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# Quarterly Report

**ASEAN Connectivity through Trade and Investment (ACTI)**

**January – March 2015**

# Quarterly Report

## ASEAN Connectivity through Trade and Investment (ACTI)

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# List of Abbreviations

|       |                                                    |
|-------|----------------------------------------------------|
| ACTI  | ASEAN Connectivity through Trade and Investment    |
| AHTN  | ASEAN Harmonized Tariff Nomenclature               |
| AMS   | ASEAN Member States                                |
| ASEAN | Association of Southeast Asian Nations             |
| ASW   | ASEAN Single Window                                |
| ERA   | Economic Reform and ASEAN Integration Program      |
| HS    | Harmonized System                                  |
| ICT   | Information and Communication Technology           |
| IFC   | International Finance Corporation                  |
| ISO   | International Standards Organization               |
| IT    | Information Technology                             |
| LWG   | Legal Working Group                                |
| M&E   | Monitoring and Evaluation                          |
| NSW   | National Single Window                             |
| PKI   | Public Key Infrastructure                          |
| PLF   | Protocol for the Legal Framework                   |
| RDMA  | Regional Development Mission for Asia              |
| SME   | Small and Medium Enterprise                        |
| T&I   | Trade and Investment                               |
| TBT   | Technical Barriers to Trade                        |
| TWG   | Technical Working Group                            |
| USABC | US-ASEAN Business Council                          |
| USAID | United States Agency for International Development |
| USG   | United States Government                           |
| VPT   | Virtual Project Team                               |
| WG    | Working Group                                      |
| WTO   | World Trade Organization                           |

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# Introduction and Summary

**ASEAN Connectivity through Trade and Investment (ACTI)** is a five-year project of the U.S. government to increase economic engagement and cooperation with the Association of Southeast Asian Nations (ASEAN). ACTI supports ASEAN in establishing the ASEAN Economic Community (AEC) in the areas of customs integration, trade and investment facilitation, small and medium-sized enterprise development, clean and efficient energy, and information and communication technologies. These are priority areas under the ASEAN-U.S. Trade and Investment Framework Arrangement, Enhanced Economic Engagement (E3) Initiative, and the Enhanced Partnership Plan of Action. The project works with the ASEAN Secretariat, member states, U.S. government agencies, the private sector, and other stakeholders as the region moves toward its goal to establish the ASEAN Economic Community and to deepen the ASEAN-U.S. economic relationship.

ACTI has established five work streams that Support ASEAN's efforts in the following areas:

- **ASEAN Single Window:** By establishing the ASEAN Single Window (ASW) and the contributing National Single Windows to electronically exchange trade transaction information, ASEAN is enabling accelerated cargo clearance and lowering trade costs. ACTI supports both the technical and legal development of the ASW, along with public outreach.
- **Trade and Investment Facilitation:** By facilitating trade and investment ASEAN establishes a more level playing field, lowers costs, and boosts consumer confidence. ACTI supports efforts in standards harmonization, trade transparency, services liberalization, and investment facilitation in this area.
- **Small and Medium Enterprise Development:** ASEAN support for small and medium enterprise (SME) development encourages more inclusive economic growth. ACTI's support focuses on women and young entrepreneurs, particularly in Cambodia, Laos, Burma, and Vietnam, to further bridge the development gap.
- **Energy:** By promoting the use of sustainable energy and energy efficient technologies, ASEAN improves the environment in the region and the wellbeing of ASEAN citizens. ACTI focuses on implementing the ASEAN-US energy work program.
- **Information and Communications Technology for Development:** By promoting greater broadband access and implementing the Information and Communications Technology (ICT) Master Plan, ASEAN seeks to bridge the digital divide and support more equitable development. ACTI is focusing on technical and financial issues related to broadband expansion in primarily rural areas.

**In the first calendar quarter of 2015,** ACTI's regional program accomplished the following major items:

- Selected the subcontractor and commenced the ASW messaging infrastructure software procurement.

- Conducted a workshop on the Protocol for the Legal Framework in Cambodia.
- Delivered a sub-regional workshop for Cambodia, Laos, Burma, and Vietnam on medical devices in collaboration with the Department of Commerce.
- Delivered major SME-focused workshops in the Cambodia and the Philippines.
- Formalized efforts to establish the GREAT Women in ASEAN initiative to promote women's economic empowerment.
- Completed a draft framework for analyzing the climate change impacts on Hydropower Projects and reported on it to the Renewable Energy Subsector Network.
- Completed a draft of the case study on the TV white space pilot project in Indonesia.

US-ACTP's Economic Reform and ASEAN Integration program was also very active this quarter, completing the following activities:

- Study tour to Laos to support the implementation of the Myanmar Trade Portal;
- Supporting Myanmar Scientific and Technology Research Department in responding to comments on the draft regulations for the new standards law;
- Comments and recommendations on the Law on Banking and Financial Institutions and the Law on Investment;
- Conducted a Design Thinking Workshop; and,
- Conducted a two-day stakeholders' workshop on food policy.

# Status of Activities and Progress

This document summarizes the ACTI project's activities and progress during the first calendar quarter of 2015 (January through March) by Work Stream showing how these activities are fulfilling ASEAN's long-term objectives and generating results.

## Work Stream 1: ASEAN Single Window

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*The World Bank Doing Business Report 2015, published on 29 October 2014, reports that the average import clearance time in ASEAN declined only slightly to 17.4 days but was well below the global average.*

**The ASEAN Single Window (ASW)** is a central part of ASEAN's effort to stimulate the free flow of goods in the single market and production base of the ASEAN Economic Community. It allows the electronic exchange of shipment information between traders and governments and between ex-

porting and importing countries.

The ASW consists of national electronic trade clearance systems, National Single Windows (NSWs), that use a regional platform to exchange information on shipments and shippers.

NSWs are now operational in five ASEAN Member States with NSWs under development or design in the rest. NSWs enable a single submission of data and information, a single and synchronous processing of data and information and a single decision-making for customs clearance of cargo. This process helps expedite customs clearance, reduces transaction

| NSW Status  | ASEAN Member States                                                     |
|-------------|-------------------------------------------------------------------------|
| Operational | Indonesia, Malaysia, the Philippines, Thailand, Singapore               |
| Development | Brunei (soft launch ongoing), Vietnam (partly operational in two ports) |
| Design      | Cambodia, Laos                                                          |
| Pending     | Burma                                                                   |

time and costs, and contributes to increased efficiency and competitiveness.

In 2013, intra-ASEAN trade totaled \$608 billion. The ASW will support accelerated imports and exports, improved enforcement of and compliance with regulations at the border, and reduced trade transaction costs. ASW will help to facilitate ASEAN's participation in global and regional supply chains using the ASW as an interface with trading partners' systems while potentially saving regional consumers billions of dollars through improved trade facilitation.

The value of trade between ASEAN and the United States is currently estimated at \$206 billion. Thus, a more integrated ASEAN enhances U.S. business opportunities in Southeast Asia. ASEAN is enjoying a period of high growth and resilient economies. Foreign direct investment is pouring in, keen to capture the opportunity. The region attracted an estimated \$122.3 billion in foreign investment in 2013. ASEAN also has a strong manufacturing story, given that China is becoming increasingly expensive, and it has a strong and growing investment story in fixed assets such as infrastructure. In addition, foreign companies are also attracted by the integration of

ASEAN—the combination of 10 relatively small markets into one large one of 620 million people—through interventions such as the ASEAN Single Window and other features of the ASEAN Economic Community. By helping ASEAN to fully complete and operate the ASW, ACTI's assistance will benefit all companies, whether from ASEAN or the United States, involved in import-export in Southeast Asia. In a rapidly integrating and growing region, such technical assistance has the potential to bolster U.S. investments and businesses while assisting ASEAN economies.

Over the life of the project ACTI is assisting ASEAN to:

- Complete the basic ASW architecture and begin live operation by Q4 2015;
- Provide assistance to expand the scope of the ASW over time;
- Finalize and adopt the necessary regional legal reforms to operate the ASW;
- Over the longer term, incorporate ASW-transferred information into risk management systems; and
- Expand the public-private dialogue on the ASW.

In this reporting period, ACTI focused its efforts on moving forward with software procurement and server hosting arrangements, and working to establish the necessary legal environment for the ASW at both the regional and national levels.

### **Development of the ASW Software System**

ASEAN is committed to commencing live operation of the ASW in 2015. ACTI is working with the ASW Steering Committee and its working groups to make this happen. Over the past year, ACTI assisted the Working Group on Technical Matters for the ASW (TWG) in the design and then the implementation of a work program to ensure live operation before the end of 2015. The proposal is feasible yet ambitious. The key to this approach is the recognition that not all ASEAN Member States (AMS) are prepared for live operation of the ASW nor will they be ready by 2015. Moreover, even the AMS that are ready to exchange live data are only ready to do so for a limited number of trade forms. Thus ACTI has proposed and ASEAN has accepted a staged approach to the implementation of the ASW. Under this approach, exchange-ready AMS will launch the ASW using exchange-ready forms in 2015 while other AMS develop their NSWs. ACTI will also work with all AMS to identify priority documents and then prepare for their exchange over the ASW. Under this approach, it is expected that between four (Indonesia, Malaysia, Singapore, and Thailand) and seven (adding Brunei, the Philippines, and Vietnam) will be able to share information from the ASEAN certificate of origin.

***Development of the ASW Environment:*** To implement this approach, ACTI launched the procurement of the ASW enabling infrastructure in November 2014. Under the ASEAN approved terms of reference included in the RFP, four ASEAN Member States (Indonesia, Malaysia, Singapore, and Thailand) will be part of the launch of the ASW that will focus on the exchange of the ATIGA certificate of origin. In March 2015, Axway Pte. Ltd, Singapore, was selected as the subcontractor for the design, development, and implementation of the messaging software for the ASEAN Single Window. Axway will initially test and implement the ASW

among the four exchange ready AMS but will include provisions to add up to three additional member states should they become exchange ready.

To support the implementation of the procurement, ACTI has also been working with the TWG to organize a Virtual Project Team (VPT) consisting of representatives of each AMS participating in live operation. This team will be responsible for channeling communications and counter-parting arrangements among ACTI, the contractor, and operational units at the national level. The original pilot program encountered communication difficulties, and the VPT is designed to address this. Two VPT-IT meetings were conducted during the 30<sup>th</sup> and 31<sup>st</sup> TWG meetings that covered the discussion on task execution, coordination challenges, and response time of AMS in the development and implementation of the ASW live operation.

***Public Key Infrastructure and Mutual Recognition of Digital Certificates:*** Recognizing the importance of data security in the ASW platform, ACTI worked closely with the TWG to determine the best way to encrypt the system. Initially, the ASW will use standard internet encryption (https) but the RFP calls for the system to be designed to support the use of Public Key Infrastructure in the future as was decided through a series of workshops sponsored by ACTI. In January 2015 at the ASW 31<sup>st</sup> TWG Meeting, Member States requested that ACTI provide a PKI requirement analysis paper in May 2015, which will provide a balanced analysis of which environment PKI for mutual recognition would be required.

***ASW Expansion:*** In September 2014, ACTI launched the Information Process Modeling (IPM) study for the ASW. This study will prepare the way for the addition of four priority forms to the ASW after live operation commences in 2015. The priority forms are: Ocean booking confirmation, Loading confirmation, Pre-departure cargo report, and Sanitary and phytosanitary certificates. A separate effort will be conducted to prepare for the exchange of export declaration information. In January 2015, ACTI presented to the ASW 30<sup>th</sup> TWG Meeting the IPM inception report, questionnaire, and the key challenges for the business processes of the four identified documents for Member State' validation. Member States have been slow to respond to requests made at the meeting which has delayed the finalization of the study.

***ASW Sustainability:*** As part of the planning for live operation of the ASW, ACTI analyzed the ability of the ASEAN Secretariat to house the servers to be used for ASW regional services. The study recommended that the servers not be hosted at the ASEAN Secretariat due to the inadequate level of infrastructure in the building. The ASW Steering Committee has agreed that the servers should be hosted in a data center in Indonesia. At the 14<sup>th</sup> ASW Steering Committee in March 2015, ACTI presented the "Tier Classification and Functional Requirements/Specifications" to allow Member States to determine the Tier classification hosting needs of the ASW. ACTI provided quotations for Tier 2 and 3 co-location services from Indonesia to Member States for their feedback and inter-sessional endorsement.

At the ASW Steering Committee agreed that a project management and planning team with regional governance structure is required to support ASW live implementation. ACTI is supporting the Steering Committee in considering the ownership composition, management of opera-

tions, and structure of the proposed entity. It was agreed that the operational team should be housed at the ASEAN Secretariat and should administer the ASW regional operations. In March 2015, ACTI submitted the draft Project Management and Planning Team (PMO) paper to the ASEAN Secretariat for comments during the 14<sup>th</sup> ASW Steering Committee Meeting. The paper covered the composition of the PMO team, suggested roles and responsibilities, monthly emolument, and qualification requirements for the jobs

### ***Results***

- The ASW Software procurement is underway with Axway Pte. Ltd, Singapore selected as the subcontractor for the design, development, and implementation of the messaging software.
- The IPM Inception Report was completed and presented at the ASW 30<sup>th</sup> TWG Meeting.
- ACTI submitted the draft PMO paper to the ASEAN Secretariat.

### ***Next steps***

- ACTI will assist Member States in monitoring the compliance of contractor of any deviations/gaps from defined requirements at the earliest instance, to enable the contractor to take corrective action. Moreover, encourage all involved entities to make use of the VPT-IT Issue Statement Form to provide for a well-documented process in resolving challenges and issues.
- The rest of Member States were requested to submit their IPM questionnaire by 20 April 2015 so that the IPM experts could come up with a comprehensive analysis in time for the scheduled IPM workshop on July 05, 2015 in Manila. Should a Member State fail to provide responses to the questionnaire, they would have to accept the harmonized data elements based on the inputs from the other Member States if they were to participate in the exchange of these possible four identified documents.
- ACTI was requested to prepare a separate note with revised recommendations on the housing/co-location of the RS server at the private data center provider, including the cost estimates, with regard to the following:
  - Quotation from three (3) data centers;
  - Specifications on Tier-II and Tier-III data center;
  - Disaster Recovery Center (DRC) type (for both warm and cold sites); and
  - Outsourcing of the disaster recovery management
- The funding source possibilities of the PMO paper, such as the annual Member States' contributions, user fees and donor contributions, would need to be further discussed by the ASWSC intersessionally to address the sustainability of the ASW PMO.

## Establishment of the ASW Legal and Regulatory Environment

**Protocol for the Legal Framework:** USAID has been providing assistance to ASEAN for the establishment of the necessary legal framework for the ASW for six years. By the end of 2013, the core regional legal document, the Protocol for the Legal Framework for the ASEAN Single Window (PLF), was nearly complete. During 2014 ACTI assisted the ASW Legal Working Group to complete the PLF, which was then endorsed by the ASW Steering Committee. The agreement is now awaiting signature by the Finance Ministers in spring of 2015.

To promote the adoption of the PLF, in March 2015, ACTI held a national workshop on the PLF in Cambodia. Excellent insights and comments were raised by Member States specifically on the need for a PLF ratification and clarification on how the PLF will affect Cambodia's customs procedures, which stake holders will be affected by the implementation, and what provisions of Cambodian law will need to be modified to accommodate the PLF. These will be incorporated into an implementation guide being developed by ACTI.

### **Results**

- ACTI completed a National Level Workshop on the Protocol for Legal Framework in Cambodia.

### **Next steps**

- Another PLF workshop is scheduled to be conducted in Manila on 02 June 2015 that will allow participating government agencies of the Philippines to determine the roles of various actors from government and the private sector, and on how they work together in preparation for the ASW live operation. NSW actors involved need to understand the principles of the PLF in order to support their domestic laws alignment and ratification process.

## **Work Stream 2: Trade and Investment Facilitation**

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*With a population of over 620 million and a combined GDP of over \$2.4 trillion, ASEAN is the United State's third largest export market in Asia.*

The Trade and Investment Facilitation work stream of ACTI is designed to boost economic growth and regional integration through the provision of technical assistance to reduce trade and investment barriers. ACTI focuses its interventions in three areas:

Trade in Goods, Trade in Services, and Investment. ACTI's support to ASEAN to liberalize trade in goods supports increased transparency in regulations, increased cooperation on standards, improved operation of rules of origin, and closer cooperation on trade nomenclature. In the area of services, ACTI provides support to ASEAN to adopt a new ASEAN Trade in Services Agreement with a special focus on negotiation methodologies. In the area of investment, ACTI is helping ASEAN to determine how to further liberalize its investment regime.

In this reporting period, ACTP's Trade and Investment Facilitation work stream focused on medical device regulation, the ASEAN Harmonized Tariff Nomenclature, International Investment Agreements, and support for improving the ASEAN investment regime.

### **Facilitating Trade in Goods**

#### **A. Standards**

*ASEAN Medical Device Directive (AMDD):* ACTP's work on standards focuses on preparing ASEAN and its member states to implement the ASEAN Medical Device Directive (AMDD), in collaboration with the U.S. Department of Commerce, the global medical devices industry. The AMDD has now been adopted but implementation is to be on a country-by-country basis. Last year ACTI implemented three workshops on medical devices, providing national level support in Malaysia and Indonesia and a broader regional workshop to the Medical Devices Product Working Group. During this quarter, ACTI began preparations for the Sub-Regional Medical Device Workshop scheduled to be held from 22-24 April 2015 in Hanoi, Vietnam with a further planned workshop for the Philippines for later in 2015 along with at least one regional workshop late in the year.

#### ***Results***

- None to report for this quarter.

#### ***Next steps***

- Implement a sub-regional workshop on the AMDD in the second quarter as well as a national workshop in the Philippines.
- Continue supporting the Department of Commerce and the medical devices industry in their planning for AMDD implementation support in 2015 and 2016.

#### **B. Other Trade Facilitation Issues**

*ASEAN Harmonized Tariff Nomenclature (AHTN):* The World Customs Organization Harmonized System (HS) Code for tariff classification is reviewed and revised every 5 years. The next version of the HS Code will be implemented in 2017. In line with this, the AHTN must be reviewed, revised and implemented before then. Previous USAID projects have assisted ASEAN in revising the AHTN as applied in 2007 and 2012. In that process, USAID helped to create significant regional capacity to revise the AHTN. ACTI is building on that regional capacity and providing far more limited support for the current revision by covering travel expenses but not LoE for an expert to participate in less than half of the meetings of the task force.

This quarter, ACTI provided technical support to the 5<sup>th</sup> AHTN Task Force Meeting convened in Burma in February to review the AHTN. ACTI will provide technical support only once more at the next meeting in May 2015 after which the Japan International Cooperation Agency will

continue sponsoring the expert's participation for the 7<sup>th</sup> and 8<sup>th</sup> meetings of the AHTN Task Force. By the end of 2015, ASEAN will have completed the revisions to the AHTN so that member states can implement them by the beginning of 2017.

### ***Results***

- ACTI provided support to the 5<sup>th</sup> AHTN Taskforce Meeting in February 2015.

### ***Next Steps***

- ACTI will provide support to another meeting of AHTN Task Force now scheduled to be held on 11-16 May 2015 in Malaysia. By the end of that meeting the review of headings 1-84 will have been completed.

### **Trade in Services**

No work was done on trade in services in this quarter.

### ***Results***

- None

### ***Next Steps***

- ACTI will launch the study on ASEAN Services Liberalization beyond 2015.

### **Investment Facilitation**

***Coordinating Committee on Investment (CCI):*** With the consolidation of the ASEAN Economic Community in 2015, it can be expected that foreign investors will seek clarification from the ASEAN CCI on the relationship between the investment protection provided in the respective bilateral investment treaty programs of the individual ASEAN Member States. To date, there has been little guidance on this matter, whether from the ASEAN Secretariat or from independent academic work. To address this, this quarter ACTI launched a study on "Investment Provisions in ASEAN FTAs and Recommendations for Improvements." The study is scheduled to be presented to the CCI in June 2015.

Additionally, in order to make ASEAN more attractive for investment, ASEAN Member States signed the ASEAN Comprehensive Investment Agreement (ACIA) in 2012. At the international level, several multilateral organizations have active programs in support of strengthening facilitation practices as a part of broader investment promotion policies. Based on this work, AMS are interested in developing an ASEAN work plan on investment facilitation. This quarter, ACTI launched its work on a draft five-year (2016-2020) investment facilitation work plan for ASEAN, which is also scheduled to be presented to the CCI in June 2015.

## *Results*

- None

## *Next Steps*

- ACTI will complete and present the study on “Investment Provisions in ASEAN FTAs and Recommendations on Improvements” and the draft multi-year ASEAN investment facilitation work plan in June 2015.

## **Work Stream 3: SME Development**

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ACTI's SME support activities aim to improve the capacity of ASEAN entrepreneurs, especially women and youth, to create and operate SMEs and thus promote equitable, inclusive development. In accordance with the ASEAN Strategic Action Plan for SME Development 2010-2015 and in close collaboration with the ASEAN SME Working Group, ACTI's SME support is focused on:

*SMEs account for between 30 and 53% of the output of ASEAN and account for between 50 and 85% of employment.*

- Access to regional and international markets;
- Access to information, including improvement in IT skills; and
- Access to finance;

Support is tailored to meet the needs of the less-developed ASEAN Member States at the national level to help bridge the regional development gap and promote greater integration and participation in the ASEAN Economic Community. ACTI support leverages expertise and resources from “ASEAN-helps-ASEAN” sources, public-private engagements, and other development programming.

To support ASEAN SMEs, USAID and the ASEAN Committee of the U.S.-ASEAN Business Council (US-ABC) in March of 2014 formed a partnership called the U.S.-ASEAN Business Alliance for Competitive SMEs. The Business Alliance combines the efforts of USAID and major U.S. corporations to develop the capacity and boost competitiveness of SMEs in the ASEAN region. The Business Alliance will use training programs, mentorship opportunities, and cloud technology to support SMEs. ACTI is implementing USAID's contribution to the Business Alliance.

During this quarter ACTI has focused on seminars to increase access to markets, access to information and technology tools, in particular ICT skills for young entrepreneurs, and the implementation of the ASEAN Online SME Academy. Of particular importance was the decision by a group of women entrepreneurs with support of ACTI to launch the GREAT Women in ASEAN initiative to promote women's entrepreneurship.

## **Access to Regional and International Markets**

As previously mentioned, the US-ASEAN Business Alliance is co-implemented by the USAID and US-ASEAN Business Council through its ASEAN Committee. US-ABC corporate participants offering expertise and/or financial support for Business Alliance activities so far included P&G, UPS, HP, Microsoft, Baker & McKenzie, Citibank, eBay, FedEx, Google, IBM, MasterCard, Motorola, Nike, PayPal, PricewaterhouseCoopers, Qualcomm, Seagate, and VISA. Several more corporate partners are expected to provide support for the activities.

A key component of the Business Alliance is the provision of information, training and mentoring services to develop ASEAN SMEs' capacity to participate in inter-firm linkages and strategic supplier partnerships and, opportunities permitting, to integrate into U.S., regional and global supply chains. To this end, the Business Alliance is implementing a three-step program. The first step was to transfer broad-based and basic information, knowledge, and skills from MNCs to SMEs. This objective was addressed by a series of five one-day broad-based training workshops held in 2014 which were attended by 1,023 entrepreneurs in total. This quarter, ACTI worked with the Business Alliance to conduct further broad-based trainings.

***US-ASEAN Business Alliance - Good Business Practices for Improved Market Competitiveness:*** This Business Alliance activity was held in collaboration with the ASEAN SME Working Group in Phnom Penh, Cambodia in January 2015. The workshop was attended by 139 SMEs (of which 65 were women entrepreneurs) and opened by USAID's Mission Director for Cambodia. The workshop was co-funded by three Business Alliance corporate members – namely ConocoPhillips, Google and UPS.

Workshop participants, women SME entrepreneurs especially, were very grateful to Business Alliance in bringing such a comprehensive workshop to Cambodia. The Ministry of Industry and Handicraft expressed their interest and discussed with ACTI on the ACTI SME activities for 2015 as well as possible follow-on activity in Cambodia. The Ministry has also asked ACTI to provide the profiles of the SMEs participating in the workshop so that the Ministry can follow up with them with regard to their activities and development in Cambodia.

***U.S.-ASEAN Business Alliance – Good Business Practices for Competitive SMEs in ASEAN:*** The seventh Business Alliance training workshop, with a focus on technology solutions and tools for better market access, was held in Cebu, Philippines in March 2015. The key local partners were Department of Trade and Industry (DTI); the Philippines Chamber of Commerce and Industry; PhilExport Cebu; Cebu Business Club; Cebu Chamber of Commerce and Industry (PCCI); and the Mandaue Chamber of Commerce and Industry. Multinational partners included UPS, MasterCard, Microsoft, Google and PwC.

The 230 participants included 173 SMEs, of whom 97 (or 56 percent) were women entrepreneurs, primarily from the furniture making, processed foods, creative and wellness activities, and fashion accessories sectors. The seminar demonstrated once again the great demand for business knowledge and information among SMEs in the region, the vitality of women entrepreneurship, and the trusted mark being established by the Business Alliance.

***GREAT Women – ASEAN Collection:*** As part of ACTI’s efforts to promote women’s entrepreneurship through the ASEAN Women Entrepreneurs’ Network (AWEN), ACTI began working with a group from the Philippines to explore replication of the GREAT Women initiative, initially in CLMV and then beyond to other AMS as well. The purpose of this initiative is to provide improved marketing opportunities as well as branding and intellectual property right protection to a core and expanding group of women entrepreneurs. The initiative and brand had been presented by the Philippines at the Regional Conference on “SME Access to Finance: Moving Forward in Support of Women Entrepreneurs in Less Developed ASEAN Countries,” conducted by ACTI in September 2014, and at the Business Alliance Regional Policy Dialogue on Women Empowerment to ADVANCE AEC Development in Bangkok on 5 November 2014.

Following up on the considerable interest in the activity and brand, ACTI conducted a “Meeting on GREAT Women – ASEAN Collection” in Bangkok, Thailand, in March 2015 in close collaboration with the SMEWG’s country focal point, the Office of SME Promotion and various business and entrepreneurs associations in ASEAN including AWEN and the Federation of Professional and Business Women’s Associations of Thailand, among others. Of the 83 participants (74 female and 9 male), 46 were women entrepreneurs with established businesses ranging from food/snacks and spices, to jewelry and leather and their accessories, to apparel/garment and home décor items, and to training support services. Also notably, 4 student finalists from the USAID-run Imagine Cup Thailand 2015 competition observed the meeting and interviewed several women entrepreneurs for their software application development work.

The three-day meeting witnessed lively discussions, sharing of experiences (challenges and successes), business networking among entrepreneurs, and planning on how to promote the GREAT Women initiative as a regional marketing platform and brand. In particular, for the upcoming ASEAN SME Showcase and Conference 2015 in Kuala Lumpur during 26-28 May, meeting participants held planning sessions on exhibition and promotional materials showcasing the strength, common values, and unique local cultures and stories of ASEAN women and women artisans with the view to inspiring other women entrepreneurs and attracting consumers and social and other investors to join and support the GREAT Women initiative. In the longer term, participants agreed to form a planning committee in developing GREAT Women business infrastructure concerning, as needed, legal, finance, marketing and intellectual property

## **Results**

- ACTI and the Business Alliance successfully conducted seminars to support SME competitiveness in the Cambodia and Philippines.
- Over 40 women entrepreneurs formed the GREAT Women in ASEAN initiative to promote women’s entrepreneurship.

## Next Steps

- ACTI will use participant feedback to identify issues and priorities for future programming to target the needs of SME exporters in specific markets, as well as to identify SMEs that are ready to participate in more advanced training on supply-chain linkages.
- With support from ACTI, women entrepreneurs from across ASEAN will participate in the ASEAN SME Showcase and Conference 2015 in Kuala Lumpur in May to launch the GREAT Women in ASEAN initiative.
- ACTI and the Business Alliance will support the development of the GREAT Women in ASEAN business infrastructure concerning, as needed, legal, finance, marketing and intellectual property.
- Women entrepreneurs from Malaysia, Myanmar, Thailand and Vietnam will establish national GREAT Women programs with support from ACTI and the Business Alliance.

## Access to Information

***Training in Modern Technology:*** Participation in modern markets requires a fair amount of sophistication in the use of information technology that SME owners often do not have and SME enablers often do not possess for more effective provision of their business development services to SMEs. Assessment missions have found that knowledge of and skills in modern technology tools and, more generally, digital literacy are another weakness of and constraint on SMEs in business start-up and development, and on SME enablers in their provision of business development services to SMEs.

In January 2015, ACTI conducted ICT Training Courses for Young Entrepreneurs in Vientiane, Lao PDR. The training courses were co-organized by Microsoft, a Business Alliance corporate partner, the Department of SME Promotion (DOSMEP) of Lao PDR, the ASEAN Secretariat and ACTI. The training is part of the Microsoft YouthSpark – Enhancing and Developing ICT Skills for Youth SMEs in ASEAN program.

There were 15 participants (11 male and 4 female) for the Training of Trainers (ToT) course on 12-13 January and 26 participants (11 male and 15 female) for the Basic Training Course on 14-15 January. The incubator session on creating a website as an online marketing tool on 16 January was attended by 27 participants (15 male and 12 female) from the ToT and Basic Training courses. The participants comprised small business owners, lecturers and students.

The training courses were well received. Most participants indicated that the training was very useful for them in their start-up of online businesses, and that they would like to take part in follow-on training and workshops in the future. ACTI will further analyze their feedback for follow-up actions, as needed.

***ASEAN Online SME Academy:*** Last year, ACTI launched its effort to develop an online resource to support SME development in the region under the umbrella of the Business Alliance. In this quarter, ACTI continued the development and design of the ASEAN On-line SME

Academy and moved forward with plans to hold an outreach event for the Academy in November 2014 in Bangkok.

Discussions with US-ABC members regarding the planned ASEAN Online SME Academy have resulted in offers of technology and content support. The final documents on Academy Vision and Scope, and Functional Specifications were shared with US-ABC and its corporate members. The catalogue of topics and contents is being compiled by the US-ABC. A number of US-ABC corporate members have offered to contribute contents for the Academy. For example, Microsoft has offered the Enhancing ICT Skills of Small Medium Enterprises in ASEAN curriculum project to the Academy while Baker & McKenzie will provide the legal-related contents. IBM has expressed interest in contributing resources from their existing SME Toolkit. These contributions build upon the generous launch offer of access to HP Life from Hewlett Packard. During the quarter, ACTI worked with the Business Alliance to finalize the list of materials to be offered by various companies. In addition, effort was made to obtain commitment from Business Alliance Members for the development of the Academy platform. These latter efforts were ultimately unsuccessful and ACTI is now in the process of preparing an RFP to hire a software company to design and implement the platform.

### ***Results***

- Completed the ICT Training Courses for Young Entrepreneurs in Laos in January 2015.

### ***Next Steps***

- The catalogue of topics and contents will be further refined and extended as US-ABC continues to reach out to more companies to provide content for the ASEAN Online SME Academy.
- ACTI will issue the RFP for the development of the ASEAN Online SME Academy and begin implementation during the next quarter. The platform will be completed by July in time for a launch at the August meeting of the ASEAN Economic Ministers Meeting.

### **Access to Finance**

ACTI began working on SME Access to Finance this past September in Hanoi, Vietnam, with the “Regional Conference on SME Access to Finance – Moving Forward in Support of Women in Less Developed ASEAN Countries.” ACTI shared with the ASEAN Secretariat (i) the highly informative paper on “Financing Challenges and Options for Women Entrepreneurs in Emerging ASEAN” (ii) the report on the conference; and (iii) some of the advisory panel members’ assessments and suggestions on the 26 proposals for funding and technical assistance presented by 3 banks and 12 microfinance institutions.

There is an interest in expanding this activity beyond the SME Working Group, and in late 2014 ACTI began discussions with the ASEAN Secretariat on how it could provide support on financial literacy. Following up on those discussions, ACTI brought out a finance expert to work with the ASEAN Secretariat and other stakeholders to expand ACTI’s access to finance component

of the SME work stream and to communicate with the ASEAN Business Club to refine the proposal for a joint SME finance research program designed to result in the actionable policy recommendations for ASEAN's Finance Ministers and Central Bank Governor's to consider for adoption. These proposals were completed during the quarter and will be further implemented in coming months.

### **Results**

- None

### **Next Steps**

- ACTI will continue working with the ASEAN Business Club to implement the proposed research grant program.
- ACTI is providing input to the ASEAN Secretariat for the establishment of the ASEAN Working Group on Financial Inclusion.

## **Work Stream 4: Energy**

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*ASEAN energy use per capita has increased by nearly 35% over the past 10 years*

While ASEAN strives towards accelerating the consolidation of an ASEAN Economic Community by the end of 2015, it is important to ensure that development is sustainable through, among others, mitigating greenhouse gas emission. ASEAN has emphasized

the need to strengthen energy efficiency, renewable energy development, such as bio-fuels, and promote open trade, facilitation and cooperation in the renewable and clean energy sector and related industries as well as investment in the requisite infrastructure for clean power development.

ASEAN-U.S. energy cooperation aims to accelerate the deployment of clean energy technologies in the region. To this end, ACTI, working closely with the Department of Energy, supports implementation of the U.S.-ASEAN Energy Cooperation Work Plan 2012-2014 and ASEAN institutional capacity-building.

In this reporting period, ACTI continued its work to develop a tool to examine the impact of climate change and hydropower projects.

### **Renewable and Clean Energy**

***Study Impact of Climate Change on Hydropower:*** ACTI's subcontractor ICF International has developed a draft climate risk assessment framework and tool for hydropower projects to support climate-resilient energy decision-making by ASEAN Member States that will be completed in late 2014. During last quarter, ACTI's energy expert met with managers of three Hydropower Plants (HPP) in the Philippines, Vietnam, and Laos to test the climate change assess-

ment framework. Based on this work, ACTI conducted a workshop on “Climate Change Impacts on Hydropower Projects” in March in Burma. The workshop was attended by 29 participants from all ASEAN countries (except for Brunei). ACTI’s energy expert from ICF International conducted the workshop. She shared the findings from the HPPs at the workshop, and there was interest in learning more on the application of the framework.

After the workshop, ACTI presented the status of the Study of Potential Climate Change Impacts on Hydropower and Policy Implications at the 22nd Meeting of the RE-SSN. During the meeting, the RE-SSN enquired if it is possible for the ACTI expert to apply the climate change assessment framework to a few more HPPs in ASEAN. RE-SSN also enquired if ACTI could organize another regional workshop on the application of the framework.

### ***Results***

- Completed the draft framework and tool on the impacts of climate change on hydropower projects and held a Workshop on Climate Change Impacts on Hydropower Projects in March 2015 in Burma.

### ***Next Steps***

- Complete the study of the impact of climate change on hydropower in the region by second quarter of 2015.
- Consider the application of the framework and tool to additional hydropower projects.

## **Work Stream 5: ICT and Development**

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In support of the ASEAN ICT Masterplan, ACTI provides technical assistance at the regional level to achieve an improved enabling environment for ICT, broadband, and emerging technologies as well as improved accessibility, affordability, and utilization of broadband in ASEAN Member States.

*ASEAN had over 160 million wireless broadband connections in 2013, a 48% increase over 2012*

ACTI is focusing its support on expanding broadband access in underserved areas, particularly rural areas. Support will be provided to address technical and financial issues. This quarter, ACTI attended the Telecommunications Senior Officials Meeting Joint Working Group meeting in Rangoon and presented the proposed 2015 work program. This work program was endorsed by the working group. Work also continued on the case study of the Indonesia pilot program for the use of TV white space technology.

## **Increasing Broadband Access**

### ***Study of the Indonesian Pilot of the Use of TV White Space for Broadband Access:***

Providing broadband access in rural areas has traditionally been difficult and costly. One innovative solution to this problem is to use underutilized parts of the radio spectrum, in this case ultra high frequency television frequencies, to transmit data long distances at low cost. The technology to do this is relatively new but has been pilot tested in a number of countries around the world, including the Philippines. Indonesia is implementing its own TV White Space pilot with assistance from the USAID Global Broadband Initiative and Microsoft, among other organizations. ACTI is preparing an evaluation of the Indonesia pilot to be used as a case study in a workshop on TV White Space technology planned for 2015. Lessons learned from the Indonesia case and others will provide ASEAN with an avenue to expand broadband access at lower cost.

TV White Space Connectivity Pilot was in full implementation by the end of 2014 and intensive work on the case study began in the first quarter. A draft case study was completed by ACTI's subcontractor Integra by the end of March. ACTI is providing initial comments and will then submit the revised case study for review by USAID before submitting to ASEAN.

The ASEAN TELSOM Joint Working Group meeting, reiterated their request that ACTI coordinate with Vietnam on the implementation of a workshop on TV white space. Follow up contact with the Vietnam authorities is in progress.

### ***Results***

- None.

### ***Next steps***

- Revise the case study on the Indonesian TV White Space pilot for submission to USAID in the second quarter of 2015.
- Work with Vietnam to plan a seminar on TV white space and other broadband technologies for the last quarter of 2015.



# Implementation Issues and Recommendations

ACTI's program implementation is now in full swing and it is apparent that, particularly in the project's SME work, more staff support is necessary. ACTI is in the process of interviewing additional staff for two SME support positions: A Program and Training Manager and a Senior SME Program Manager position. The latter position will focus on the ASEAN Online SME Academy and ACTI's work on SME Finance. This will allow ACTI's current SME Program Manager to focus on the GREAT Women in ASEAN initiative and ACTI's work with the Business Alliance. These positions will be filled in the second quarter.

Implementation of the ASEAN Online SME Academy platform is behind schedule as ACTI's planned collaboration with IBM did not materialize. ACTI sought support from other companies such as Google and Hewlett Packard, but these options did not materialize as well. Thus ACTI is now hiring a software development firm to design and implement the Academy. The implementation schedule will be tight but the soft launch of the Academy should be able to continue as scheduled for the end of August.

Late in the quarter, ACTI launched its subcontract to implement the messaging architecture for the ASEAN Single Window. This launch was consistent with commencing live operation in early December 2015. While ACTI and its subcontractor are ready to move the project forward as planned, Member States are expressing concerns over going live without an electronic Operational Certification Procedures agreement. ACTI will be working closely with the ASW Technical Working Group and the ASEAN Subcommittee on ATIGA Rules of Origin (SCAROO) to ensure that the necessary agreement is in place on time. Also of concern is the readiness of back end systems of the participating ASEAN Member States to implement the full end-to-end processing of certificates of origin. Despite assurances that the systems were ready, indications now are that modifications to backend systems will be required. ACTI is working with the participating Member States to resolve this issue.

# **Appendix 1 – M&E Indicator Reporting**

## Annual Reporting

| Indicators                                                                                                            | FY14 Target | FY14 Actual | FY15 Target | FY15 YTD Actual | FY15 Q1 Actual | FY15 Q2 Actual | Comments                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-----------------|----------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Work Stream 1: ASEAN Single Window</b>                                                                             |             |             |             |                 |                |                |                                                                                                                                                                                                                               |
| <b>Indicator OC1:</b> Number of guidelines, policies, or directives adopted by ASEAN reflecting AC-TI inputs (custom) | 1           | 1           | 3           | 0               | 0              | 0              | The Protocol for the Legal Framework, while completed, has not yet been signed. It should be signed in the second calendar quarter of 2015. The Operational Certification Procedures are still under consideration by SCAROO. |
| <b>Indicator OC2:</b> Number of AMS implementing guidelines, policies, or directives reflecting ACTI inputs (custom)  | 2           | 0           | 10          | 0               | 0              | 0              | Action on this front is pending the adoption of the PLF and the Operational Certification Procedures.                                                                                                                         |
| Indicator 1.1.1: Number of AMS participating in the ASW (custom)                                                      | 0           | 0           | 0           | 0               | 0              | 0              | Assume ASW operational by late 2015                                                                                                                                                                                           |
| Indicator 1.1.2: Number of messages transmitted over the ASW (custom)                                                 | 0           | 0           | 0           | 0               | 0              | 0              | Assume ASW operational by late 2015                                                                                                                                                                                           |
| Indicator 1.2.1: Number of AMS integrating ASW data into risk management systems (custom)                             | 0           | 0           | 0           | 0               | 0              | 0              | Assume ASW operational by late 2015                                                                                                                                                                                           |
| <b>Work Stream 2: Trade and Investment Facilitation</b>                                                               |             |             |             |                 |                |                |                                                                                                                                                                                                                               |
| <b>Indicator OC1:</b> Number of guidelines, policies, or directives adopted by ASEAN reflecting AC-TI inputs (custom) | 0           | 0           | 2           | 1               | 0              | 1              | Medical Device Directives adopted                                                                                                                                                                                             |

| Indicators                                                                                                                                                     | FY14 Target    | FY14 Actual     | FY15 Target    | FY15 YTD Actual | FY15 Q1 Actual | FY15 Q2 Actual | Comments                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Indicator OC2:</b> Number of AMS implementing guidelines, policies, or directives reflecting ACTI inputs (custom)                                           | 0              | 0               | 5              | 0               | 0              | 0              | With the adoption of the Medical Devices Directive at the end of 2014, no country has yet had time to implement in national legislation.                                                                                                                                                            |
| <b>Indicator OT3:</b> Number of completed activities implementing agreed U.S.-ASEAN work programs and objectives (custom)                                      | 6              | 7               | 5              | 2               | 2              | 1              | FY14:<br>1-3 Workshops on Medical Device<br>4. Health Supplements Workshop<br>5. Trade In Services Workshop<br>6. US-ASEAN Business Summit<br>7. Workshop on WHO-TRIMS<br>FY15 Q1:<br>1. Workshop on Medical Device<br>2. Trade in Services Workshops<br>FY15 Q2:<br>1. Workshop on Medical Devices |
| <b>Work Stream 3: Small and Medium Enterprises</b>                                                                                                             |                |                 |                |                 |                |                |                                                                                                                                                                                                                                                                                                     |
| Indicator 3.1.1: Number of women entrepreneurs obtaining investors or financial services from financial institutions participating in ACTI activities (custom) | 0              | 0               | 0              | 0               | 0              | 0              | Activity will begin in FY2016                                                                                                                                                                                                                                                                       |
| Indicator 3.1.2: Number of SME owners and SME enablers receiving BDS training (custom)                                                                         | Total:<br>400  | Total:<br>1,008 | Total:<br>500  | Total:<br>78    | Total: 78      | Total: 0       | GREAT Women and ICT events                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                | Female:<br>200 | Female:<br>657  | Female:<br>250 | Female:<br>62   | Female:<br>62  | Female:<br>0   |                                                                                                                                                                                                                                                                                                     |
| Indicator 3.1.3: Number of individuals completing ASEAN Online Academy courses (custom)                                                                        | 0              | 0               | 0              | 0               | 0              | 0              | Activity will begin in FY2015 but too late for any individuals to complete the training in FY2015                                                                                                                                                                                                   |

| Indicators                                                                                                                                              | FY14 Target | FY14 Actual | FY15 Target | FY15 YTD Actual | FY15 Q1 Actual | FY15 Q2 Actual | Comments                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-----------------|----------------|----------------|---------------------------------------------------------------------------------------------|
| Indicator 3.1.4 Number of people benefitting from U.S. government-supported Public-Private Partnerships (Foreign Assistance F standard indicator PPP 2) | Total: 600  | Total: 812  | Total: 600  | Total: 440      | Total: 0       | Total: 440     | Phnom Penh and Cebu Workshops                                                               |
|                                                                                                                                                         | Female: 300 | Female: 412 | Female: 300 | Female: 248     | Female: 0      | Female: 248    |                                                                                             |
| <b>Work Stream 4: Energy</b>                                                                                                                            |             |             |             |                 |                |                |                                                                                             |
| <b>Indicator OT3:</b> Number of completed activities implementing agreed U.S.-ASEAN work programs and objectives (custom)                               | 2           | 1           | 2           | 1               | 0              | 1              | ACTI held a workshop on Screening Hydro-power Facilities for Climate Change Risks in March. |
| <b>Work Stream 4: ICT</b>                                                                                                                               |             |             |             |                 |                |                |                                                                                             |
| Indicator 5.1.1: Number of workshops or trainings presenting information on technologies and policies that allow for expanded rural broadband (custom)  | 0           | 0           | 1           | 0               | 0              | 0              | The workshop is planned for later in FY2015.                                                |

| Indicators                                                    | Work Stream  | FY14 Target   | FY14 Actual   | FY15 Target   | FY15 YTD Actual | FY15 Q1 Actual | FY15 Q2 Actual | Comments                    |
|---------------------------------------------------------------|--------------|---------------|---------------|---------------|-----------------|----------------|----------------|-----------------------------|
| <b>Crosscutting Indicators Applicable to All Work Streams</b> |              |               |               |               |                 |                |                |                             |
| <b>Indicator OT1:</b> Person hours of training in trade       | <b>Total</b> | <b>11,660</b> | <b>17,452</b> | <b>19,560</b> | <b>9,792</b>    | <b>5,310</b>   | <b>4,482</b>   | Generally on track for 2015 |

| Indicators                                                                                                                                                                                        | Work Stream    | FY14 Target | FY14 Actual  | FY15 Target | FY15 YTD Actual | FY15 Q1 Actual | FY15 Q2 Actual | Comments                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|--------------|-------------|-----------------|----------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| and investment capacity building supported by U.S. government assistance (Foreign Assistance F standard indicator 4.2.1–19)                                                                       | ASW            | 700         | 672          | 800         | 840             | 408            | 432            |                                                                                                                                                                                                     |
|                                                                                                                                                                                                   | T&I            | 7,000       | 5,250        | 7,000       | 2,610           | 2,610          | 0              | No activity in FY15 Q2                                                                                                                                                                              |
|                                                                                                                                                                                                   | SME            | 3,600       | 12,400       | 10,800      | 6,168           | 2,292          | 3,876          |                                                                                                                                                                                                     |
|                                                                                                                                                                                                   | Energy         | 360         | 216          | 360         | 174             | 0              | 174            | No activity in FY15 Q1                                                                                                                                                                              |
|                                                                                                                                                                                                   | ICT            | 0           | 0            | 600         | 0               | 0              | 0              | No activity in FY15 Q2                                                                                                                                                                              |
| <b>Indicator OT2:</b> Percentage of workshop or training participants whose capacity has increased as a result of ACTI training/workshops (custom)                                                | <b>Average</b> | <b>80%</b>  | <b>89%</b>   | <b>80%</b>  | <b>71%</b>      | <b>86%</b>     | <b>58%</b>     |                                                                                                                                                                                                     |
|                                                                                                                                                                                                   | ASW            | 80%         | 84%          | 80%         | 63%             | 85%            | 40%            |                                                                                                                                                                                                     |
|                                                                                                                                                                                                   | T&I            | 80%         | 89%          | 80%         | 91%             | 91%            | N/A            | No activity in FY15 Q2                                                                                                                                                                              |
|                                                                                                                                                                                                   | SME            | 80%         | 89%          | 80%         | 84%             | 82%            | 86%            |                                                                                                                                                                                                     |
|                                                                                                                                                                                                   | Energy         | 80%         | 93%          | 80%         | 47%             | N/A            | 47%            | No activity in FY15 Q1                                                                                                                                                                              |
|                                                                                                                                                                                                   | ICT            | 80%         | N/A          | 80%         | N/A             | N/A            | N/A            | No activity in FY15 Q1 and Q2                                                                                                                                                                       |
| <b>Indicator IT1:</b> Number of days of technical assistance (TA) on trade and investment environment provided to counterparts or stakeholders (Foreign Assistance F standard indicator 4.2.1–20) | <b>Total</b>   | <b>940</b>  | <b>1,305</b> | <b>990</b>  | <b>705</b>      | <b>375</b>     | <b>330</b>     | This is running significantly ahead of ACTI's projection and will likely exceed the target. It represent a higher level of inputs for greater outputs. ACTI will revise the targets during the DQA. |
|                                                                                                                                                                                                   | ASW            | 340         | 486          | 340         | 199             | 113            | 86             |                                                                                                                                                                                                     |
|                                                                                                                                                                                                   | T&I            | 250         | 314          | 300         | 137             | 89             | 48             |                                                                                                                                                                                                     |

| Indicators                                                                                        | Work Stream  | FY14 Target | FY14 Actual | FY15 Target | FY15 YTD Actual | FY15 Q1 Actual | FY15 Q2 Actual | Comments                                                                                             |
|---------------------------------------------------------------------------------------------------|--------------|-------------|-------------|-------------|-----------------|----------------|----------------|------------------------------------------------------------------------------------------------------|
|                                                                                                   | SME          | 250         | 369         | 250         | 277             | 121            | 156            |                                                                                                      |
|                                                                                                   | Energy       | 50          | 52          | 50          | 53              | 38             | 15             |                                                                                                      |
|                                                                                                   | ICT          | 50          | 84          | 50          | 39              | 14             | 25             |                                                                                                      |
| <b>Indicator IT2:</b> Number of studies completed on trade and investment related issues (custom) | <b>Total</b> | <b>11</b>   | <b>8</b>    | <b>11</b>   | <b>3</b>        | <b>2</b>       | <b>1</b>       |                                                                                                      |
|                                                                                                   | ASW          | 6           | 2           | 6           | 1               | 0              | 1              | FY15 Year 2 Q2: Cambodia Legal Gap Analysis                                                          |
|                                                                                                   | T&I          | 0           | 0           | 1           | 0               | 0              | 0              | Two studies to be completed FY15 Q3                                                                  |
|                                                                                                   | SME          | 4           | 5           | 2           | 2               | 2              | 0              | FY14: Access to Finance<br>FY15 Year 2 Q1:<br>1. Female Entrepreneurs<br>2. Proposal for Programming |
|                                                                                                   | Energy       | 0           | 0           | 1           | 0               | 0              | 0              | Expected to be completed in May-June 2015                                                            |
|                                                                                                   | ICT          | 1           | 1           | 1           | 0               | 0              | 0              |                                                                                                      |

## Appendix 2 – Overall Project Reference Indicators

| Indicators                                                                                                                                                                               | Baseline (October 2013)                                                                            | October 2014                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Reference Index 1:</b> Overall Project Reference -Ranking of the ASEAN Member States in the World Bank Ease of Doing Business index (Source: World Bank Doing Business 2014 and 2015) | Avg. ASEAN Rankings 2013 - 2014: <b>88.9/189 countries</b><br><br>CLMV: <b>144.3/189 countries</b> | Avg. ASEAN Rankings 2014 - 2015: <b>89.3/189 countries</b><br><br>CLMV: <b>134.5/189 countries</b> |
| <b>Reference Index 2:</b> ASW – World Bank Doing Business “Time to import” indicator (Source: World Bank Doing Business 2014 and 2015)                                                   | Avg. Time to Import: <b>17.5 days</b><br><br>CLMV: <b>24.5 days</b>                                | Avg. Time to Import: <b>17.4 days</b><br><br>CLMV: <b>23.3 days</b>                                |
| <b>Reference Index 3:</b> Trade and Investment (Source: ASEAN Community in Figures – Special Edition, ASEAN Statistics)                                                                  |                                                                                                    |                                                                                                    |
| a. ASEAN total volume of trade                                                                                                                                                           | (US\$ billion 2012)<br><b>\$2,476.4</b>                                                            | (US\$ million 2013)<br><b>\$2,511.5</b>                                                            |
| b. ASEAN Foreign Direct Investment                                                                                                                                                       | (US\$ billion for 2012)<br><b>\$114.3</b>                                                          | (US\$ billion for 2013)<br>\$122.4                                                                 |
| <b>Reference Index 4:</b> Energy –Total Primary Energy Supply/Real GDP                                                                                                                   | <b>0.457</b> toe/1000 2005 USD 2012 <sup>1</sup>                                                   | <b>0.442</b> toe/1000 2005 USD 2013 <sup>2</sup>                                                   |
| <b>Reference Index 5:</b> Fixed and Wireless Broadband Subscriptions per 100 population                                                                                                  | <b>21.3</b> per 100 population 2012 <sup>3</sup>                                                   | <b>29.8</b> per 100 population 2013 <sup>4</sup>                                                   |

<sup>1</sup> Key World Energy Statistics, as of 2013 by International Energy Agency. (Data exclude Lao PDR as it is not listed by IEA)

<sup>2</sup> Key World Energy Statistics, as of 2014 by International Energy Agency. (Data exclude Lao PDR)

<sup>3</sup> International Telecommunications Union Data as of April 2014

<sup>4</sup> International Telecommunications Union Data as of October 2014

## **Appendix 3 – Success Story**

SS #6:

## **GREAT Women in ASEAN, Rise of Inclusive Economic Growth for Women**

The air conditioning was blowing hard in the hotel conference room in Bangkok. That, however, did not seem to bother the 80 some people, mostly women, much. The buzz of voices along with clinking glasses and plates indicated the lively exchange and discussions that took place during a workshop to agree on the development of a new regional brand called the GREAT Women (Gender Responsive Economic Actions for the Transformation of Women) in ASEAN initiative. “So much more than a brand, GREAT Women is a regional marketing platform that represent the strength, common values, and unique local cultures and stories of ASEAN women that will hopefully inspire other women entrepreneurs to join the brand,” said Pacita Juan, the Women’s Business Council of the Philippines President, who is one of the leaders that helped propel the brand to its success in the Philippines.

From its base in the Philippines, this innovative approach and brand is being scaled up to a regional level to enable women entrepreneurs in Southeast Asia to work collectively to foster fair-employment and fair-trade conditions, market their products beyond their own countries’ borders and protect their product designs from being illegally copied and sold.

Meeting participants came from Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, and Vietnam and work in industries ranging from food/snacks and spices, to jewelry and leather and their accessories, to apparel/garment and home décor items, and training support services. Of all participants, 10 women entrepreneurs, owners and managers of businesses, and industry leaders expressed their thoughts and visions for the GREAT Women in ASEAN initiative.

Nadira Mohd Yusoff from Malaysia, sees GREAT Women as a regional brand that can contribute to the future of global development of women entrepreneurs. “GREAT Women is the way forward, leveraging the ASEAN Economic Community and the strength of each country.”

“GREAT Women provides a platform for ASEAN women to start collaborating and building an ASEAN brand for the world,” the CEO/Executive Director of Women Innovation Academy Berhad (MyWIN) and Nadi-Ayu Technologies Sdn Bhd, further said.

Dr. Siribenja Khowadhana, the Executive Director of Silk Avenue Co. from Thailand, pointed out that moving forward, women entrepreneurs through GREAT Women can promote ASEAN and the wealth of its culture. “The name ‘GREAT’ makes us feel that we (women) are great to begin with and we have the power to share stories of our great heritage and culture with the world.”

While proud of being woman entrepreneurs, the women candidly spoke about their challenges and how GREAT Women can potentially provide the support they need. “ Women in business deal with prioritizing in life as they are a mother, a daughter, and a wife. Having a group—as discovered through GREAT Women participants—that shares the same vision, you can share and discuss and ask for advice to deal with your challenges with each other,” said Zarah Juan of the Philippines.

While the rapid development and expansion of small and medium enterprises (SMEs) in the Southeast Asian region have empowered more women to own businesses and increased the number of women employees substantially in the creative and artisan industries, many SMEs continue to face challenges of marketing products internationally or are unable to protect their products as geographical indications, designs, trademarks, copyrights and other intellectual property rights.

Mo Ham of Myanmar further said, “Although there are numerous challenges, ASEAN Women definitely has several advantages when it comes to our products. We are rich in our culture and natural resources.” When asked how women can overcome and manage their challenges, Mo Ham explained, “Women must continue to learn to improve themselves. There are in-country mentoring and training programs to help women, while they can also learn from neighboring ASEAN countries, such as Thailand.”

Dr. Siribenja further explained that “ASEAN women have many opportunities to become great leaders and let the world know through this brand. There are so much that ASEAN women entrepreneurs can offer the world.”

Looking ahead, a GREAT Women business infrastructure will be established to address legal, financial, marketing and intellectual property issues so as to facilitate its establishment and operation as a marketing mechanism and structure that will unite and represent the ASEAN. The story thus continues for GREAT Women!

The meeting in Bangkok was supported by the US-ASEAN Business Alliance for Competitive SMEs (Business Alliance)—a partnership between the US-ASEAN Business Council (US-ABC), the U.S. Agency for International Development (USAID), in collaboration with the Office of SME Promotion (OSMEP) among many other local and regional partners. Baker & McKenzie, Procter & Gamble and other businesses and entrepreneurs also took part and provided advice alongside the ASEAN Women Entrepreneurs Network (AWEN) and the Federation of Business and Professional Women’s Associations of Thailand.

# Appendix 4 - Burma Economic Reform and ASEAN Integration Program

The USAID ACTI Economic Reform and ASEAN Integration (US-ACTI-ERA) program seeks to accelerate inclusive, private-sector-led economic development in Burma, to build stronger U.S.-Burma economic relations and to facilitate integrating Burma into regional and international markets. Although the program must remain flexible to address opportunities for reform, it focuses on supporting legal and regulatory reforms, capacity building and training in the Government and private sector, and enhancing the effectiveness of policy dialogue between the Government and business and civil society. Its activities are driven by Burma's commitments to the ASEAN Economic Community, U.S.-ASEAN Expanded Economic Engagement and the U.S.-Burma Trade and Investment Framework Agreement (TIFA), as well as broader international best practices where applicable.

During the first calendar quarter of 2015, US-ACTI-ERA continued to deepen USAID's engagement with a range of key economic ministries, the Union Attorney General Office and Union Supreme Court, the Parliament and important private-sector groups. Program highlights this quarter include the following:

- Study tour to Laos to support the implementation of the Myanmar Trade Portal;
- Supporting Myanmar Scientific and Technology Research Department in responding to comments on the draft regulations for the new standards law;
- Comments and recommendations on the Law on Banking and Financial Institutions and the Law on Investment;
- Conducted a Design Thinking Workshop; and,
- Conducted a two-day stakeholders' workshop on food policy.

## **Work Stream 1: The National Single Window and Technical Assistance to Customs**

The Department of Customs leads the development of Burma's National Single Window (NSW) and the integration of the NSW into the ASEAN Single Window (ASW). The NSW is being developed as part of the automation of the customs clearance system (Burma Automated Customs Clearance System, or MACCS), with major support from JICA and Japan's Customs Office. The current Government plan is for the design phase of MACCS to be completed by the end of 2015, with pilot implementation during the first six months of 2016 moving into full implementation into 2017. MACCS will include software that will allow implementation of the NSW, but the Japanese project will not support automation, streamlining, or training for implementing nontariff measures applied to trade at the border by other government agencies outside of Customs nor provide support to extend MACCS to border checkpoints beyond of Rangoon and

Thilawa. US-ACTI-ERA has positioned itself to provide support for necessary trade facilitation reforms, however no support was provided to Customs in the current quarter.

### ***Results***

- None

### ***Next Steps***

- Provide follow-up TA to support trade facilitation reforms by Customs and other government agencies, as appropriate.

## **Work Stream 2: Trade and Responsible Investment Reform and Facilitation**

Burma moved forward in 2014 to advance efforts to liberalize, streamline, and increase awareness of trade and responsible investment policies, and to develop processes and capacity to facilitate more effective implementation of such policies. It is stepping up its commitment to meet requirements in international treaties, including the WTO and AEC that will require a range of legal reforms and implementation capacities, many of which are not well known among government officials, parliament or the private sector. While progress has been made, newly approved legislation and improvements in practice were slower than many expected – a number of draft legislative reforms have been developed in 2014 but not yet approved by the Government nor Parliament.

US-ACTI-ERA in this work stream focused on training in best practices for government and non-government officials involved with key trade and responsible investment policies, and on developing processes and approaches (including webpages) that create a culture of transparency that will hopefully provide a foundation well into the future for more open policy making and access to information on policy implementation.

**Support Development of the Myanmar Trade Portal** - US-ACTI-ERA continued to support the Ministry of Commerce in developing the Myanmar Trade Portal and Trade Repository, two related priority initiatives to increase the transparency of trade procedures and regulations in Burma. Given the difficulty in Burma to find and understand procedures for exporting and importing goods, one of US-ACTI-ERA's highest priorities is to support the development of a Myanmar Trade Portal website as a breakthrough in transparency by making such information readily available to traders and the public.

As a key step in this process, US-ACTI-ERA, with support from the USAID-funded LUNA II project and the Lao Ministry of Industry and Commerce (MOIC), carried out a week-long study mission to Vientiane, Laos for 10 Burmese participants led by the Director General of Trade in the Ministry of Commerce (MOC) to better understand the development and operation of the Lao Trade Portal (LTP) that began at the very end of this quarter. The core team was made up of the MOC staff who are leading the development of the Myanmar Trade Portal and Trade Repository, along with two private-sector IT experts. The Team met with officials in the Lao

MOIC, including the MOIC Minister, who has agreed to transfer the software underpinning the LTP to Burma, visited the new automated customs system at the friendship Bridge to Thailand, and had three and a half days of intensive training on the governance, technical and software approaches used to develop and now operate the LTP.

In addition to the training, through discussions with the Lao experts, the Burmese team advanced its procurement plan for equipment to operate the portal and developed a detailed implementation plan with the MOC team taking the lead in developing the Myanmar Trade Portal. The Team initiated several innovations to the LTP, including plans to develop an app for cell phones and a more descriptive representation of the Myanmar Trade Repository, which will be designed to link to the ASEAN Trade Portal.

### ***Results***

- US-ACTI-ERA conducted a Study Mission and Training Program to Laos for MOC policy makers and the trade portal implementation team.

### ***Next Steps***

- Procure the equipment necessary to establish the Trade Portal
- Modify the Lao Trade Portal software for use in Burma, including the development of a mobile app.
- Provide support to MOC in populating the Trade Portal database.

**Support Development of WTO Notification Process throughout Government** - WTO notifications are a key element of a transparent trade policy development process, providing other WTO members with access to each country's trade policies and opportunities to make comments on draft policies; and, they are WTO treaty requirements. During this quarter, US-ACTI-ERA supported the Ministry of Science and Technology's Department of Standardization and Metrology (DSM) to notify the WTO/ISO of the passage of the Law on Standardization. This new law provides the legal basis for establishing the National Standards Council, which is beginning to develop Burma's National Product Standards, and the National Metrology Institute and National Accreditation Bureau. This was the second recent WTO notification by DSM.

### ***Results***

- Notification of Burma's new standards law

### ***Next Steps***

- Continued support to DSM in notifications of standards-related policies.

**Providing Support to Modernize Burma's Technical Barriers to Trade (TBT) System and National Quality Infrastructure** - Burma has accelerated its development of the legislation, institutional capacity and public awareness needed to create a modern National Quality Infrastructure in line with international requirements and best practices. A strong NQI provides a

backbone of well-known product standards, accredited labs and conformity assessment procedures, efficiently implemented technical regulations, and reliable measurements. These combine to provide the foundation for businesses and to provide consumers with a wider array of safe and reliable products. The NQI backbone facilitates a better-functioning domestic market and greater integration into regional and global markets, thus creating jobs and economic opportunities as well as better health and safety for the people of Burma.

Parliament passed Burma's first Law on Standardization in July, which provided the legal authority to develop the National Standards Council (NSC), the National Metrology Institute (NMI) and the National Accreditation Body (NAB), forming the core elements of a NQI. The practical operation of these will be guided by regulations to implement the Standardization Law that are currently being developed (on standards development and the operation of the accreditation body) and by draft revisions to the Law on Metrology that have been submitted to the Union Attorney General's Office for review and notified to the WTO/ISO.

The Ministry of Science and Technology's Myanmar Scientific and Technological Research Department (MSTRD) leads these processes. It takes the technical lead on legislative development, with engagement among private-sector stakeholders in drafting processes; they work to raise public understanding of the core principles and procedures for implementing a modern NQI; and they provide training to its staff, the staff of other government agencies, and representatives of the private sector on key elements of NQI development.

US-ACTI-ERA has provided intensive TA support to MSTRD and through MSTRD to other relevant government agencies and private-sector stakeholders, focusing on trainings on international best practices, comments and recommendations on draft legislation, and developing a functional TBT Enquiry Point.

This quarter, US-ACTI-ERA worked with MSTRD to organize a technical workshop on WTO requirements for developing and implementing technical regulations. After decades of neglect on health and safety issues for the public, various Burmese ministries will be developing a number of technical regulations, for which MSTRD is working to ensure that those regulations are developed according to international best practices.

Additionally, the National Standards Council (NSC) met for its first time, and provided a number of comments on the MSTRD draft Regulation to Implement the Law on Standardization. MSTRD was assisted by US-ACTI-ERA in the preparation of the draft regulation. US-ACTI-ERA's TBT/NQI expert worked with MSTRD to respond to the questions and to adjust the draft. It also became clear that it is important to provide information on best practice on standards development to the new NSC, which is being done through short briefing papers and plans for a briefing during their next meeting. The NSC and new National Standards Body in the MSTRD will begin to develop Burma's first-ever National Product Standards. Lastly, US-ACTI-ERA met with other donors supporting MSTRD to ensure coordination and complementarity.

US-ACTI-ERA's TBT/NQI expert Ed Nemeroff also assisted MSTRD to respond to a range of comments by stakeholders on the draft Regulation to Implement the Law on Standardization (which US-ACTI-ERA helped to draft). These included more than 100 comments from a range of government and private-sector stakeholders, particularly from the new National Standards Council (NSC) and their Working Group and 19 Technical Committees. They also included comments from the formal Union of Attorney General Office draft review process. The NSC, which was enabled by the Law on Standardization and which includes members from around 10 different ministries and a number of private-sector groups, held their first meeting this quarter. Although US-ACTI-ERA has supported raising understanding of international best practices significantly with the MSTRD, it is clear that similar training programs (with MSTRD playing a lead role now) will be needed for the NSC and their subsidiary groups, many of whom have limited understanding of relevant international best practices, processes and treaty requirements.

### ***Results***

- Improved awareness on the part of MSTRD of the need to establish a 'TBT' enquiry office, with training provided.
- MSTRD implemented a public comment process for its draft regulation to implement the law on standardization.

### ***Next Steps***

- Support for MSTRD in the establishment of a 'TBT' enquiry office, including equipment.
- Support for upgrading the TBT Enquiry Point website.

**Support Burma's Application of the ASEAN Directive on Medical Devices** - ASEAN finalized its Directive on Medical Devices in late 2014, and Burma has agreed to implement it on a timely basis. This will require the development of a technical regulation on medical devices by Burma's Ministry of Health, in line with the ASEAN Directive. This will be the first detailed technical regulation developed in Burma and the regulation's development process be fully in line with the WTO-TBT Agreement and international best practices.

During this quarter, US-ACTI-ERA met with Food and Drug Administration officials in Nay Pyi Taw to refine the agenda and plans for a three-day program of workshops and technical meetings from April 28-30 to lay a foundation for drafting a Ministry of Health Regulation to Implement the ASEAN Medical Device Directive.

### ***Results***

- None.

### ***Next Steps***

- Workshop on developing a roadmap for the implementation of the ASEAN Medical Devices Directive.

- Ongoing support for the implementation of the ASEAN Medical Devices Directive in line with international best practices.

**Advance Responsible Investment** - A number of donors (including the International Finance Corporation, Asian Development Bank, GIZ, JICA and The Asia Foundation) are providing technical assistance to the Directorate of Investment and Company Administration (DICA) to support liberalization and streamlining of investment and company registration policies and procedures. In this context, the program focused on three activities in 2014. These activities aimed to strengthen capacity among various government agencies to encourage responsible investment, with a focus on natural resource, infrastructure, and agribusiness investments. US-ACTI-ERA is coordinating with other donor programs to ensure that its support for responsible investment does not duplicate efforts of others.

**Comments on the Draft Investment Law.** This quarter, US-ACTI-ERA submitted detailed comments on the draft Investment Law to the Department of Investment and Company Administration. The new law is designed to merge and harmonize the existing dual systems incorporated in the “domestic” and “foreign” investment laws, and critically will hopefully shift the regulatory environment from a positive list where investment in most sectors require approval to a negative list of hopefully a small number of regulated sectors with investment in most sectors allowed without restrictions. These comments were prepared on a pro bono basis by legal experts from Baker & McKenzie Law firm in Ho Chi Minh City (Fred Burke), in particular to gain a perspective after 10 years of implementing a similar harmonized investment law in Vietnam, and Rangoon (Chris Hughes), as well as US-ACTI-ERA expert John Davis.

### *Results*

- Comments on the draft Law on Investment were submitted to DICA.

### *Next Steps*

- None planned until the Investment Law is approved by Parliament.

**Financial Markets.** The financial sector is one of the most repressed economic sectors in Myanmar, creating a major constraint to more dynamic, inclusive growth. US-ACTI-ERA provided detailed comments and recommendations on a critical draft Law on Banks and Financial Institutions that is being developed by the Central Bank. These comments, prepared by two experts hired by US-ACTI-ERA, focused on four principal concerns:

- (1) Corporate governance of banks
- (2) Enforcement/corrective action provisions
- (3) Bank Resolution (Administratorship, Rehabilitation, Moratorium and Liquidation)
- (4) Group-wide (“Consolidated”) Supervision

The supervision and enforcement actions did not appear to have been drafted by a bank supervisor as they did not follow a logical process. One of the consultants visited Burma in March to follow up the recommendations with meetings with financial sector representatives and the central bank.

### ***Results***

- Comments on the draft Law on Banks and Financial Institutions were submitted to and discussed with the Central Bank.

### ***Next Steps***

- None planned but US-ACTI-ERA stands ready to provide support to the Central Bank in revising the draft should a request be made.

### **Developing Sanitary and Phytosanitary (SPS) Measures and Modernizing the Food Law**

- There are increasing demands by the public for improving food safety in Burma, and the Ministry of Health is moving to modernize an outdated 1997 Food Law. This quarter US-ACTI-ERA partnered with the MOH's Food and Drug Administration to organize a two-day stakeholders' workshop on modernizing the food law in Nay Pyi Taw with around 80 participants to kick-off an on-going effort to draft revisions to the old law and to develop an institutional and human resource capacity plan for preparing to implement the new law effectively. The workshop was opened by the Minister of Health with the Vice-Minister of Health and Director General attending as well. US-ACTI-ERA's food safety expert provided presentations on best practices for food laws, including requirements in key international treaties and agreements. Participants included government officials, representatives from the food processing sector, consumer groups and a health foundation. US-ACTI-ERA will continue to support this effort throughout the year.

### ***Results***

- Conducted a two-day stakeholders' workshop on modernizing Burma's Food Law.

### ***Next Steps***

- Once a drafting team is established, US-ACTI-ERA will provide support for the drafting of a new food safety law.

### **Work Stream 3: SME Development in Burma**

**Design Thinking Weekend** – The ICT sector is arguably the most dynamic sector in Burma, with major reforms leading to a huge expansion in the usage of cell phones and the internet by people throughout the country. This has raised many new business opportunities. Building on our successful Business Solutions Hackathon last year, US-ACTI-ERA teamed with Phandeeяр, the new local innovation lab, to conduct an intensive three-day workshop over a weekend on using design thinking to advance development products for newly emerging ICT projects.

Design thinking is a people-centered business development approach that has evolved from work at Stanford and Potsdam Universities. This workshop focused on providing intensive training to 6 existing organizations (around 30 participants) that have recently formed and are introducing new products to the market. Organizations are building a “Netflix” like application for Burmese movies, an online Q&A service for teenagers (in particular), a Burmese-language search engine for news and information, an app version of Buddhist prayer beads, a beta version of Viber for Burma, and a voter education application (being developed by a CSO). US-ACTI-ERA will be tracking their progress and providing additional support as appropriate over time.

### ***Results***

- Conducted a three-day workshop on design thinking and supported the ongoing development of Phandeyar as a focal point of ICT innovation in Burma.

### ***Next Steps***

- US-ACTI-ERA will work with Phandeyar to develop a series of workshops to promote ICT development in Burma.

**Exploring Program Opportunities on Supporting Women Economic Empowerment in Burma** – US-ACTI-ERA with ACTI’s women’s empowerment expert conducted 7 meetings over two days to engage with leaders and potential partners for advancing ERA’s work to support women entrepreneurs. The next step will focus on developing a mapping of the people, institutions and constraints involved with promoting women-owned firms, for use among other things as a resource tool for the India (SEWA)-Burma women-support groups exchange in late May. There is considerable energy and potential, but support groups and constraint analysis are not yet well formed.

### ***Results***

- Successful deepening of engagement with women’s groups in Burma.

### ***Next Steps***

- Completion of a mapping of people and institutions supporting women’s economic empowerment in Burma, as part of a broader effort to document such people and organizations across ASEAN.

**Startup Ecosystem Report** – Although there have been a number of general assessments on constraints to investment and business development (including for export sectors), there is no assessment focused directly on why more new startup firms have not emerged in Myanmar after several years of liberalization following years of economic repression. US-ACTI-ERA worked in partnership with Allison Morris and Pete Sylvester of Project Hub, a local organization focusing on entrepreneurship, to develop a “Mapping of Yangon’s Startup Ecosystem” in 2014 – providing the first mapping on the emergence of innovative new firms in Yangon along with initial assessments of regulatory and capacity constraints. Following inputs from a focus group of local ex-

perts, a second draft of the Startup Ecosystem Report was completed this quarter and will be reviewed with final edits for publication.

### ***Results***

- Completed the 2<sup>nd</sup> draft of the Start-up Ecosystem Report.

### ***Next Steps***

- The report will be finalized, published, and socialized over the next two quarters

## **Work Stream 5: Information and Communication Technology (ICT) Development**

A half century of isolation has left Burma far behind in ICT, the backbone of a modern, dynamic economy and society. The successful award of two major contracts to build a wireless system reaching throughout the country was a major step forward early in 2014. The World Bank has committed to a reported \$31.5 million grant to support the Ministry of Communications and Information Technology in developing a modern, independent telecommunications regulatory environment, a universal service fund, and rationalize the state-owned telecommunications company. These advances provide an opportunity for US-ACTI-ERA to support U.S. private-sector input into this massive ICT modernization effort and to explore ways to use the rapidly improving ICT environment to advance inclusive development.

**Development of U.S.-Burma Information and Communication Technology (ICT) Council** - US-ACTI-ERA continued to work with the USAID Mission and Myanmar Capital Advisors (MCA) to move forward the work of the U.S.-Burma ICT Council. This Council is an opportunity for USAID through US-ACTI-ERA to support U.S. private-sector input into the massive ICT modernization effort that is taking place in Burma, to explore ways to use the rapidly improving ICT environment to advance robust and inclusive development and to help make the Burmese market more attractive to U.S. firms.

Launched in December, the Council is now planning a series of workshops with the Government of Burma and the private sector to be held next quarter. This activity will also be organized to expand US-ACTI-ERA's support of Phandeeayar.

### ***Results***

- None

### ***Next Steps***

- ICT Council workshops promoting ICT development in Burma to be held next quarter with both the Government of Burma and the private sector.

## **Appendix 5 – Summary Report on the Value to Support to the Government of Burma**

### Assistance to the Government of Burma

| Reporting Period              | Awardee/Recipient                                                                                                                       | Number of Recipients | Summary and Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Type of Asst to GoB          | *Value  | Percentage of GOB Assistance to Activity Amount |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------|-------------------------------------------------|
| <b>Regional Support</b>       |                                                                                                                                         |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |         |                                                 |
| 1/1/15-3/31/15                | SOME, ACE, Re-SSN                                                                                                                       |                      | <b>RE-SSN Meeting and Presentation on Hydropower Study</b> - ACTI conducted a workshop to share the findings of the Study of Potential Climate Change Impacts on Hydropower and Policy Implications and the Pilot Test of the Assessment Tool/Framework and presentation to the RE-SSN.                                                                                                                                                                                             | Technical Assistance         | ██████  | 10%                                             |
| 1/1/15-3/31/15                | ASW                                                                                                                                     |                      | <b>ASW Software Development</b> - ACTI contracted Axway Pte. Ltd, Singapore to design, develop, and implement the messaging software for the ASEAN Single Window. This activity will continue through December 2016 and benefits all AMS.                                                                                                                                                                                                                                           | Technical Assistance         | ██████  | 10%                                             |
| <b>Burma Specific Support</b> |                                                                                                                                         |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |         |                                                 |
| 1/1/15-3/31/15                | MSTRD                                                                                                                                   |                      | <b>National Quality Infrastructure</b> - ACTI-ERA hired Mr. Edward Nemeroff to provide ongoing technical assistance and training to the MSTRD to support the modernization of Burma's Technical Barriers to Trade system and National Quality Infrastructure and to conduct a one day training workshop on TBT Enquiry Point and a consultation workshop on the draft Law on Metrology.                                                                                             | Technical Assistance         | ██████  | 100%                                            |
| 1/1/15-3/31/15                | Ministry of Health, Food and Drug Administration                                                                                        |                      | <b>Food Policy Consultancy</b> - ACTI-ERA hired Mr. Digby Gascione to provide technical assistance to support the modernization of Burma's Food Law through providing intensive support for modernizing the Food Law and developing a plan for upgrading the institutional and human resource capacities in the government and non-government sectors. ACTI-ERA also conducted a two day Consultation Workshop to assess the need and key principles for revisions to the Food Law. | Technical Assistance         | ██████  | 100%                                            |
| 1/1/15-3/31/15                | Central Bank of Myanmar                                                                                                                 |                      | <b>Financial Markets</b> - ACTI-ERA hired consultants to support the Central Bank of Myanmar in the formulation and enactment of a new Law on Banking and Non-Banking Financial Institutions, which will provide the institutional regulatory and market access foundations for more modern financial market, which is critical to advance sustained and inclusive growth in Burma.                                                                                                 | Technical Assistance         | ██████  | 100%                                            |
| 1/1/15-3/31/15                | Mr. Hla Maw Oo, Mr. Minn Minn, Dr. Htain Lynn, Ms. Win Min Phyo, Mr. Myo Khine Win, Ms. Cho Cho Mar, Mr. Aung Than Htoo, Ms. New Ni Win | 8                    | <b>Burma Trade Portal Study Tour</b> - ACTI-ERA hired Mr. Anousa Souannavong and Mr. Bourma Phavong to provide training and technical support for the transfer of the software of the Laos Trade Portal to the Myanmar Trade Portal. Additionally, ACTI-ERA conducted a study tour for 8 MOC officials and 2 software experts from Burma to Lao PDR.                                                                                                                                | Technical Assistance/ Travel | ██████  | 100%                                            |
| 1/1/15-3/31/15                | Ms. Nilar Kweye                                                                                                                         | 1                    | <b>4th Meeting of the ASEAN Public-Private Taskforce for Sustainable Fisheries and Aquaculture</b> - ACTI-ERA supported 2 Burmese participants to attend the 4th Taskforce meeting in Jakarta. One from the GOB and one from the private sector.                                                                                                                                                                                                                                    | Travel                       | ██████0 | 50%                                             |