politics. If coordination on cross-pillar issues is difficult within ASEAN Member State governments, it is natural that cross-pillar cooperation will be challenging at the regional level. Given the complexities of the ASEAN Secretariat governance mechanisms—with decisions requiring the support of the ASEAN Chair, ASEAN Coordinating Council (ACC), three ASEAN Community Councils, Committee of Permanent Representatives to ASEAN

(CPR), and 10 ASEAN national secretariats, among other key bodies—it is important to be realistic about the constraints facing cross-sectoral approaches. Despite broad agreement on the need to strengthen the ASEAN Secretariat’s units with additional capacity and facilities so that they can provide advice on development policy, there are a myriad of options and resource implications that need to be considered.

ASEAN has already made good progress in creating new platforms for cross-pillar approaches. To build on these, the next step is further refining cross-pillar approaches. The process led by the Senior Officials Meeting on Transnational Crime (SOMTC) to develop an ASEAN convention on human trafficking (ACTIP), and the subsequent Bohol Action Plan, are very good models for how cross-sectoral work can be organized. However, these efforts have been time and resource-intensive. Another good example of cross-pillar approaches has been the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre). This center shows how ASEAN humanitarian assistance initiatives can be a catalyst in terms of shaping development assistance, and especially when tackling complex multinational, multidisciplinary issues.

Possible issues and approaches for ASEAN to consider include:

- Strategic use of policy centers and ASEAN-affiliated networks to facilitate cross-pillar initiatives (see Recommendation 7)
- A clear and coherent policy on cross-sectoral coordination that has the backing of a common policy framework which provides the foundation for collective action
- More grounded, realistic approaches that reflect the interaction and dynamics of national-level hierarchies, and development strategies
- An evaluation system that rewards and recognizes the benefits of cross-sectoral coordination
- Readily available data and quality indicators to measure the rate, intensity, and traction of cross-sectoral coordination

Recommendation 6: Engaging the wider world of development actors

If ASEAN is to increase its leadership role on development issues, then it must be at the center of dialogue and coordination between ASEAN Member States, partner governments, and other development actors from the private sector, universities, think tanks, and civil society. Building on the lessons of successful models (e.g., the AHA Centre, SOMSWD,

and SOMRDPE), ASEAN and Dialogue Partners should collaborate to encourage new platforms for ASEAN-led coordination and dialogue that prioritize ASEAN Centrality, alignment with ASEAN agendas, and effective value-added engagement with the wider development community.

To be a catalyst for regional action on development challenges, ASEAN must have a direct line to the broad spectrum of actors that are involved in development analysis and action. As noted in Recommendation 4, today’s regional development initiatives are shaped and implemented by a wide range of government and non-government organizations. While Dialogue Partners are a natural point of departure for ASEAN—given that Dialogue Partners fund the vast majority of programs, including those implemented by non-governmental actors—a much broader spectrum of action and debate is happening in Southeast Asia, led by many others.

At present, ASEAN plays a central role in dialogue and coordination in very few sectors, with the most notable being humanitarian assistance (facilitated by the AHA Centre), rural development and poverty eradication (under SOMRDPE auspices) and social welfare (under SOMSWD leadership). On most issues, development actors have few channels for engaging with ASEAN at the regional level, and thus most choose not to engage due to the perceived time required and challenges involved in approaching ASEAN.

This lack of engagement with the wider development community is a constraint on ASEAN leadership on regional development cooperation. Notwithstanding the clear challenges to this type of role, there are compelling reasons for ASEAN bodies to build these connections. First, ASEAN leadership on regional development issues, beyond governments, would help to strengthen and reinforce ASEAN community-building by shaping the actions of actors at multiple levels. Second, ASEAN would be the legitimate point of coordination and oversight for regional activities that currently have no clear authorizing framework. While bilateral and national-level development programs have clear expectations and frameworks for coordination and policy alignment, regional development initiatives tend to operate independently. Finally, ASEAN could benefit from the innovation, technical capacity, regional networks, and grassroots reach of non-government development actors.

Most importantly, however, coordination and partnership-building with the broad spectrum of development actors must maintain ASEAN Centrality, and cannot reasonably expect to be all-inclusive. For example, ASEAN leaders rightfully argue that

the practicalities of civil society engagement are challenging, given the broad spectrum of capabilities and numbers of NGOs across the region, and the varying cordiality of relationships between these organizations and their respective governments. Given the backdrop of widening engagements and increasing partnerships with networks beyond the region, expanding regional communities of practice and knowledge networks, and the political nature of development issues, it is unrealistic for ASEAN to be expected to be open to all NGOs operating in the region at the same time, and in one setting.

This study indicates that ASEAN can play an effective leadership role when there is a credible process for managing engagement with non-government actors and Dialogue Partners. But trade-offs between inclusiveness and effectiveness are crucial for this to work. Ultimately, ASEAN must take the lead in shaping the engagement, as leaving decision-making up to civil society has typically not been effective or sustainable. Ideally, ASEAN would have regular engagement with the most relevant and high-capacity non-government development actors, while maintaining some representation of diverse views.

Models that are currently working generally take two forms:

- An ASEAN center with the mandate to engage with the full spectrum of actors within a particular sector or on a particular issue. The AHA Centre is a good example of wide engagement that shows the potential for ASEAN to shape the wider world of development and humanitarian assistance by being the central point of coordination and dialogue.
- A sectoral body that proactively engages with non-government actors in a managed process. SOMSWD and SOMRDPE are good examples of how an ASEAN sectoral body can benefit from managed engagement.

Recommendation 7: The case for an ASEAN center on regional development challenges

A regional research and policy center on ASEAN-specific sustainable development issues would allow ASEAN to quickly expand its capacity for leadership on these issues. Such a center would provide autonomous capacity for analysis, external engagement/influence, and monitoring of regional development initiatives. To ensure policy coherence and consistency with the ASEAN Community Blueprints, the design of the new center should ideally include relevant ASEAN sectoral bodies, the ASEAN Community Statistical Committee, and pertinent centers/networks like the ASEAN Institute for Green Economy, ASEAN Centre

for Biodiversity, ASEAN Smart Cities Network, with support from the ASEAN Secretariat's monitoring and evaluation units. Furthermore, the center should be established with a comprehensive legal and institutional framework that is based on SDG monitoring and support to ASEAN governments. As much as possible, this new center should complement the UN's Asia-Pacific initiatives on the SDGs.

Catalytic ASEAN leadership on regional development cooperation would benefit from more autonomous capacity. Current ASEAN structures face major constraints with regard to cross-sectoral approaches, engaging with the full spectrum of development actors, and shaping external development policy and programs. Given the potential for catalytic leadership based on ASEAN's legitimate role as the regional platform for coordination and joint action, there is a compelling case for ASEAN to create new structures or adjust current structures, in order to overcome these constraints.

The Thai Government's proposed ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) has the potential to strengthen ASEAN's leadership, and shape regional development cooperation. The new center could maximize impact if it builds on the lessons of similar past efforts. For example, it is very important to establish a clear mandate and legal framework for the center, based on successful models such as the AHA Centre. The governing arrangements should acknowledge the center's regional presence, and clarify its relationship with key national agencies involved in development policy. In addition to having an ASEAN Summit declaration, the center should have a clearly-defined TOR and legal agreement, and cross-sectoral and multi-stakeholder cooperation must be clearly stipulated in sectoral agreements and plans of actions.

The ACSDSD structure would work best if it is based on a network of national SDG focal points. In the past, "stand alone" policy centers have been less effective, as they tend to have limited traction with member government structures, and can easily become disconnected from national-level realities. The ideal ACSDSD structure would include relevant ASEAN bodies, including the Senior Officials Meeting on Rural Development and Poverty Eradication (SOMRDPE) that oversees MDG/SDG matters; the ASEAN Community Statistical System Committee; and the ASEAN Secretariat. The ACSDSD would also consult closely with the Economic Research Institute for ASEAN and East Asia (ERIA), and key dialogue and development partners such as the EU, UN, and regional international NGOs.



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The proposed center could serve a broad range of functions in areas where there are gaps in current ASEAN structures, including:

- **Supporting implementation of ASEAN's commitments on the SDGs** – The center could play a critical role in further developing Sustainable Development Goal-related partnerships and coordinating mechanisms, not only within the framework of existing ASEAN-UN agreements, but also with those relevant to ASEAN's multilateral, inter-regional, and global institutional outreach. The center may also need to facilitate improving policy coordination on the SDGs across ASEAN member governments, and improve methods for monitoring progress toward the SDG targets. For example, SDG Progress Report 2017, published by UNESCAP in 2018, noted that while the Southeast Asia subregion (which comprises all the 10 ASEAN Member States, plus Timor Leste) is on track to achieve a number of SDGs by the target date of 2030, the subregion still lags behind on several goals. The most concerning is that “the subregion has not successfully reduced inequalities [SDG #10] and is the only subregion with widening inequalities.” The UNESCAP report also indicated that inequality has regressed since

2000. Such sobering findings need to be verified by ASEAN states and, if proven correct, in a timely and effective manner, they should take appropriate actions to address the shortcomings.

- **Shaping regional normative and regulatory standards for development cooperation** – Similar to the role played by the OECD Development Assistance Committee (DAC), the new center could facilitate ASEAN efforts to establish a clear set of standards for multi-country development initiatives in Southeast Asia. The center could draw on international and ASEAN expertise to create standards that serve ASEAN members states' collective interests, and increase the leverage of individual states to ensure that these standards are met.
- **Facilitating engagement between ASEAN and the wider development community in Southeast Asia** – In line with Recommendations 4 and 6, this center could play a central role in organizing multi-stakeholder platforms for engagement that would bring ASEAN together with partner governments, non-government and private sector development actors, and multi-lateral agencies to discuss major trends

in regional development in Southeast Asia, and potential areas for collaboration and coordination. The center could also build a network of ASEAN-based policy and opinion leaders on the SDGs to draw on their ideas and networks for guiding ASEAN approaches to regional development. In this regard, it would be highly beneficial for the proposed ACSDS to link up and, where desirable, develop collaborative partnerships with the Jeffrey Sachs Center on Sustainable Development at Sunway University in Malaysia, and similar institutions that are already established or planned within the region.

• **Monitoring and advising on development financing and debt** – Given the growing concerns over sovereign debt as a result of development financing, the center could provide independent advice and monitoring for ASEAN Member State governments. This could be done through a combination of convening international experts on sovereign debt, providing on-demand advice to ASEAN ministries of finance, monitoring debt-level trajectories in the region, and assessing development assistance. The 2018 leaders’ summit with the World Bank and International Monetary Fund in Bali would be an ideal opportunity to explore these issues.

• **Establishing regional architecture for monitoring SDG progress** – The center could play a central role in improving cross-sectoral monitoring of sustainable development achievements by facilitating the establishment of an effective system for monitoring progress toward the SDGs and ASEAN Community Vision 2025. This system could significantly enhance the commitment to cross-sectoral monitoring and collaboration to attain the SDGs and ensure this aligns with the ASEAN Community blueprints. The system could also help to improve ASEAN Member States’ monitoring of development statistics by building capacity, aligning ASEAN governments’ policies, and strengthening regional networking and knowledge sharing.

Recommendation 8: Proactive leadership on emerging technologies, and implications for regional development

Building on Singapore’s momentum as ASEAN Chair in 2018, ASEAN should expand initiatives to help the region prepare for future opportunities as well as emerging disruptive technologies and shifting supply

chains. ASEAN could establish a new platform for strategic-level dialogue and cooperation with the private sector in order to facilitate forward-looking analysis of key trends in emerging technologies, and help shape regional action to better prepare ASEAN Member States to compete in the future, and reduce the risks from growing inter-connection. In this connection, the report on the Assessment of ASEAN Readiness for the Fourth Industrial Revolution (Industry 4.0) prepared by ASEC should serve as a useful guide to move forward on addressing some of the relevant issues mentioned.

ASEAN economies are already beginning to see the effects of disruptive technologies, cyber-attacks, and changing demands on the labor force as a result of Industry 4.0, and the anticipated disruption to regional trade due to the recent US-China trade disputes. Over the coming decade, most routine, non-cognitive occupations will be automated, and within a generation, 50 percent of today’s work activities will be automated. Deterioration of the region’s manufacturing base is a genuine possibility as artificial intelligence, automation, the “Internet of Things,” and continued innovation in supply chain management reduce the demand for workers in ASEAN countries. The stage is set for a reordering of manufacturing jobs that could slow growth in ASEAN countries that have traditionally relied on manufacturing to advance from low- and middle-income status.

As this transformation looms, the workforce must become more adaptive, creative, and flexible, with the capacity, confidence, and resolve to acquire new skills at a swift pace. Technology, globalization, and the expanding financial services sector have all contributed to wealth creation in the ASEAN region, which was attractive for its cheap labor, low-cost infrastructure, tax benefits, and manufacturing base. However, countries that lack a large enough technology-savvy services sector are now likely to see a decline in their manufacturing sector.⁷⁰ As the manufacturing and services sectors look to high skilled workers to produce higher value goods, services, and information, they will be in higher demand.

This study indicates that the changes necessary for digital economy success, particularly related to high-skilled labor, have been constrained because they are managed within the narrow view of traditional policy areas. This is compounded by protracted processes for establishing mutual recognition agreements (MRAs) and ASEAN qualification reference frameworks (AQRFs). It is also important to prioritize labor mobility,

eliminate a range of national barriers, and focus on producing the high skilled work force necessary to help ASEAN prepare for future challenges.

There is a clear role for ASEAN to help member state governments to understand and think strategically about how the region as a whole can better prepare for anticipated technology-driven changes. Furthermore, there is a need for these discussions to transcend narrowly-defined policy areas, and instead look at issues across sectors and disciplines.

Singapore, ASEAN's 2018 Chair, has made an effort to anticipate the new challenges facing economies in the region. Through its Future Economy Council (FEC), which includes members from government, industry, unions, and educational and training institutions,

Singapore is promoting innovation, skill and productivity enhancements, and transformation of key industries. When the ASEAN chair shifts to Thailand in 2019, policy makers can build on Singapore's momentum by focusing on the following key issues:

- **Expanding high-skilled labor for the digital economy** – Help to accelerate regional integration of digital technology-related professions for future growth in the digital economy. So is filling expert knowledge gaps in regional capacity and competitiveness in selected job markets, production, and services sectors, so that digital economy professionals can advance digital resilience and cyber security.

- **Aligning education/training systems with private sector needs** – Facilitate cooperation among policy makers in ASEAN and private sector actors to anticipate future skills requirements, and promote collaboration on new ways of providing this information to formal and informal retraining providers. Also support governments in encouraging the retraining measures needed to meet demand, and better support a new generation of workers who are eager to obtain the skills needed for 21st century labor markets.
- **Understanding the future of work and artificial intelligence** – Technological progress, advancement of artificial intelligence (AI) and automation are certain to change the nature of traditional occupations in the manufacturing and services sectors. Coping with this technology-driven change presents difficult policy challenges that few ASEAN countries are fully prepared to address.

While there are a number of challenges, in the coming years, ASEAN could conceivably develop a greater leadership role on development cooperation. This study identifies many examples in which ASEAN is already shaping development cooperation. Building on the lessons of successful models, ASEAN and its external partners should encourage new platforms for ASEAN-led coordination and dialogue that prioritize ASEAN Centrality, alignment with ASEAN agendas, and effective value-added engagement with the wider development community.

Endnotes

- ¹ Dr. Surin Pitsuwan, paper for the ERIA ASEAN@50 anniversary celebration: <http://www.eria.org/asean50-vol.1-25.surin-pitsuwan.pdf>
- ² ASEAN has 10 Dialogue Partners (Australia, Canada, China, India, Japan, South Korea, New Zealand, Russian Federation, United States, and European Union), one Comprehensive Partner (United Nations), four Sectoral Dialogue Partners (Pakistan, Switzerland, Norway, Turkey), and one Development Partner (Germany). Throughout this report, references to “Dialogue Partners” entail all of these categories.
- ³ ASEAN Gross Domestic Product in US\$ at current prices, ASEAN Economic Progress 1967–2017, https://www.aseanstats.org/wp-content/uploads/2017/08/ASEAN_economic_progress.pdf
- ⁴ World Bank List of Economies, June 2018, <http://databank.worldbank.org/data/download/site-content/CLASS.xls>
- ⁵ Between 2012 and 2016, the intra-ASEAN trade in services rose slightly from US\$106.3 billion in 2012 to US\$106.5 billion in 2016. Over the same period, the overall balance of trade in goods also rose from US\$34.8 billion to US\$66.8 billion. Source: <https://data.aseanstats.org>
- ⁶ ODA generally refers to funding provided by OECD member governments to developing countries for addressing development challenges as defined by the OECD. The estimated global figure for ODA in 2016 was US\$166.8 billion, of which US\$10.4 billion was allocated to ASEAN countries (6.2 percent). Figures include ODA from the OECD Development Assistance Committee (DAC) countries, in current US dollars: www.oecd.org/dac/financing-sustainable-development-/development-finance-data/aid-at-glance.htm
- ⁷ *Financing the Sustainable Development Goals in ASEAN: Strengthening integrated national financing frameworks to deliver the 2030 Agenda*, UNDP Regional Bureau for Asia and the Pacific, 2017. This study was conducted by the UNDP, in collaboration with ASEAN, and funded by China. <http://asean.org/storage/2012/05/Report-on-Financing-SDGs-in-ASEAN1.pdf>
- ⁸ “US answers Belt and Road with own Indo-Pacific investment plan”, *Nikkei Asian Review*, July 31, 2018.
- ⁹ For example, the Better Utilization of Investments Leading to Development Act (BUILD Act) is a bill with bipartisan support that intends to facilitate greater private sector investment, through creation of a new International Development Finance Corporation (IDFC). As of September 2018, the bill has passed through the authorizing committees, but the timeframe for passage is unclear with US mid-term elections in November.
- ¹⁰ *Financing the Sustainable Development Goals in ASEAN*; UNDP, 2017.
- ¹¹ *Ibid* p. 23.
- ¹² Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015, Cebu, the Philippines, 13 January 2007.
- ¹³ “The Myth of ASEAN Centrality”, Amitav Acharya, ISEAS, August 2017.
- ¹⁴ The AEC was established through the Declaration on the ASEAN Economic Community Blueprint, and adoption of the ASEAN Economic Community Blueprint at the 13th ASEAN Summit on November 20, 2007 in Singapore. On March 1, 2009, the ASEAN Political-Security Community Blueprint, the ASEAN Socio-Cultural Community Blueprint, and the Second IAI Work Plan were adopted at the 14th ASEAN Summit in Thailand. The Cha-am Hua Hin Declaration on the Roadmap for the ASEAN Community (2009–2015), also signed on March 1, 2009, consolidated the three blueprints and the IAI Work Plan 2 into the ASEAN Community Roadmap.

- ¹⁵ *Does ASEAN Matter? A View from Within*, Marty Natalegawa; Institute of Southeast Asian Studies (ISEAS) - Yusof Ishak Institute, 2018.
- ¹⁶ *ASEAN as a Living, Breathing, Modern Miracle*, Kishore Mahbubani; Centre for International Relations and Sustainable Development; *Horizons*, No. 2, Winter 2015.
- ¹⁷ *Ibid* p. 146.
- ¹⁸ Participants at the ARF DiREx include regional and international organizations such as the ASEAN Secretariat, ASEAN Coordinating Centre for Humanitarian Assistance, Asian Disaster Preparedness Center, United Nations Office for the Coordination of Humanitarian Affairs, and International Federation of Red Cross and Red Crescent Societies.
- ¹⁹ AHA Centre is governed by the ASEAN Agreement on Disaster Management and Emergency Response (AADMER). For details, see Chapter VI.
- ²⁰ ASEAN ISIS is made up of the Brunei Darussalam Institute of Policy and Strategic Studies (BDIPSS), Brunei Darussalam; Cambodian Institute for Cooperation and Peace (CICP), Cambodia; Institute of Foreign Affairs (IFA), Lao PDR; Centre for Strategic and International Studies (CSIS), Indonesia; Institute of Strategic and International Studies (ISIS), Malaysia; Institute for Strategic and Development Studies (ISDS), Philippines; Singapore Institute of International Affairs (SIIA), Singapore; Institute of Security and International Studies (ISIS), Thailand; and Institute for International Relations (IIR), Viet Nam.
- ²¹ ASEAN has six free trade agreements (FTAs) with China, Japan, South Korea, India, Australia, and New Zealand. The latter two have a combined FTA (AANZFTA), and the sixth agreement is with Hong Kong, China.
- ²² *Does ASEAN Matter? International Relations Theories, Institutional Realism, and ASEAN*, Kai He; *Asian Security*, vol2, no.3 2006; Routledge.
- ²³ *ASEAN as a Living, Breathing, Modern Miracle*, Kishore Mahbubani; 2015.
- ²⁴ South–South Cooperation is the exchange of knowledge, resources, and technology between developing countries. Triangular cooperation is generally defined as cooperation between three governments or three principal parties.
- ²⁵ Net disbursement of development assistance financing from non-DAC governments rose sharply from US\$11.8 billion in 2012 to US\$21.9 billion in 2016. Source: Estimated global development co-operation flows, 2012-2016, <http://www.oecd.org/dac/stats/non-dac-reporting.htm>
- ²⁶ AidData, a Research Lab at College of William & Mary, www.AidData.org
- ²⁷ To adjust for inflation, figures are provided in 2014 US dollars. It is important to note that these figures are new commitments reported by donors to OECD DAC. Data on actual ODA expenditures were not available.
- ²⁸ Note that these figures are not necessarily equal to all the official assistance provided to the ASEAN Secretariat and ASEAN entities. Many governments provide funding but do not count it as ODA, or do not report it in the same way as other programs. Therefore, it is plausible that this figure is lower than the actual ODA funds committed to ASEAN programs.
- ²⁹ Other donors are those who contributed less than 3 percent. In descending order of committed ODA they are: United Nations agencies and programs, Global Environment Facility (GEF), Norway, Finland, Belgium, private, Spain, New Zealand, Denmark, Netherlands, World Bank, United Kingdom, OPEC Fund for International Development (OFID),

Estonia, Hungary, Liechtenstein, Thailand, Ireland, Italy, France, and Austria.

- ³⁰ Financing the Sustainable Goals in ASEAN: Strengthening integrated national financing frameworks to deliver the 2030 Agenda, UNDP Regional Bureau for Asia and the Pacific, as a part of the preparations for the ASEAN-China-UNDP symposium on financing the implementation of the Sustainable Development Goals in ASEAN, held August 2017.
- ³¹ Full text: Action Plan on the Belt and Road Initiative, State Council, People's Republic of China, http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm
- ³² BIMP-EAGA Vision 2025, <https://www.adb.org/sites/default/files/related/72256/bimp-eaga-vision-2025.pdf>
- ³³ Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), Regional cooperation and integration, Asian Development Bank, <https://www.adb.org/countries/subregional-programs/bimp-eaga>
- ³⁴ ADB President Congratulates Greater Mekong Subregion on 25 Years of Successful Cooperation <https://www.adb.org/news/adb-president-congratulates-greater-mekong-subregion-25-years-successful-cooperation>
- ³⁵ From Initiative to Reality: Moments in Developing the Belt and Road Initiative, State Council, People's Republic of China, http://english.gov.cn/policies/infographics/2015/04/23/content_281475094425039.htm
- ³⁶ DAC Statistics; United Nations (2012), World Economic and Social Survey: In Search of New Development Finance, United Nations, quoted in the Development Co-operation Report 2014, OECD.
- ³⁷ Proposed innovative financing mechanisms are initiatives such as Special Drawing Rights used as development finance, Carbon taxes, Billionaires' tax, Currency transaction tax, the UN Programme on Reducing Emissions from Deforestation and Degradation.
- ³⁸ ASEAN Investment Report 2016: Foreign Direct Investment and MSME Linkages, ASEAN Secretariat.
- ³⁹ Financing for development: Progress and prospects, Report of the Inter-Agency Task Force on financing for development, United Nations (2018).
- ⁴⁰ Financing the Sustainable Goals in ASEAN: Strengthening integrated national financing frameworks to deliver the 2030 Agenda, UNDP Regional Bureau for Asia and the Pacific, prepared for the ASEAN-China-UNDP symposium on financing the implementation of the Sustainable Development Goals in ASEAN, held in August 2017.
- ⁴¹ Additionally, there are two high-level commitments that re-affirm the role of the AHA Centre as the primary ASEAN regional coordinating agency on disaster management and emergency response, which are: 1) The ASEAN Declaration on One ASEAN, One Response: Responding to Disasters as One in the Region and Outside the Region and 2) ASEAN Vision 2025 on Disaster Management.
- ⁴² However, there is growing interest in including national-level non-state actors that have a presence and are recognized in more than one ASEAN country. Examples include AsiaDHRRA and Mercy Malaysia. The ASEAN Foundation, as ASEAN's official civil society organization (CSO) network coordinator, has also been instrumental in partnering with non-governmental actors.
- ⁴³ These include the ASEAN Social Work Consortium, ASEAN Children's Forum, Network of Experts on Entrepreneurship in ASEAN, ASEAN Research Networking on Ageing, ASEAN Network of Family Development, and relevant Strategic Measures of the ASCC Blueprint 2025.

- ⁴⁴ It has also produced two statistical reports pertaining to the MDGs; one in 2011 and the other in 2017. These were led by the ASEAN Heads of Statistical Office Meetings (AHSOM)/ASEAN Community Statistical Systems Committee (ACSS), which comprise the statistical agencies of each ASEAN Member State.
- ⁴⁵ ASEAN Vision 2025 on Disaster Management; ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) website: <https://ahacentre.org/wp-content/uploads/2017/02/ASEAN-Vision-on-Disaster-Management.pdf>.
- ⁴⁶ AADMER is a binding regulatory agreement between ASEAN Member States, and enhanced by several supporting Instruments: the ASEAN Standard Operating Procedure for Regional Standby Arrangements and Coordination of Joint Disaster Relief and Emergency Response Operations (SASOP); a multi-year AADMER Work Programme; ??? a roster of qualified disaster professionals accredited to be part of an Emergency Risk Assessment Team (ERAT) available at short notice; and the ASEAN Humanitarian Assistance (AHA) Centre, which is at the hub of the disaster management system and governed by unique principles of assistance and coordination.
- ⁴⁷ Succeeding the Hyogo Framework for Action (HFA) 2005–2015, the Sendai Disaster Risk Reduction Framework is a 15-year, voluntary, non-binding agreement under which states have the primary role to reduce disaster risk. The Sendai Framework aims at reducing disaster risk and losses of lives, livelihoods, and health; and the economic, physical, social, cultural, and environmental assets of persons, businesses, communities, and countries. The UN Office for Disaster Risk Reduction (UNISDR) is tasked to support its implementation.
- ⁴⁸ Profits and poverty: the economics of forced labour (2014), International Labour Organization.
- ⁴⁹ United Nations Convention against Transnational Organized Crime and the Protocols Thereto <https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html>
- ⁵⁰ https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=XVIII-12&chapter=18&lang=en
- ⁵¹ The ASEAN-US PROGRESS project has primarily worked with ACWC and AICHR.
- ⁵² Most references to maritime ASEAN countries include Indonesia, Philippines, Singapore, Malaysia, and Brunei Darussalam; while mainland countries include Thailand, Myanmar, Cambodia, Lao PDR, and Viet Nam.
- ⁵³ From January to June 2018, four Mekong-related subregional summit-level meetings were held.
- ⁵⁴ Adapted from Apichai Sunchindah, “Why the Lancang-Mekong River Basin matters immensely to Southeast Asia”, in “Thinking ASEAN”, Issue 37, ASEAN Studies Program, the Habibie Center, June 2018.
- ⁵⁵ ASEAN Briefs Special Volume, Issue 3, ASEAN Studies Program, the Habibie Centre, “Water Resource Security in the Mekong Sub-Region: The Role of ASEAN”, May 2016.
- ⁵⁶ Termsak Chalermpanupap, “ASEAN and the Mekong River”, *ASEANFocus*, Issue3, ISEAS-Yusof Ishak Institute, April/May 2016.
- ⁵⁷ <http://www.asean.org/wp-content/uploads/images/archive/23rdASEANSummit/chairmans%20statement%20-%2023rd%20asean%20summit%20-%20text%20-%20final.pdf>, paragraph #40
- ⁵⁸ The Regional Comprehensive Economic Partnership (RCEP) is a proposed free trade agreement between the 10 ASEAN members and six Asia-Pacific states with which ASEAN has existing free trade agreements (Australia, China, India, Japan, South Korea, and New Zealand).

- ⁵⁹“A ‘Freer’ Flow of Skilled Labour within ASEAN: Aspirations, Opportunities and Challenges in 2015 and Beyond”, Guntur Suiyarto and Dovelyn Ranveig Agunias; Issue in Brief, Issue No. 11, International Organization for Migration & the Migration Policy Institute; December 2014.
- ⁶⁰“Risks and Rewards: Outcomes of Labour Migration in South-East Asia”, International Labour Organization and International Organization for Migration; 2017
- ⁶¹Industry 4.0 refers to the latest wave of industrialization that has transformed and fundamentally changed modern society. Industry 1.0 was driven by the steam engine, 2.0 by the age of science and mass production, and 3.0 by digital technology. Powering Industry 4.0 is cloud, social, mobile, the Internet of things (IoT) and artificial intelligence (AI), along with increasing computing power and data.
- ⁶²“ASEAN in Transformation: How Technology is Changing Jobs and Enterprises”, Jae-Hee Chang, Gary Rynhart and Phu Huynh; International Labour Office; July 2016.
- ⁶³“Framing the ASEAN Socio-Cultural Community Post-2015, Ponciano Intal Jr. et al; Economic Research Institute for ASEAN and East Asia, 2015[[]]
- ⁶⁴“Framing the ASEAN Socio-Cultural Community Post-2015, Ponciano Intal Jr. et al; Economic Research Institute for ASEAN and East Asia, 2015
- ⁶⁵“ASEAN Integration in Services” ASEAN Secretariat, 2015
- ⁶⁶ASEAN Free Trade Agreements include the: ASEAN-China FTA, ASEAN-Japan FTA, ASEAN-Korea FTA, ASEAN-India FTA, ASEAN-Australia, New Zealand FTA, ASEAN-Hong Kong FTA (in negotiations), and the Regional Comprehensive Economic Partnership (in negotiation).
- ⁶⁷Labour Provisions in Trade Agreements with Developing Economies: The Case of TPPA and ASEAN Member Countries”, Sanchita Basu Das, Rahul Sen, Sdhana Srivastava, Economics Working Paper 2017-1, ISEAS, Yusof Ishak Institute; March 2017
- ⁶⁸The ASEAN Agreement on the Movement of Natural Persons (MNP) facilitates temporary cross-border movement of people engaged in conducting trade in goods, services, and investment and the ASEAN Comprehensive Investment Agreement (ACIA), which grants entry, temporary stay, and work authorization to investors, executives, managers, and board members of corporations.
- ⁶⁹“ASEAN in Transformation: How Technology is Changing Jobs and Enterprises”, Jae-Hee Chang, Gary Rynhart and Phu Huynh; International Labour Office; July 2016.
- ⁷⁰According to recent World Bank data, the contribution of Malaysia’s services sector is 50 percent, whereas for the UK, US, and Germany, the contributions are 80 percent, 78 percent, and 69 percent, respectively.

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