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Quarterly Report

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

January – March 2014

Quarterly Report

ASEAN Connectivity through Trade and Investment (ACTI)

Compiled for

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List of Abbreviations

ACCSQ	ASEAN Coordinating Committee on Standards and Quality
ACTI	ASEAN Connectivity through Trade and Investment
AgCLIR	Agribusiness: Commercial Legal and Institutional Reform Diagnostic
AHTN	ASEAN Harmonized Tariff Nomenclature
AMS	ASEAN Member States
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
AWEN	ASEAN Women Entrepreneurs' Network
ERA	Economic Reform and ASEAN Integration Program
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
NIST	National Institute of Standards and Technology
NSW	National Single Window
PLF	Protocol for the Legal Framework
RDMA	Regional Development Mission for Asia
SME	Small and Medium Enterprise
TELSOM	Telecommunications Senior Officials Meeting
T&I	Trade and Investment
TBT	Technical Barriers to Trade
TIFA	Trade and Investment Facilitation Agreement
ToT	Training of Trainers
TWG	Technical Working Group
USABC	US-ASEAN Business Council
USAID	United States Agency for International Development
USG	United States Government
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 implementing the ASEAN Economic Community 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 Initiative, and the Enhanced Partnership Plan of Action. The project engages with the ASEAN Secretariat, member states, U.S. government agencies, the private sector, and other stakeholders as the region moves toward its 2015 ASEAN Economic Community goal and to deepen the ASEAN-U.S. economic relationship.

ACTI supports ASEAN through five work streams:

- **ASEAN Single Window:** By establishing the ASEAN Single Window (ASW) and the contributing National Single Windows, ASEAN is enabling the electronic exchange of trade transaction information for more rapid cargo clearance, thus lowering the cost of trade.
- **Trade and Investment Facilitation:** Trade and investment facilitation, including business standards harmonization in priority integration sectors, ensures a more level playing field, lowers costs, and boosts consumer confidence in the quality of goods they receive.
- **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:** ASEAN and the U.S. are promoting the use of sustainable energy and energy efficient technologies.
- **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.

In the first quarter of 2014, ACTI continued the implementation of its 2014 Annual Work Plan. The most active work streams this quarter were the ASEAN Single Window, Trade and Investment Facilitation, and SME Development.

ACTI continued to support ASEAN's plan to have a fully operational ASW in 2015 with workshops focused on the legal framework, regulatory matters, technical implementation, and awareness and capacity building.

Under the Trade and Investment Facilitation work stream, ACTI worked on standards with preparations for workshops on Medical Devices and Health Supplements early next quarter.

ACTI's SME work stream undertook three back-to-back events in Bandung Indonesia. These events aimed to improve women and young entrepreneurs' awareness and skills, increasing their digital literacy and skills in the use of ICT technologies and tools in business development and management, especially for e-commerce access to online information on supplies and markets or for self-directed learning and other purposes. The SME work stream also began preparations for the upcoming broad-based training activities in e-commerce, exporting to regional/global markets, and best practices for SME competitiveness as well as the Launching Workshop for the ASEAN Women Entrepreneurs' Network.

Also in this reporting period, the ACTI Burma component, referred to as Economic Reform and ASEAN Integration, got underway with support for modernizing Burma's National Quality Infrastructure. In March, the program cooperated with the International Finance Corporation (IFC) and USAID-funded AgCLIR Report and studies on agricultural value chains by Michigan State University to jointly support a half-day dialogue on enhancing the competitiveness of agribusiness with the Union of Myanmar Federation of Chambers of Commerce and Industry. ACTI's work in Burma is reported in Appendix 4.

Status of Activities and Progress

The following is a summary of ACTI project’s activities and progress during the first quarter of 2014 (January through March) by Work Stream and keyed to activities listed in the First Annual Work Plan, 2014 Annual Work Plan, and Life of Project Plan.

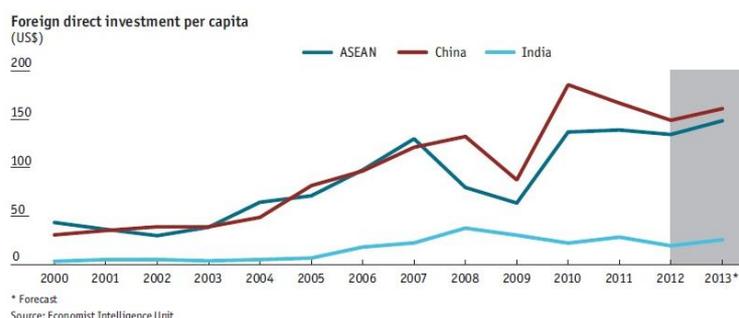
Work Stream 1: ASEAN Single Window

The ASEAN Single Window (ASW) is a central part of ASEAN’s efforts 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 exporting 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 time and costs, and contributes to increased efficiency and competitiveness.

NSW Status	ASEAN Member States
Operational	Indonesia, Malaysia, the Philippines, Thailand, Singapore
Development	Brunei, Vietnam
Design	Cambodia, Laos, Myanmar

In 2012, intra-ASEAN trade totaled \$600 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 \$200 billion. Thus, a strengthened ASEAN Economic Community enhances U.S. business opportunities in Southeast Asia. ASEAN is enjoying a period of high growth and resilient economies.

Foreign investment is pouring in, keen to capture the opportunity. The region attracted an estimated \$111.4 billion in foreign investment in 2012. 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 617 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.

Currently, ACTI is assisting ASEAN to:

- Complete the basic ASW architecture and begin live operation by Q4 2015;
- Finalize and adopt the necessary 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’s ASW work stream made headway in helping ASEAN Member States to cement the legal and regulatory foundation necessary to operate their respective National Single Windows and subsequently integrate into the ASEAN Single Window. ACTI also made progress on the technical aspects of implementing the ASW, including the design and procurement of the software and ICT systems that each Member State will need, and the challenges of installing, operating, and integrating these systems.

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. During this quarter, ACTI presented to the ASW Technical Working Group a proposal for live operation by September 2015 that is feasible yet ambitious. The key to the approach is the recognition that not all ASEAN Member States (AMS) are prepared for live operation of the ASW nor will several 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 in principle, 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 and ACTI works with all AMS to identify and then prepare for the exchange of additional trade documents. Under this approach, it is expected that up to four AMS (Indonesia, Malaysia, Singapore, and Thailand) will be able to share up to two documents (ASEAN Certificate of Origin and ASEAN Customs Declaration Document) by the fourth quarter of 2015. The schedule to reach this milestone is ambitious and will require concerted effort by all parties over the next nearly two years.

Core ASW Environment Procurement. The largest effort over the next two years will be the procurement of the software that will support live transfer of trade data through the ASW. This effort builds on the pilot testing under the ASW Project. To successfully launch live operation of the ASW by Q4 2015, the request for proposals for this procurement must be launched no

later than 1 September 2014. ACTI is working with the ASEAN Technical Working Group (TWG) to finalize the core provisions of the terms of reference for this system. At the TWG meeting in February, the staged approach was presented and accepted in principle. ACTI further presented the staged approach to the ASW Steering Committee in March. The Steering Committee approved the approach in principle. ACTI is now preparing a more detailed description of its approach for presentation to the TWG in May.

ACTI presented a set of criteria to the TWG to determine whether individual AMS are exchange-ready and which forms they are ready to exchange. ACTI will not proceed with contracting until this is determined. By the end of the quarter, AMS had yet to reply on this core issue despite reminders from ACTI through ASEC.

As part of the planning for live operation of the ASW, ACTI prepared a request for proposals for an analysis of the ability of the ASEAN Secretariat to house the servers to be used for ASW regional services. ACTI will seek bids and issue a fixed price purchase order for this task in the next quarter. If the cost of upgrading facilities at the Secretariat to meet international standards is prohibitive, the regional services servers will have to be hosted in a data center outside of the Secretariat.

Identification of Additional Documents to Be Exchanged: Over the past several years, with support from the ASW Project, AMS agreed on the technical aspects of how to exchange ASEAN certificates of origin and Customs declarations. At the end of the ASW Project, a study was completed to identify additional documents to be exchanged and to partially develop the business process for their exchange. ACTI is now working with the TWG to determine which documents should be next in line for exchange under the ASW. Contracts to integrate new documents into the ASW will be in place to commence with live operation in Q4 of 2015.

As a next step, in February 2014 back-to-back with the ASW 26th TWG meeting, the ACTI team led a one-day ASW Focused Group Discussion on forms that can be exchanged by the ASW. The purpose of the discussion was to support the development of terms of reference for the information process modeling exercise needed to add new forms to the ASW in 2015. Based on the discussion, four sets of forms will be incorporated into the Information Process Modeling study: Ocean Booking Confirmation, Loading Confirmation, Pre-Departure Export Manifest Summary, and Sanitary and Phytosanitary Certificates. The workshop also deepened participants understanding of the steps needed to incorporate the new certificates and new actors into the ASW/NSW.

Results

- The ASW TWG and Steering Committee agreed in principle to the staged approach to implementing the ASW with a target of completion in 2015.
- ASEAN agreed that the next four groups of documents to be considered for inclusion in the ASW will be the Ocean Booking Confirmation, Loading Confirmation, Pre-Departure Export Manifest Summary, and Sanitary and Phytosanitary Certificates

Next steps

- ACTI will prepare a detailed plan for the procurement of software/ICT systems to present to the next TWG meeting.
- ACTI will procure a study of the ability of the ASEAN Secretariat to host the ASW regional servers in Q2 2014.
- Individual AMS will determine whether they are ready to exchange live data through the AMS and, if so, for which forms.
- ACTI will prepare a terms of reference for a study of the information process modeling of four priority forms. Study to be completed by mid-2015.

Establishment of the ASW Legal and Regulatory Environment

Protocol for the Legal Framework: USAID has been working with ASEAN to establish the necessary legal framework for the ASW for six years. Over the past two years, ASEAN has completed, with support from USAID, the MoU necessary for the implementation of the ASW pilot and reached agreement on nearly all of the final Protocol for the Legal Framework (PLF) for the ASEAN Single Window. The last ASW Legal Working Group (LWG) meeting in 2013 completed the draft PLF. The LWG planned to finish legal scrubbing in the first quarter of 2014 with the expectation that the Ministers of Finance will sign the PLF in late 2014.

ACTI provided support to the LWG meeting in February to complete the legal scrubbing of the PLF. Unfortunately, Malaysia raised an objection to one of the provisions of the PLF at the meeting and the legal scrubbing was not completed. ACTI is working with the LWG to address Malaysia's concern and complete the legal scrubbing at the next meeting of the LWG in the second quarter of 2014. As proposed by ACTI and accepted by the LWG, ACTI will organize a regional workshop to help AMS better understand how to implement the PLF in local legislation in 2014 after the legal scrubbing is completed.

AMS Legal Gap Analyses: ACTI's consultant completed his work on the Myanmar ASW legal gap analysis and submitted it to Myanmar Customs. No comments were received from Myanmar on the draft. In June ACTI will launch a legal gap analysis for Cambodia that will provide guidelines for establishing the necessary legal environment for the ASW in line with the PLF and international best practice.

Results

- ASEAN completed the legal scrubbing of most of the PLF.
- Submitted the complete legal gap analysis for the NSW/ASW in Myanmar

Next steps

- ACTI will continue assisting Member States to complete the legal scrubbing of the PLF at the next LWG Meeting in Phnom Penh, Cambodia on May 20-22, 2014.

- ACTI will organize a regional workshop on understanding the PLF in August 2014 in Hanoi, Vietnam to assist Member States in aligning their domestic laws with the regional PLF and support their ratification process.
- ACTI will develop a guide to understand the Protocol for the Legal Framework to implement the ASW for the benefit of other stakeholders such as logistics providers, freight forwarders, traders, banks, insurance companies, etc. aside from Customs, Regulatory Agencies, and Port Authorities.
- ACTI will prepare a legal gap analysis for Cambodia's participation in the ASW.

Work Stream 2: Trade and Investment Facilitation

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

With a population of over 620 million and a combined GDP of over \$2.4 trillion, ASEAN is the largest destination for US investment in Asia.

of rules of origin, and closer cooperation on trade nomenclature. In the area of services, ACTI provides support to ASEAN in preparation for its adoption of a new ASEAN Trade in Services Agreement over the next year 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, ACTI's Trade and Investment Facilitation work stream focused on trade in goods activities.

Facilitating Trade in Goods

A. Standards

Conformity Assessment: The ASEAN Coordinating Committee on Standards and Quality (ACCSQ) Working Group (WG) 2 - Accreditation and Conformity Assessment - is responsible for the development of policies and approaches for accreditation and conformity assessment to support the realization of the ASEAN vision of creating a single market and production base for free movement of goods. The ACCSQ WG 2 is also developing the conformity assessment modules for self-declaration of conformity, type examination, product examination, product certification, production inspection and unit verification. These modules will be used to assist with the selection of conformity assessment procedures for products based on the design, risk and production. The U.S. National Institute for Standards and Technology (NIST) organized a workshop on Standards in Trade in Maryland, USA in March 2014 and invited the participation of members of ACCSQ WG 2. ACTI supported the participation of Mr. Win Khaing Moe (Director General, Myanmar Scientific and Technological Research Dept., Ministry of Science and Technology) in the NIST-organized Standards in Trade Conference in Maryland in late

March. Representatives of other ASEAN Member States were sponsored by NIST. The workshop focused on a comparison of US and ASEAN approaches to conformity assessment and conformity marks and how they relate to WTO obligations and international standards and practices. Participants came away from the workshop with a much deeper understanding of the issues that must be considered in adopting a new conformity mark system.

Medical Device Directive Workshops: Medical devices regulatory harmonization training to assist ASEAN Member States' implementation of the ASEAN Medical Devices Directive by 2014 is a priority activity for ASEAN and is part of the ASEAN-U.S. Department of Commerce standards work plan. ACTI and its predecessor project have been working for several years with ASEAN to promote the adoption of the Medical Devices Directive and its implementation by AMS. ASEAN intends for the Medical Devices Directive to be in line with the international standards promoted by the Department of Commerce and USAID in 2014. Once issued, the Directive will have to be implemented through national legislation/regulation as well as standard operating procedures of medical device supervisory agencies.

During this quarter, ACTI completed preparations for a regional Medical Devices Workshop in early May back-to-back with the meeting of the Medical Devices Product Working Group in Singapore. This workshop will further explain to regulators the international approach to medical device regulation and its implications for national laws.

Health Supplements: Health supplement manufacturing regulation is a relatively new area of study around the world but is very important for public health, particularly in developing countries. ACTI and the US Department of Commerce are working with the ACCSQ to provide training to ASEAN regulators on good manufacturing practices for health supplements. A workshop had been scheduled for October 2013 but was postponed due to the sequestration in the US. The workshop is now scheduled for this May. During this quarter ACTI completed preparations for this event.

Results

- After participation in the NIST seminar, Dr. Moe returned to Burma interested in applying the principles learned in the US to the Myanmar standards organization. This paved the way for close cooperation between USAID's ERA program and the Ministry of Science and Technology to modernize of Burma's standards regime.

Next steps

- ACTI will conduct a Health Supplements Workshop in April 2014 in Singapore, which was confirmed by the ASEAN Secretariat and the ASEAN Traditional Medicine and Health Supplement Product Working Group.
- ACTI will implement a regional medical devices workshop on the ASEAN Medical Devices Directive in Singapore in May 2014.
- ACTI is preparing for a further sub-regional (Burma, Cambodia, Laos and Thailand) workshop and two national workshops (Malaysia and Indonesia) later in 2014

B. Other Trade Facilitation Issues

Tariff Nomenclature: The World Customs Organization Harmonized Systems (HS) Code is reviewed and revised every 5 years. The next version of the HS Code will be implemented in 2017. In line with this, the ASEAN Harmonized Tariff Nomenclature (AHTN) must be reviewed, revised and implemented before then. The ASEAN-U.S. Technical Assistance and Training Facility previously assisted ASEAN in revising the AHTN in 2011 and 2012. In that process, ACTI helped to create significant regional capacity to revise the AHTN. ACTI will build on that regional capacity and provide much limited support for the current revision.

The first meeting of the AHTN Task Force was held in March in Jakarta to discuss the proposed HS 2017 and the needed revisions to the AHTN. At that meeting ASEAN asked ACTI to provide support for ASEAN's AHTN revision work program running through 2016. ACTI has proposed to provide limited expert support only for revisions to particularly difficult chapters of the AHTN.

Results

- None

Next Steps

- ACTI will prepare a focused terms of reference for support that recognizes the capacity that has been developed in the AHTN Task Force in past years.

Work Stream 3: SME Development

ACTI's SME support activities aim to improve the capacity of ASEAN entrepreneurs, especially women and youth, to create and operate SMEs and promote equitable, inclusive development. In accordance with the ASEAN Strategic Action Plan for SME

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

Development 2010-2015 and in close collaboration with the ASEAN SME Working Group, ACTI's SME support is focused on:

- 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 will leverage 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 (USABC) in March of this year 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 and to upgrade IT skills of SME owners.

Access to Regional and International Markets

Private-Public Partnership: As mentioned above, the US-ASEAN Business Alliance, launched on 4 March 2014, is co-implemented by the USAID and US-ASEAN Business Council through its ASEAN Committee. USABC corporate participants offering expertise and/or financial support for Business Alliance activities include P&G, UPS, HP, GE, Microsoft, Baker McKenzie, Cisco, FedEx, Ford, Google, Hills Companies, IBM, KPMG, MasterCard, Motorola, Qualcomm, Seagate, UL, and VISA.

One component of the Business Alliance focuses on providing SMEs information, and training and mentoring services on regional and global best practices through seminars and workshops. These aim to develop capabilities among ASEAN SMEs to participate in inter-firm linkages and strategic supplier partnerships and, opportunities permitting, to integrate into the U.S., and the regional and global supply chains. To launch this effort, UPS offered to support a series of four one-day broad based training workshops in 2014. During this quarter, the ACTI team began preparations for the first workshop in this series to be held in April in Ho Chi Min City.

ASEAN Women Entrepreneurs' Network (AWEN): To raise awareness of the needs of women entrepreneurs as well as to enhance their knowledge and capacity, ACTI and the Business Alliance are sponsoring the Launching Workshop of ASEAN Women Entrepreneurs' Network in Hanoi, which will include capacity building for women-owned SMEs. ACTI and the Business Alliance began preparations this quarter for the launching event, which will be held in April, and will continue to work with the Network to build capacity and improve access to finance and information of female entrepreneurs and women-owned SMEs beyond 2014. Capacity building and networking activities are the key focus areas in the AWEN Work Program 2014-2020.

Results

- USAID and USABC launched the U.S.-ASEAN Business Alliance for Competitive SMEs.

Next Steps

- The Business Alliance and ACTI will conduct the first seminar on supply chain linkages in Ho Chi Minh City in April.
- The Alliance and ACTI will conduct similar seminars in Malaysia in June 2014, in Thailand in July 2014 and in Myanmar in August 2014.
- ACTI and the Business Alliance will sponsor the Launching Workshop of AWEN in Hanoi in April 2014.
- ACTI/Business Alliance will include the participation of the AWEN members in future training and awareness-raising activities.

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 March, ACTI, in collaboration with the ASEAN Foundation and Microsoft, conducted three back-to-back training events in Bandung, Indonesia. These events aimed to improve women and young entrepreneurs' awareness and skills, increasing their digital literacy and skills in the use of ICT technologies and tools in business development and management, especially for e-commerce access to online information on supplies and markets or for self-directed learning and other purposes.

The first event was a training of trainers (ToT) course on "Smart Technology for Smarter Business Training for SMEs" The course had five modules: (i) Operation and Management Tools; (ii) Finance Tools; (iii) Communication Tools; (iv) Marketing Tools; and (v) IT Security. Five of the eighteen trainees were then selected to deliver subsequent basic training courses. Immediately following the ToT course, two of the selected ToT participants (one male and one female) delivered a basic training courses on ICT tools for business development and management. The next rounds of the basic training will be held in the next quarter. The aforementioned training courses were supplemented by a one-day business incubation session for two selected participants. Support for their business development plans was discussed through classroom work and a visit to their business premises.

Results

- 18 individuals were trained as trainers in the use of ICT tools for business development and management.
- 27 SME owners were trained, in part by the new trainers, in ICT skills.
- 2 SME owners were provided one-on-one mentoring in improving their businesses.

Next Steps

- The remaining two basic training courses and one business incubation session will be organized in Bandung from 19-23 May 2015.
- Based on the success of this event, one basic training course and one ToT course will be conducted in Laos, tentatively in October 2014.

Work Stream 4: Energy

While ASEAN strives towards accelerating the establishment of an ASEAN Economic Community by 2015, it is important to ensure that such 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 energy use is projected to increase 270% from 2007 to 2030

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 the following program areas of the ASEAN Plan of Action on Energy Cooperation 2010-2015:

- Energy Efficiency & Conservation;
- Renewable and Clean Energy, including solar power, bioenergy, and hydropower.
- Civilian Nuclear Energy; and
- Natural Gas with a focus on nonconventional sources.

In this reporting period, ACTI launched its work in on climate change and hydropower and prepared to implement work on renewable energy and rural electrification in 2014.

Renewable and Clean Energy

Study Impact of Climate Change on Hydropower: ACTI's subcontractor ICF launched a major study of the impact of climate change on hydropower this quarter. The study will develop a climate risk assessment framework for hydropower projects to support climate-resilient energy decision-making by ASEAN Member States and will be completed in late 2014. The study will be presented to the ASEAN Renewable Energy – Sub Sector Network at a workshop in 2015

U.S.-ASEAN Rural Electrification with Distributed Solar Power Workshop: This quarter, ACTI began preparations for a workshop on Rural Electrification, scheduled for April as part of the ASEAN Renewable Energy – Sub Sector Network meeting in Kuala Lumpur. The workshop will support the renewable and clean energy area of energy cooperation and will build upon and complement the considerable work of the ASEAN Centre for Energy and German

Development Corporation on rural electrification issues as part of the technical cooperation project, Renewable Energy Support Programme for ASEAN.

The workshop will include: (1) a focus on presenting case studies, (2) an emphasis on including small wind and solar thermal in addition to other technologies (prior ASEAN efforts have been more focused on bioenergy, micro-hydro, and solar photovoltaic technologies), and (3) feature the climate/weather risk protection attributes of certain renewable energy technologies.

Results

- None

Next Steps

- Complete the study of the impact of climate change on hydropower in the region by late 2014.
- Implement the U.S.-ASEAN Rural Electrification with Distributed Power Workshop in Kuala Lumpur in April 2014.
- Coordinate with the Department of Energy on the scheduling of additional workshops on green building design and civil nuclear power for 2014/2015.

Work Stream 5: ICT and Development

ASEAN had nearly 19 million fixed broadband subscriptions in 2012 but over 100 million wireless broadband subscribers

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 technology proliferation as well as improved accessibility, affordability, and utilization of broadband for ASEAN Member States.

A secure and connected information infrastructure is important for sustaining the region's economic growth and competitiveness. The ASEAN ICT Master plan highlights ASEAN's goals for advancing ICT in key sectors. Immediate needs in countries requiring capacity building of broadband infrastructure at the national and subnational levels include the establishment of a strong Universal Service Fund institution and a systematic plan for build-out of broadband capacity from a strong central broadband corridor.

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

working with the Indonesia pilot to prepare an evaluation of its operations to be used as a case study in a workshop on TV White Space technology now planned for late this year. Lessons learned from the Indonesia case and others will provide ASEAN with an avenue to expand broadband access at lower cost.

Results

- None.

Next steps

- Complete the evaluation of the Indonesian TV White Space pilot by Q4 2014.

Cooperation on Cyber Security

Develop a Proposed Work Plan on Cyber Security: In this reporting period, ACTI consultants prepared the first draft of a work program for a regional cybersecurity review. The review, if implemented, will examine cybersecurity threats in the region and propose regional solutions. The draft work plan will be finalized in the next quarter. Unfortunately, the Telecommunications Senior Officials Meeting has recently informed ACTI that it does not want to work with ACTI on cybersecurity at this time. The draft work plan will be submitted to ASEAN for its consideration at a later date.

Results

- None.

Next steps

- Complete the work program design for an ASEAN Cyber Security Review.

Implementation Issues and Recommendations

Implementation of the ASW by the fourth quarter of 2015 is ambitious and requires inputs from ACTI and AMS to be on time. ACTI is working to complete its preparations on time but inputs from and decisions by AMS sometimes take longer than expected. With the quarterly meeting schedule of the various working groups and a limited ability to make inter-sessional decisions, missing a single deadline can significantly delay the project. ACTI will work closely with the ASEAN Secretariat and with the chairpersons of the ASW Steering Committee and its working groups to minimize any scheduling issues. Further engagement by both ASEAN and the United States at higher levels to support timely development of the ASW would be helpful to the implementation of this program.

Appendix 1 – M&E Indicator Reporting

The table below tracks the indicators that ACTI has proposed in the draft M&E Plan. Targets will be included when the M&E Plan is approved.

Indicator	Reporting Frequency	Baseline	Year-1 (July 2013 – June 2014)		
			2013 Q3/4	2014 Q1	Total
DO: Enhance ASEAN's global competitiveness through economic integration development					
Work stream 1: ASEAN Single Window					
IR1.1: Reduced time for cargo clearance at the border					
Indicator 1.1.1: Number of transactions transmitted over the ASW (custom)	Annually when launched in 2015	0	- ¹	-	-
IR 1.2: Increased capacity to manage customs risk					
Indicator 1.2.1: Number of AMS integrating ASW data into risk management systems (custom)	Annually when launched in 2015	0	-	-	-
Work stream 2: Trade and Investment Facilitation					
IR 2.1: Reduced behind-border regulatory barriers					
Indicator 2.1.1: Number of countries implementing the ASEAN Harmonized Medical Device Directive (custom) – to be adopted in late 2014	Annually	0	-	-	-
Indicator 2.1.2: Number of countries implementing Self Certification of Origin (custom) – to be initiated in 2015	Annually	0	-	-	-
IR 2.2: Increased trade in services					
Work stream 3: Small and Medium Enterprises					
IR 3.1: Expanded access to finance for women entrepreneurs					
Indicator 3.1.1: Number of women entrepreneurs with improved access to finance through ACTI supported programs (custom) – Activity to be launched Q3 2014	Annually	0	-	-	-
IR 3.2: Increased business skills					
Indicator 3.2.1: Number of	Quarterly	0	0	0	0

¹ Items marked with a “-” indicate that no results are expected as the activity is not yet planned to commence or the indicator does not apply to a specific work stream.

Indicator	Reporting Frequency	Baseline	Year-1 (July 2013 – June 2014)		
			2013 Q3/4	2014 Q1	Total
SMEs receiving business development services (custom)	Men		113		
	Women		158		
	Total		271		
Indicator 3.2.2: Number of entrepreneurs who have received certificates of completion from the ASEAN Online Academy (custom) ²	Quarterly	0	-	-	-
Indicator 3.2.3: Number of people benefitting from USG-supported Public-Private Partnerships, disaggregated by sex (PPP2)	Quarterly				
	Men	0	0	28	28
	Women	0	0	15	15
	Total	0	0	43	43
Cross Cutting Indicators					
General Outcome Indicator					
Indicator OC1: Number of guidelines, policies, or directives endorsed by ASEAN reflecting ACTI inputs (custom) ³	Annually				
	ASW		0	0	0
	T&I ⁴		0	0	0
	SME	-	-	-	-
	Energy		0	0	0
	ICT		0	0	0
Total	0	0	0	0	0
Indicator OC2: Number of AMS adopting guidelines, policies, or directives reflecting ACTI inputs (custom)	Annually				
	ASW		0	0	0
	T&I		0	0	0
	SME	-	-	-	-
	Energy		0	0	0
	ICT		0	0	0
Total	0	0	0	0	0
General Output Indicator					
Indicators OT2: Number of person hours training in trade and investment capacity building supported by USG assistance (standard)	Quarterly				
	ASW		132 hrs.	228 hrs.	360 hrs.
	T&I		4,962 hrs.	0	4,962 hrs.
	SME		1,608 hrs.	612 hrs.	2,220 hrs.
	Energy		0	0	0
	ICT		0	0	0
Total	0	6,702 hrs.	840 hrs.	7,542 hrs.	
Indicator OC3: Number of workshop or training participants who state that	Quarterly				
	ASW		-	-	-
	T&I		-	-	-

² Once the Academy is launched in 2015.

³ The SME Development work stream is not presently working with ASEAN at the policy level.

⁴ Trade and Investment Facilitation Work Stream

Indicator	Reporting Frequency	Baseline	Year-1 (July 2013 – June 2014)		
			2013 Q3/4	2014 Q1	Total
their capacity has increased as a result of ACTI training/workshops (%), disaggregated by sex (custom)	SME		-	100%	100%
	Energy		-	-	-
	ICT		-	-	-
	Total	0	-	100%	100%
Indicators OT3: Number of activities completed implementing agreed U.S.-ASEAN work programs and objectives (custom) ⁵	Annually				
	ASW		-	-	-
	T&I		4	0	4
	SME		-	-	-
	Energy		0	0	0
	ICT		-	-	-
Total	0	4	0	4	
Input Indicator					
Indicator IT1: Number of days of technical assistance (TA) on trade and investment environment provided to counterparts or stakeholders (standard)	Quarterly				
	ASW	0	176.8	135.4	312.2
	T&I	0	149.7	59	208.7
	SME	0	125	144	269
	Energy	0	15.6	15.9	31.5
	ICT	0	61.9	25.2	87.1
Total	0	529	379.5	908.5	
Indicators IT2: Number of studies commissioned on trade and investment related issues (custom)	Annually				
	ASW	0	0	0	0
	T&I	0	0	0	0
	SME	0	4	0	4
	Energy	0	0	0	0
	ICT	0	0	0	0
Total	0	4	0	4	

⁵ Not all work streams have established US-ASEAN work programs.

Appendix 2 – Overall Project Indicators

This table includes the baseline for ACTT's overall results indicators from the M&E Plan.

Indicators	Baseline
Indicator 1: Overall Project Indicator - Ranking of the ASEAN Member States in the IFC Ease of Doing Business index (custom)	Σ ASEAN Rankings 2013 - 2014: 88.9/189⁶ countries CLMV: 144.25/189 countries
Indicator 2: ASW – Reduction in the IFC Doing Business indicator “Time to import” indicator	Σ Time to Import: 17.5 days⁷ CLMV: 24.5 days
Indicator 3: Trade and Investment	
a. Increase in ASEAN total volume of trade (custom)	(In US\$ million) 2,474,674.3⁸
b. Increase in ASEAN Foreign Direct Investment (custom)	(in US\$ million) 318,483.9⁹
Indicator 4: Energy – Reduction in Total Primary Energy Supply/GDP (custom)	4.49 toe/000 2005 USD¹⁰
Indicator 5: Average Internet users per 1000 of population in ASEAN (custom)	21.3 per 1000 population¹¹

⁶ World Bank Doing Business Report, as of 2014

⁷ World Bank Doing Business Report, as of 2014

⁸ Intra- and Extra- ASEAN Trade 2012, as of July 2013 by ASEAN statistics

⁹ Total FDI inflow to ASEAN 2010-2012, by ASEAN Statistics

¹⁰ Key World Energy Statistics, as of 2013 by International Energy Agency. (Data exclude Lao PDR as it is not listed by IEA)

¹¹ <http://www.internetworldstats.com/stats3.htm#asia>, as of June 2012

Appendix 3 – Success Story

Success Stories/Lessons Learned Template

One Story Per Template

Please provide the following data:

***Headline (Maximum 300 characters):** A good headline or title is simple, jargon free, and has impact; it summarizes the story in a nutshell; include action verbs that bring the story to life.

Smart Technology for ASEAN Entrepreneurs is Key to Competitiveness

***Body Copy (maximum 1.5 pages Times New Roman 12pt font):** The first paragraphs should showcase the challenge encountered and the context of the foreign assistance program. Presenting a conflict or sharing a first person account are two good ways to grab the reader's attention. Continue by describing what actions were taken and finally describing the end result. What changed for the person or community? What was learned? How did this make a difference in the community or to the country overall? If this story is relating to a "best practice", what were the innovations in planning, implementation or partnering that made it different? If this story is about an evaluation, what program adjustments were made?

Despite being recognized as the backbone of ASEAN's regional economy, small and medium enterprises (SMEs) still face numerous challenges ranging from lack of access to finance to lack of technical skills to manage and develop their businesses. In today's digitally inter-connected world that is often driven with the latest developments in technology, many entrepreneurs in the region are still not aware on the benefits that technology can provide in addressing these skill gaps.

Digital literacy and the use of modern technology have become prerequisites in today's business environment. Proper knowledge of and familiarity with Information and Communication Technology (ICT) help entrepreneurs access information and develop linkages to further strengthen their businesses. To help SME owners better take advantage of technology, the U.S. Agency for International Development through the ASEAN Connectivity through Trade and Investment project partnered with the ASEAN Foundation, Microsoft and SOS Children's Village project to hold a series of training and incubation activities for SMEs in the Bandung area in March 2014.

The training activities consisted of one three-day Training of Trainers (TOT) Session followed by two-day basic training courses. The sessions focused on using ICT tools for business development. Similar trainings have been conducted in the Philippines, Thailand and Viet Nam.

“The TOT is very useful for me,” said Christianty, a 28 year-old private tutor that participated in the three-day TOT course in Bandung. “While I have experience in tutoring people, I learned new skills and practical methods in teaching ICT.” Christy explained that she plans on applying these innovative teaching methods when she teaches the ICT class for mostly adult women at the local community learning center. Christy was among 18 TOT participants that came from various backgrounds including university students and young entrepreneurs.

The TOT course consists of five modules; (i) operation and management tools, (ii) finance tools, (iii) communication tools, (iv) marketing tools, and (v) IT security. The course prepares participants to deliver a technology curriculum to microentrepreneurs. The curriculum highlights the business challenges faced by SMEs and shows how technology solutions can address those challenges.

Two separate basic training courses followed the TOT event and allowed the new trainers to exercise their skills. Two more sessions will be conducted in May. Twenty five entrepreneurs participated in each session.

For Setiawan Pangestu, a 21 year-old entrepreneur who would like to develop his business manufacturing spicy snacks, the basic training provided him the opportunity to learn new marketing approaches. He said, “Although I am familiar with many social media tools, I want to learn about more ways to promote my products using other ICT tools.” He further added, “This training also introduced me to so many other entrepreneurs who are willing to share their experiences.”

The young entrepreneurs who just started their businesses within the past five years, were keen on learning about new technologies that can help solve their business challenges while sharing experience and knowledge with their peers.

The training courses were supplemented by two one-day business incubation sessions for the best entrepreneurs. The business incubation sessions aim to provide support for young entrepreneurs to develop a more effective business plan using ICT tools as well as provide ways to promote these businesses. The incubation sessions with the two entrepreneurs focused on ways to support their business development plans and to use online and social media tools to market their products to a larger consumer base.

Lessons from these trainings are being used to design further training efforts in other countries in ASEAN.

***Pullout Quote (one sentence):** Please provide a quote that represents and summarizes the story.

“The training course does not just teach participants one or two additional skills, rather, the program aims to address specific challenges faced by the businesses. This is what sets this training program apart from others.” **(Niko Atmadja – Trainer of the ASEAN Foundation)**

***Background Information (one paragraph):** If relevant indicate whether this story is about a presidential initiative, Key Issue(s). Please in one or two sentences explain why this is important to the intended beneficiaries and addresses USG priorities.

USAID fosters economic integration in a region such as ASEAN that encompasses

economies at significantly different stages of development. This means that USAID supports efforts to strengthen regional competitiveness through supply chain integration, legal reform, good governance efforts, and support for micro-, small-, and medium-sized businesses. Given the importance of small businesses in the ASEAN region, the U.S. Government supports SME development to foster economic growth in the region.

***Project Name and Point of Contact:** Please Provide the Project Name and the Individual who can be contacted to provide additional information about this story if required.

ASEAN Connectivity through Trade and Investment (ACTI) Project, Mr. Tim Buehrer (Chief of Party): Tbuehrer@nathaninc.com

Appendix 4 - Burma Economic Reform for ASEAN Integration Program

The two year, \$4 million Burma component of ACTI, now referred to as the Economic Reform and ASEAN Integration (ERA) program, commenced operations in Yangon on December 2, 2013, following several phase-in activities from September through November 2013. Technical supervision is provided by USAID-Burma while the contract is administered through ACTI with USAID's Regional Development Mission/Asia (RDMA) in Bangkok, Thailand.

The objectives of ERA's work are 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. The purpose of this program is to support Burma's efforts to continue its economic reforms to ensure a sustained environment attractive for trade, investment and private-sector growth. Although the program must remain flexible to address opportunities for reform, it will focus 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 will be 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.

Over the period of January through March 2014, ERA established its office, hired an office manager and advanced the process to hire technical staff. As well, ERA moved ahead in developing its Annual Work Plan for 2014, building upon a number of meetings with Burmese Government counterparts, donors and U.S. and Burmese private sector representatives, often conducted with USAID-Burma staff. In coordination with the ACTI Chief of Party, the Burma Country Manager also met with a wide range of U.S. Government officials and private experts and groups during meetings in Washington in January.

In early March, the ACTI Chief of Party and ERA Country Manager briefed, at their request in Ney Pyi Taw, the Burmese Senior Economic Official and her core staff on ACTI activities to support the ASEAN Economic Community and how the ERA program reinforces this initiative at the bilateral level.

Activity 2.1 – Support Development of the Burmese Trade Portal

The ASEAN Trade in Goods Agreement requires that member countries support a regional trade repository that provides ready access to trade regulations and processes in the region. Member states are generally meeting this obligation by developing and operating national trade repositories that will then be linked to the ASEAN Trade Repository. In several ASEAN countries, including Burma, a national trade portal serves as the national trade repository. Beyond meeting this regional obligation, a well-functioning national trade portal/repository

provides businesses and governments with up-to-date information on requirements and processes for exporting and importing goods. The linkage of national trade repositories to an ASEAN-wide trade repository increases the transparency and access of trading rules and processes at the regional level, further facilitating regional trade and trade between the region and global markets.

Through ASEAN, the Burmese Government has requested assistance from the U.S. Government to support the development of this initiative and dedicated funds have been provided. In March, ERA advisors led by Luc Pugliatti made presentations to the Director General of Customs and the Ministry of Commerce on developing a Myanmar Trade Portal, using the successful creation of the Lao Trade Portal as an example. Based on a request by the Ministry of Commerce, ERA prepared a draft implementation plan for developing a trade portal that could link both with the ASEAN Trade Repository and the Myanmar Single Window, including a background memo on the opportunities and challenges for developing such a trade portal to be used in a justification report for approval by the Minister and President.

Results

- The Ministry of Commerce has been designated to lead the development of a trade portal, in close cooperation with Customs.

Next Steps

- Technical staff in the Ministry of Commerce will submit a report to the Minister asking him to seek permission from the President to develop a trade portal.
- ERA's trade portal expert will be mobilized in late-May into early June to finalize and begin implementation of the plan to develop a trade portal.

Activity 2.3 - Support Modernization of Burma's Technical Barriers to Trade System (National Quality Infrastructure)

Burma is developing a new Law on Standardization and revising its Law on Metrology, which will include development of regulations, rules and procedures to implement the two new laws. Currently, there are no national standards and no legal framework or processes for developing technical regulations or carrying out conformity assessments. Few in government or the private sector fully understand international agreements and best practices on technical barriers to trade (TBT) measures.

The Director General in the Ministry of Science and Technology responsible for TBT issues has asked the program to support systematic modernization of legislation and procedures for establishing and administering standards, technical regulations, and conformity assessments in line with requirements in the ASEAN Economic Community, WTO, and other international agreements, and in line with application of these best practices in Burma. He has also asked for technical assistance to build the capacity of his staff and the staff of other agencies that develop

and implement TBT measures, and to raise awareness and encourage participation and dialogue with private sector groups affected by TBT measures.

Responding quickly to the Director General's request this quarter, the program had its TBT expert Ed Nemeroff spend nearly three weeks in late March and early April working intensively with MOST and other agencies' staff responsible for TBT measures. Mr. Nemeroff conducted 7 half-day training programs for about 20 staff each time from Ministry of Science and Technology and related agencies on the principles and requirements for standardization and metrology, including those from the ASEAN Economic Community, WTO-TBT, and other international agreements. In addition, Steve Parker presented on the Lao Trade Portal and Lao and Vietnamese TBT Enquiry Points. Based on recommendations from ERA, Ministry of Science and Technology staff have set June 2014 as a tentative deadline for establishing and launching an operational TBT Enquiry Point.

Ed Nemeroff and Steve Parker provided comments and recommendations for strengthening the draft laws on standardization and metrology and to encourage that they come more into compliance with ASEAN Economic Community, WTO and other international best practices. These were discussed intensively with the core drafting team in Ministry of Science and Technology.

The advisors also laid the foundation for developing an implementation plan for establishing a functional TBT Enquiry Point and advised on steps for acceptance of the WTO-ISO Code of Good Practice for the Preparation, Adoption and Application of Standards. Ministry of Science and Technology is considering sending notification to the WTO and ISO for acceptance of the Code of Good Practice for the Preparation, Adoption and Application of Standards.

Additionally this quarter, through an ACTI regional activity coordinated with the ERA program, the MOST Director General responsible for standards attended a training program on conformity assessment organized by USAID and the U.S. Department of Commerce's National Institute for Science and Technology in March in the Washington, D.C. area.

Results

- Ministry of Science and Technology staff is much more aware of issues related to compliance with the international agreements regarding standardization and metrology, and with regard for requirements and functions of a TBT Enquiry Point and the WTO-ISO Code of Good Practice for the Preparation, Adoption and Application of Standards.
- Ministry of Science and Technology staff understand much better deficiencies in a draft Law on Standardization that is currently submitted to Parliament for approval.

Next Steps

- Based on ERA recommendations, the Ministry of Science and Technology core drafting team are working on major revisions to the Law on Metrology.

- A plan will be developed with Ministry of Science and Technology to continue technical assistance on standards and metrology. This will include a trip by Ed Nemeroff in June and at least one similar additional trip over the course of the year.
- ERA will continue to engage on a regular basis with counterparts on developing the draft laws on standards and metrology. As possible, efforts will be made for these drafts to be notified to the WTO and ASEAN and to be reviewed and discussed in detail with private-sector stakeholders.
- ERA will provide an advisor to help in the development of a TBT Enquiry Point Website.

Activity 2.4 - Advance Responsible Investment

A number of donors (especially the IFC) are providing technical assistance to the Directorate of Investment and Company Administration to support liberalization and streamlining of investment and company registration policies and procedures. The USAID-Burma Mission has requested that the program help integrate several USAID-supported research activities on agribusiness investment and value chains into broader donor efforts on this issue and, as possible, into policy reform dialogue with the government. This reinforces the program's contribution to the mandate of the USAID-Burma Mission on agricultural and rural development. This quarter, in cooperation with the IFC and USAID-funded AgCLIR Report and studies on agricultural value chains by Michigan State University, the program jointly supported a half-day dialogue on March 21, 2014 on enhancing the competitiveness of agribusiness with the Union of Myanmar Federation of Chambers of Commerce and Industry (with about 10 Burmese private sector experts).

Results

- Held a half-day dialogue on agriculture value chains in Myanmar with the local private sector.

Next Steps

- Work with the AgCLIR team and USAID to finalize and distribute an executive summary of the final report.

5.1 Support Development of U.S.-Burma Information and Communication Technology Council

A half century of isolation has left Burma far behind in ICT, the backbone of a 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 and a universal service fund, and in rationalizing the state-owned telecommunications company. These advances provide an opportunity for USAID 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 robust and inclusive development.

Whereas donor support for modernization of the ICT sector in Burma is substantial, the domestic and U.S. private sectors have few channels to engage in and guide the process. It will be these companies that lead modernization in practice. The program will focus its resources in 2014 on supporting development of a U.S.-Burma ICT Council to provide a platform and channels for such input. The Council will be developed in cooperation with the U.S. ASEAN Business Council, the U.S. Chamber of Commerce, and the Burma Computer Association. Working with Myanmar Capital Advisors, the program prepared a concept paper on the viability of an ICT Council in late March. The paper will serve as a reference for discussions with businesses and government officials in Burma and the U.S. on developing the council, including discussions on the objectives of the council, key issues of concern, and how the council will be governed and become self-sufficient.

Results

- Completed a concept paper on the viability of an ICT Council.

Next Steps

- Discussions will be initiated with U.S. firms to join and actively serve on the ICT Council, with an expected launch of the council in July 2014 around the U.S.-ASEAN Business Council's business delegation trip to Burma.

ERA is working with ACTI's M&E Specialist to develop ERA-specific M&E indicators that will be reported in the next quarter.