

ASEAN-US
Technical Assistance & Training Facility



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FINAL REPORT

Fifth Semi-Annual Report
(June-November 2007)


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PREPARED FOR
USAID and the
ASEAN Secretariat

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Fifth and Final Semi-Annual Report for the ASEAN-US Technical Assistance and Training Facility

Introduction

From October 2004 to December 2007 the ASEAN-US Technical Assistance and Training Facility (“the Facility”) provided technical assistance and training designed to strengthen the ASEAN Secretariat and ASEAN as an organization through implementation of Vientiane Action Programme (VAP). Every six months the Facility issued reports summarizing its activities and accomplishments. This Fifth Semi-Annual Report is the final report as the Facility will end in December 2007. It covers activities during the Facility’s last six months and provides a brief summary of all the Facility’s activities, outputs and outcomes. Details of activity outputs are contained in the Facility’s monthly reports.

The VAP contains goals and strategies to realize ASEAN Political, Economic and Socio-Cultural Communities and to narrow the development gap between the ASEAN six Member Countries and the four newer Member Countries. In consultation with the Secretariat, the Facility organized priority actions into nine activity streams: Sector Integration (textiles, information and communications technology (ICT), healthcare, logistics), Investment, Customs and Trade Facilitation (ASEAN Harmonized Tariff Nomenclature, ASEAN Single Window, Rules of Origin, Standards and Conformity Assessment, and Non-tariff Measures), Trade in Services, Trade Negotiations, Trade-related Coordination and Dialog, Natural Resource Management, Public Health, and Strengthened Secretariat Resources. Projects in these activity streams reflect not only ASEAN objectives but shared ASEAN-US objectives under the ASEAN-US Enhanced Partnership (EP) and the ASEAN-US Trade and Investment Arrangement (TIFA).

Facility Results: An Overview

Over its three years, the Facility launched 125 activities and completed 102 (see attached Activity Matrix). The Facility has completed activities in all nine activity streams. Over 1,800 ASEAN Member Country officials, private sector representatives and Secretariat staff have benefited from Facility training. Principal accomplishments under each activity stream include:

Sector Integration

- Developed guiding principles and priority actions for integration of ASEAN logistics services sector based on assessment of ASEAN logistics and transport systems and audits of two freight corridors;
- Provided assessments of ASEAN Roadmaps for the Integration of the Textile and Healthcare sectors;
- Drafted progress report on achieving “e-ASEAN;”
- Supported workshop on Universal Service Obligations which provided input for a TELMIN Declaration.

Investment

- Conducted two assessments of ASEAN investment regime, one based on the World Bank’s Doing Business survey and one measuring the effectiveness of ASEAN investment instruments in attracting foreign direct investment;
- Sponsored an Investment Conference prior to the ASEAN Investment Council meeting;
- Supported training on best practices on investment promotion.

Customs and Trade Facilitation

- Organized first High Level Workshop on ASEAN Single Window (ASW);
- Conducted assessment of Member Country preparedness to implement national single windows;
- Provided legal advisor to ASW Legal and Regulatory Working Group;
- Provided expert to help update and streamline the ASEAN Harmonized Tariff Nomenclature (AHTN); staffed and organized four workshops on the implementation of the revised AHTN.
- Sponsored development of a Comprehensive Trade Facilitation Plan;
- Provided strategic study on changing rules of origin with administrative measures to facilitate their application;
- Trained electrical equipment regulators on fire safety evaluation, standards and conformance;
- Sponsored training of pharmaceutical regulators at a US FDA seminar on issues relevant to the ASEAN common pharmaceutical registration system.

Trade in Services

- Trained telecommunications experts on scheduling commitments under the ASEAN Framework Agreement on Services;
- Conducted two workshops on scheduling services commitments;
- Conducted workshop on negotiating mutual recognition agreements for the movement of skilled labor;
- Co-sponsored workshops with the International Monetary Fund on (a) compilation of services trade data; and (b) new Standards of National Accounts methodologies measuring services' contribution to GDP.

Trade Negotiations

- Conducted four trainings on trade negotiations ;
- Provided policy assessments of the Enterprise for ASEAN Initiative and of the Political Economy of ASEAN's Evolution; and a lecture on the East Asian noodle bowl of trade agreements;
- Designed seminar to introduce statisticians and trade negotiators to the database and analytical tools of the International Trade Center (ITC); facilitated two other seminars with ASEAN and the ITC.

Trade-Related Coordination and Dialogue

- Implemented training for Secretariat Trade Facilitation Cluster on inter-governmental coordination and dialogue with private industry with US Government agencies and private sector in Washington, D.C.;
- Supported a coordinating conference on the ASEAN Economic Community Blueprint (ECOM); and
- Supported the "first" conference between the ASEAN Secretariat staff and private sector representatives ("ASEAN Talks Business").

Natural Resource Management

- Launched late 2006 with a resident advisor;
- Helped organize first ASEAN non-governmental organization conference on ASEAN environment issues;
- Fostered proposals on water resource management.

Public Health

- Launched in 2007 with long-term specialist;
- Mapped ASEAN Member Country pandemic preparedness plans;
- Conducted two workshops to discuss gaps in the non-health sector and the value of regional pandemic preparedness standards, and to develop work plans for a multi-sector approach to pandemic preparedness.

Strengthening

- Developed proposals for an undated ASEAN Statistical Indicator to help

Secretariat Resources

track implementation of the Vientiane Action Program;

- Supported ASEAN Secretariat staff to assist with in-country preparation of two ASEAN Summits;

Resource Support

- Provided human resource management and skills development training;
- Designed an electronic/web-based tool kit to assist in writing project proposals; and
- Sponsored six associate officers to work in the Secretariat.

IT

- Upgraded and expanded the Project Monitoring System to cover Integration for ASEAN Initiative projects;
- Upgraded ASEAN Regional Forum Net (AFRnet) software; conducted an assessment of the ASEAN Secretariat Application Portal; provided ARFnet webmaster training and new computers to ARF unit.
- Assessed ASEAN Secretariat information technology infrastructure; installed new spam filter and network enhancements;
- Conducted workshop on trade-related resources on the web.

Public Relations

- Assisted drafting first Communications and Public Affairs Plan;
- Began implementation of Plan with draft fact sheets and trainings on writing speeches and fact sheets and a communications plan to roll out ASEAN Community blueprints;
- Assisted in outreach activities including production of a video for ASEAN Schools Tour, creation of a logo for the 30th anniversary of the ASEAN-US dialogue, and updates to asean-us-partnership.org website.

Transnational Crime

- Presented study on member country counter terrorism programs with recommendations for an ASEAN comprehensive work plan on counter terrorism;
- Facilitated study on production and use of illicit drugs for ASEAN Ministers' background for achieving a drug-free ASEAN by 2015.; and
- Secured approval from the USG and the Senior Official Meeting on Transborder Crime for workshop on trade-based money laundering.

Facility Activities June – November 2007 and Final Outputs and Outcomes

As noted in the May 2007 Report on Ongoing Activities, Facility funds had been fully programmed by March 2007. Therefore, no new activities were launched during the period covered by this report. Nonetheless, the Facility was very active implementing previously approved activities, providing advice to the ASEAN Secretariat, and preparing the transition to Facility Phase II under a new USAID contract called ADVANCE – ASEAN Development Vision to Advance National Cooperation and Economic Integration.

SECTOR INTEGRATION ACTIVITY STREAM

Related VAP Directive

VAP section 2.1 states that the “acceleration of economic integration towards a single market and production base will begin with eleven sectors, selected on the basis of comparative advantage in natural resource endowments, labor skills and cost competitiveness, and value-added contribution to ASEAN’s economy.” These sectors are expected to “demonstrate that integration enhances competitiveness and thereby ASEAN’s attractiveness as an investment destination.” In January 2006 logistics was added as the twelfth priority sector.

Activities

ICT Sector Integration

Information Communication Technology (ICT) is critical to ASEAN’s competitiveness and is also an important economic sector in its own right. Reflecting this, ASEAN formed a sector specific agreement on ICT (the E-ASEAN Framework Agreement of 2000) and named ICT a priority sector for economic integration. These agreements contain about 70 action items in five strategic areas. Each year, ASEAN’s telecommunications and IT Ministers review accomplishments and establish priorities for the coming year.

A Facility consultant evaluated ASEAN progress toward e-ASEAN integration. The consultant observed that there is no other regional trade agreement with such ambitious goals for ICT as the ASEAN agreements and that ASEAN has made progress in difficult areas. The real challenge will come when the commitments to open telecom markets to competition must be implemented as recorded in the ASEAN Framework Agreement on Services (AFAS). Progress has been extremely slow in developing mutual recognition agreements for ICT goods and service providers. A major concern is the need for coherence across annual action plans and framework agreements. This could be remedied by annual progress reports on implementation of current initiatives before new ones are developed.

Positive developments toward e-ASEAN integration include progress on: (a) information infrastructure (memorandum of understanding to construct the Greater Mekong Sub-Region Superhighway Network; annual computer emergency response drills; frequency allocation plans for radio frequency identification devices; and programs to develop next generation networks and for convergence); (b) E-commerce and ICT trade facilitation

(Reference Framework for E-Commerce Legal Infrastructure; voluntary mutual recognition agreement (MRA) for telecommunications equipment and several bilateral MRAs); (c) building an E-society and reducing the digital divide (capacity building programs for the least ICT-enabled members; regional activities to promote e-learning and a knowledge-based e-ASEAN); (d) Universal Access and E-Government (programs for e-government; agreement to establish an ASEAN Single Window for processing imported goods; agreement to strengthen universal programs by developing best practice guidelines and improving regulatory frameworks for extending access into rural areas); and (e) economic integration (commitments by all members countries on telecommunications, ICT and computer business services under AFAS commitments on market opening measures for foreign investment in ICT; planned adoption of the WTO reference paper on basic telecommunications by most member countries).

ASEAN's Dialogue Partners, China, Japan, Korea, and India, have ICT agreements with ASEAN, and annual programs of work and formal reviews. ASEAN's ICT engagement with the United States falls under the ASEAN-US Enhanced Partnership Agreement, but, to date, has not seem much activity. ASEAN has established its own internally funded ICT Center in order to assist in the implementation of its programs.

Universal Service Obligations

ASEAN took steps during July to introduce ICT in areas that are presently not reached or underserved by basic voice telephone and/or broadband services, including underprivileged groups. The Facility supported a Workshop on Universal Service Obligations (USO) on July 31. At the workshop ASEAN established a Universal Service Forum, which is mandated to develop a best practices handbook on USO programs and implementation. Workshop presenters discussed ASEAN Member Country experiences with Universal Service Obligations, including lessons learned. A Facility consultant prepared a paper and PowerPoint presentation on best practices. Speakers from ASEAN Dialogue Partners, China and Japan highlighted points to consider when extending broadband to rural areas.

Results from the Facility-supported workshop were used to draft the Siem Reap Declaration on Enhancing Universal Access of ICT Services in ASEAN, "ICT-Reaching out to the Rural Areas," which was endorsed by Ministers at the 7th TELMIN Meeting in August. The Declaration supports the strengthening or establishment of USO programs in each member country, improvement of information exchange; and promotion of a technologically neutral approach and fair competition.

Cyber security

The Facility designed a cyber security workshop for consideration of interested parties, providing copies to the ASEAN Secretariat and the US Department of State.

Healthcare

Facility consultants completed an assessment on measures taken to implement the ASEAN Roadmap for Integration of the Healthcare Sector. Drawing on case studies, the assessment highlights specific recommendations in the sub-sectors analysis for pharmaceuticals, cosmetics, medical devices, traditional medicines and health services.

In broad economic terms, an integrated ASEAN market in healthcare – consisting of harmonized standards, registration and evaluation, an operable post-marketing surveillance mechanism, effective mutual recognition agreements and cross border provision of healthcare services – would benefit consumers and economic growth. Domestic firms that successfully adjust to the Roadmap requirements would gain access to a greater ASEAN market, move up the technology curve and be more competitive with imports. Consumers would benefit from wider choices and from potentially lower prices through increased competition.

However, as the Facility assessment warns, integration efforts must be accompanied by sound public policy in order to avoid shocks in the market to producers, such as small and medium sized enterprises. The assessment recommends that ASEAN: (a) provide adjustment assistance to SMEs to ease the transition to a more competitive environment associated with an ASEAN single market; (b) adopt international standards whenever possible; (c) increase public awareness of ASEAN integration activities under the roadmap; and (d) build capacity in regulatory authorities to implement the roadmap in full.

Logistics

Nathan consultants provided guiding principals for the development of a logistics services sector integration roadmap, submitting the final assessment in March. Key recommendations for the roadmap appeared in the Fourth Semi-Annual Report. The process culminated on August 24, 2007, when ASEAN Economic Ministers (AEM) endorsed the Roadmap for Integration of the Logistics Services Sector.

Progress in Achieving Performance Indicators

The performance indicator for this activity stream is progress toward integrating ASEAN priority sectors and is measured by improvement in the integration roadmaps and reports on the subject from stakeholders. Measures of progress toward priority sector integration include the identification of impediments to implementation, increased awareness of their significance, and concrete action programs to reduce them. All four Facility assessments (textiles, ICT, healthcare and logistics) have fulfilled these measures. One ASEAN official has said that “the Facility’s assistance adds fuel to priority integration sectors, the engine to fast track ASEAN economic integration.”

Activity Stream Outputs and Outcomes

In addition to the four assessments mentioned above the Facility supported two workshops (scheduling of telecommunications commitments and ICT universal service obligations) and one forum (logistics rapid assessment). Facility consultants also have briefed industry associations (AFTEX), Senior Economic

Officials Meetings (SEOM), the Consultation on Priority Sectors (COPS) II, and ASEAN Secretariat staff on the results of these assessments.

Facility activities have produced results by supporting ASEAN activities that have led to Ministerial endorsement of revised roadmaps in healthcare and textiles and apparel and the new roadmap on the logistics services sector and a Ministerial Declaration on Universal Services Obligations for ICT.

INVESTMENT ACTIVITY STREAM

Related VAP Directive

Section 2.2 of the VAP requires ASEAN Member Countries to liberalize, facilitate, and promote investment in the ASEAN Investment Area (AIA), consistent with implementation of the ASEAN Framework Agreement on Investment. Technical assistance and training provided by the Facility under the Investment Activity Stream are designed to achieve these VAP objectives.

Activities

ASEAN Comprehensive Investment Agreement

In August, the ASEAN Investment Area (AIA) Council agreed to combine ASEAN investment instruments into a single ASEAN Comprehensive Investment Agreement (ACIA). The decision, welcomed by ASEAN Economic Ministers, is to lead to a more forward-looking agreement, reflecting the Council's consensus that the region should be more aggressive in attracting foreign direct investment (FDI). A comprehensive investment agreement could help ASEAN achieve many of the goals envisaged in the ASEAN Economic Community, such as the movement of services, capital and skilled-labor and, indirectly, affect the composition of trade flows.

The announcement follows a Facility consultant study recommending to the ASEAN Coordinating Committee on Investment that ASEAN's multiple investment agreements, including services commitments on commercial presence (investment), be combined to create a more comprehensive, simplified, open, transparent and competitive investment environment. Results of the study appear in the Fourth Semi-annual report.

ASEAN Investment Forum

On August 22, 2007, the Facility supported the ASEAN Investment Forum, entitled, "ASEAN: Your Regional Partner for Global Markets." The Forum brought together nearly 100 public and private sector representatives to discuss investment issues in ASEAN. The ASEAN Coordinating Committee on Investment (CCI) used the Forum to gather information from businesses operating in ASEAN and determine what drives their decisions to – or not to – invest in the region. ASEAN received some praise for progress.

The size of the ASEAN consumer market, of 550 million individuals, and ASEAN manufacturers' ability to be part of a supply chain were cited as reasons to invest in the region. ASEAN was congratulated on being transparent (NTMs are published on the ASEAN Secretariat website) and open to investment. Setting dates for implementation of ASEAN agreements should help put pressure on member countries to implement them which will be necessary for ASEAN to remain competitive in the region.

Business representatives also offered candid views on areas where ASEAN could improve, including the need to further reduce non-tariff barriers and to harmonize certain standards. Participants also learned of the competitive edge that a truly integrated ASEAN market stands to gain.

Progress in Achieving Performance Indicators

Performance indicators for this activity stream include increased liberalization, facilitation through improvement in the investment climate, and regional promotion of investment. The Facility measured the degree of progress on these indicators through improvements recorded in the World Bank's "Doing Business" database, increased FDI inflows, and through reports and surveys of relevant Secretariat staff and our expert(s) on implementation of the AIA.

The "Doing Business Study" completed by the Facility provided baseline indicators for such as the data covers only a few years. The indicators cover such topics as the time it takes to start a business, protecting investors, enforcing contracts, and securing licenses. With respect to the second measure, FDI inflows into ASEAN totaled \$38 billion in 2005, a 48 percent increase over the previous year. FDI inflows for 2006 surged to a record high \$52.4 billion.

Activity Stream Outputs and Outcomes

The Facility has completed five policy studies/assessments on investment issues. These included two studies on investment in services sectors, an assessment of non-tariff barriers in ASEAN supply chains, a policy study on the determinants of foreign direct investment, and an in depth assessment of the ASEAN Investment Area. Three out of five assessments included briefings to the ASEAN Secretariat and/or the Coordinating Committee on Investment. Additionally, the Facility delivered a successful workshop for investment promotion agencies, drawing on Ireland's experience and sponsored an ASEAN Investment Forum. 156 people participated in Facility investment training events.

Culmination of the Facility's work was its contribution to the ASEAN Coordinating Committee on Investment's recommendations to the ASEAN Investment Council to combine ASEAN investment instruments into one Comprehensive ASEAN Investment Agreement.

CUSTOMS AND TRADE FACILITATION ACTIVITY STREAM

The Customs and Trade Facilitation Activity Stream covers border measures that can impede the flow of goods and services within ASEAN and limit ASEAN's ability to develop a unified market. This activity stream covers border information requirements of government agencies (the Single Window), rules of origin, non-tariff measures, and standards and conformity assessment. Activities in these sub streams are cross-cutting and support work areas identified in the Sector Integration Activity Stream.

ASEAN Harmonized Tariff Nomenclature (AHTN) Sub-stream

Related VAP Directive

Section 2.3.5.1 of the VAP specifies that customs integration will be carried out in seven core areas of customs administration: customs tariff classification; customs valuation; origin determinations; customs automation; customs clearance; temporary admission and customs transit. The Facility has undertaken work in three of these areas: classification, customs automation and, in a separate sub-stream, rules of origin.

Activities

As ASEAN becomes a more closely knit economic community, it is important to ensure consistency in approach to goods classification. In 2006 ASEAN simplified and updated its harmonized tariff nomenclature (AHTN), bringing it in line with the Harmonized System of the World Customs Organization and cutting the number of tariff lines by 22%. After these steps were agreed, ASEAN Member Country customs officials benefited from a series of capacity building workshops organized by the Facility. The workshops aimed to help customs officials understand and apply the new, simplified nomenclature scheme in a consistent manner.

The workshops brought to light possible measures to further the goal of greater classification expertise in the ASEAN Member Country administrations. For example, sector-based AHTN workshops focusing on the high technology, chemical or textile chapters could improve administration. One proposal that arose from the workshops was to create a standing ASEAN customs classification committee to review issues and provide guidance to promote uniform classification among ASEAN customs officials. This proposal led to the creation of a Task Force on Classification by ASEAN Customs Director-Generals at their June 2007 meeting.

Progress in Achieving Performance Indicators

This activity stream's performance indicators are increased integration and harmonization of ASEAN customs structures. To measure progress in achieving these indicators, the ASEAN-US Facility has tracked the number of AHTN chapters harmonized and the degree to which ASEAN agreement has been reached to update and

simplify the AHTN. The Technical Review Committee completed the review of all 97 chapters for the 2007/1 AHTN in July 2006, a major milestone in this project. The revised text was approved by the Director Generals of Customs. Implementation on the national level is underway. Indonesia, Malaysia, Burma, the Philippines and Thailand have all fully implemented the revised AHTN.

Single Window Sub-stream

Related VAP Directive

VAP Section 2.3.5.1 calls for the integration of customs structures in ASEAN, including the development of the ASEAN Single Window (ASW). The ASW will automate export and import clearances and help to “modernize customs procedures and practices and improve customs control and compliance in cooperation with line ministries and businesses.”

Activities

ASW Preparedness Survey

To help secure timely implementation of the ASW, Facility consultants conducted an in-depth survey of the current status and preparedness of member countries to implement national single windows (NSW) and to integrate them into an ASW. Survey teams traveled to member countries and administered a questionnaire to government agencies and businesses involved in export and import operations. The survey provides an understanding of achievements and challenges in designing, implementing, and operating a single window facility. It will also assist the ASW Implementation Steering Committee and its working groups on technical matters and on legal and regulatory matters to prioritize work in addressing shortcomings and overcoming obstacles. Individual country reports were provided to the ASEAN Secretariat for follow up.

The survey reported that:

1. National Single Window Steering Committees have been established in **six** countries. Brunei, Cambodia, Lao PDR and Myanmar have yet to establish committees and Singapore has no need to establish one as it implemented its NSW in 1989.
2. ASEAN Member Countries have defined varying scopes for NSW and ASW; all which have defined scopes plan to include business-to-government (B2G) communication; some, but not all countries, are considering G2G and B2B communication.
3. The ASEAN 6 should have pilot NSWs in operation by the end of 2007; five of these member countries are planning to have ASW pilots among one, two, or more other member countries in 2008.

In most member countries customs administrations are the lead agency for organizing single window work. Funding arrangements for single windows include public-private partnerships, direct government budget

support, or contributions from the international donor community. The survey also revealed that most single windows would provide for information exchanges between business (traders) and governments and between government agencies.

Key recommendations included the need to: (a) enact an adequate legislative and regulatory framework for cross-border transactions and for mutual recognition of information transmitted in electronic or digital form; (b) adopt regulations and operational procedures for electronic information processing based on international standards and best practices; (c) improve cooperation among agencies to plan and implement NSWs; (d) strengthen technical capacity to plan, implement, and operate single windows by providing training, engaging technical experts, and securing technical assistance from donors; and (d) increase the dissemination and coordination of information on single window progress and benefits.

Technical Assistance to the Legal and Regulatory Working Group

One of the most important recommendations resulting from the Facility's ASW preparedness survey was the need to establish and harmonize national legal and regulatory environments to support the ASW. The Facility responded quickly to this request by mobilizing a legal specialist to attend the second meeting of the ASEAN Single Window Working Group on Legal and Regulatory Affairs in Kuala Lumpur in August.

The legal specialist drafted a paper to inform the working group on issues to be addressed to support a robust system of cross-border trade. The paper discusses issues for consideration as regards enabling legislation, information sharing, data protection and privacy, organizational issues, liability issues, competition laws, electronic documents and signatures, cross-border authentication, intellectual property rights, and data retention. The paper advocates using existing international standards where possible to ensure interoperability not only among ASEAN member countries, but other single windows, e.g. the U.S.

The legal specialist also participated in follow up consultations in November with a core group to discuss how to engage the Working Group and the private sector on the many practical issues associated with setting up and running a national and a cross-border (ASEAN) single window. These consultations resulted in developing ideas for a seminar that will be taken up by Facility II.

Progress in Achieving Performance Indicators

This activity sub-stream's performance indicator is increased harmonization of customs structures. To measure in achieving the indicator the Facility tracked member countries' plans and progress toward implementing national single windows (i.e., the recognition of practical steps necessary to implement a Single Window and measures taken to implement the Single Window). The Single Window Preparedness Survey reported above provides information on implementation status, summarized above.

Rules of Origin Sub-stream

Related VAP Directive

VAP section 2.3.5.2 calls for continuously strengthening the Common Effective Preferential Tariff (CEPT) Scheme for Rules of Origin (ROO) by making it “more transparent, predictable, and standardized, taking into account the best practices of other Regional Trading Arrangements (RTAs), including World Trade Organization rules of origin, and adopting substantial transformation as alternative criteria for conferring origin status.”

Activity

No new activity was initiated during the period. A project concept for a three part Rules of Origin Training program could not be taken up by the Facility due to insufficient funding and was recommended to the Phase II Facility. The first part of the workshop, however, was conducted as the first activity of Facility II, part of the seamless transition from Facility I.

Progress in Achieving Performance Indicators

This activity sub-stream’s performance indicators are transparent, predictable rules of origin that promote trade and regional integration. The ASEAN-US Facility measured progress in achieving these indicators by tracking movements in that direction at the policy level as well as in implementation. Results of the training sessions on trade negotiations suggest an increased awareness of the importance of transparent, predictable rules of origin and a keen interest in achieving them. A milestone in progress was marked by the amended framework agreement to implement the revised priority sector roadmaps that was signed in December 2006. The amendment permits the use of a change in tariff classification as an alternative to the current valued added rule, a recommendation contained in the Facility’s rule of origin study, which will allow traders to choose the most favorable rule of origin.

Standards and Conformity Assessment Sub stream

No new activities were undertaken in this area during the period.

Progress in Achieving Performance Indicators

This activity stream’s performance indicators include identification of and progress toward harmonization of standards. To measure progress toward achieving these indicators, the Facility has tracked establishment of and accomplishment of standardization targets in the Facility sub-stream sectors. Moving toward agreement on Good Manufacturing Practices and good momentum on implementing the ASEAN Common Technical Dossier suggest that progress continues in these areas, although the real indicator of progress will be implementation which is still a few years away.

Activity Stream Outputs and Outcomes

The Facility has completed five assessments or policy studies, including a customs needs assessment, a survey of member country preparedness to implement the ASW, a review of the legal issues pertaining to ASW, and two studies of ASEAN rules of origin. Additionally, the Facility supported work on a trade facilitation work program. 16 capacity building activities helped ASEAN to revise and administer the AHTN (seven technical assistance missions, four workshops), prepare for ASW implementation (two workshops), evaluate electrical and electronic equipment (one workshop), understand rules of origin (one in-briefing), and improve pharmaceutical registration procedures (one study tour). 299 people were trained in these events.

Facility work in this activity stream helped ASEAN to: (a) simplify and implement an ASEAN harmonized tariff nomenclature; (b) adopt an alternative rule of origin to ensure more ASEAN products receive preferential treatment; and (c) develop work plans to form national and ASEAN single windows.

TRADE IN SERVICES ACTIVITY STREAM

Related VAP Directive

Section 2.4.1 of the VAP directs ASEAN Member Countries to accelerate regional integration towards creating a single market in services through progressive liberalization earlier than 2020, now advanced to 2015 by the ASEAN Summit of January 2007. Technical assistance and training that the Facility provided under the Trade in Services Activity Stream was designed to build ASEAN capacity to liberalize trade in services through raising awareness of the benefits of liberalization and methods for doing so that can be applied regionally in ASEAN Framework Agreement on Services (AFAS) and internationally in the General Agreement on Trade in Services (GATS).

Activities

Statistical Workshop on System of National Accounts

On October 27-19, 2007 in Bangkok, the Facility joined with the International Monetary Fund (IMF) to convene a workshop on the System of National Accounts (SNA). The SNA framework is published jointly by the United Nations, the Commission of the European Communities, the IMF the Organization for Economic Cooperation and Development (OECD), and the World Bank and sets the international statistical standards for the measure of market economies. The workshop heard status reports of member country's implementation of the Standards of National Accounts Updated Framework (SNA 1993), provided details on the new SNA Update Framework and potential implementation issues, and identified recommendations for ASEAN cooperation to promote the implementation of the SNA 1993 Update. The workshop discussed gaps in

member countries abilities to implement the SNA and recommended an ASEAN-help-ASEAN model to deal with these gaps.

Progress in Achieving Performance Indicators

The performance indicators for this activity stream are increased awareness of the benefits to ASEAN of liberalizing trade in services and measures taken to open trade in services. The ASEAN-US Facility measured progress in achieving these indicators by tracking: (1) the number of ASEAN Member Country government and private sector representatives and Secretariat staff members trained on liberalizing trade in services; (2) the perceived increase in support in ASEAN for liberalizing ASEAN trade in services through surveys of relevant Secretariat staff; and (3) increased scheduling commitments made to liberalize services and agreements on mutual recognition agreements.

By the first measure progress has been noticeable, given the extraordinarily high number of participants in trainings, nearly 350. The second measure would yield positive results as ASEAN now has committed to an aggressive services liberalization schedule to achieve the goal of a free flow of services by 2015. The third measure was greatly advanced by ASEAN Economic Ministers signing the fifth and sixth packages of commitments under AFAS in December 2006 and November 2007, respectively. These commitments further liberalized services by opening up markets in 70 sectors and sub sectors, advancing ASEAN's goal to achieve free flow of services by 2015. SEAN Economic Ministers signed mutual recognition agreements (MRA) on nursing services (December 2006) and on architectural services and surveying qualifications (November 2007), bringing the total number of MRAs to four.

Activity Stream Outputs and Outcomes

The Facility conducted three workshops on scheduling of commitments under AFAS, one on negotiating MRAs. All were very popular, with attendance totaling 250 for the three events. Training in the techniques of scheduling commitments to open services sectors to foreign competition has been in constant demand. This is because there are many government line agencies involved in the AFAS negotiations, some of which have little background in trade agreements, and negotiations are underway continuously. For example, after the fifth package of commitments was finalized, negotiations commenced on the sixth package of commitments.

A statistics component of the Trade in Services Activity Stream became important as negotiators desired to have more information on services flows and their importance to national economic activity. Workshops on trade in services data compilation held in September 2006 and updating the SNA held in October 2007, both in collaboration with the IMF, contributed to developing an ASEAN work plan to improve data on services transactions. Both of these have given rise or contributed to longer-term ASEAN and national work plans to improve services statistics.

TRADE NEGOTIATIONS ACTIVITY STREAM

Related VAP Directive

VAP provisions for sector integration (2.1), trade in goods (2.3) and trade in services (2.4) aim to eliminate barriers to trade within ASEAN in a manner consistent with member country obligations under the World Trade Organization (WTO). In addition, pursuant to Section 2.12 of the VAP, ASEAN is to strengthen linkages and promote “the coherence of agreements with major trading partners such as China, Japan, Korea, the US, Australia, New Zealand and the EU and emerging economies such as India.” The technical assistance and training that the Facility provides under the Trade Negotiations Activity Stream is designed to produce more, better prepared ASEAN trade negotiators. Such negotiators will achieve better internal ASEAN agreements to support integration of the priority sectors and complementary agreements with external partners in a manner consistent with Member Country WTO obligations.

Activities

Workshop with the International Trade Center (ITC)

The Facility helped design and implement a four-day workshop conducted by ITC in November 2007. At this, the third workshop of its kind, the ITC explained its database and analytical tools and how to roll national negotiating positions into a regional negotiating position.

Progress in Achieving Performance Indicators

This activity stream’s performance indicator is better trained ASEAN trade negotiators. The ASEAN-US Facility used two basic measures to track progress in achieving this indicator: (1) the number of negotiators trained as reported in project activity reports; and (2) whether negotiating skills of ASEAN trade negotiators have improved in the aggregate. Measured by the first indicator, performance has been good, with a total of 175 individuals trained. On the second measure, changing staff render such a measure difficult, although judging by the number of active negotiations within ASEAN and between ASEAN and its dialogue partners, negotiating skills should be improving. Training in trade negotiations will continue to be an active area as new officials join ASEAN negotiating teams.

Activity Stream Outputs and Outcomes

The Facility has conducted five workshop on trade negotiations training and two policy assessments, one on the implications of the Enterprise for ASEAN on bilateral free trade negotiations and the other on the “The Political Economy of ASEAN’s Evolution.” Each assessment was accompanied by a workshop to present and discuss the conclusions of the draft reports. The latter report and presentation underscored the importance of building a private sector constituency to support implementation of agreements to create the ASEAN

Economic Community. This theme was picked up in projects under the Trade-Related Coordination & Dialog Activity Stream as well as the Public Relations Sub-stream (see below).

TRADE-RELATED COORDINATION & DIALOG ACTIVITY STREAM

Related VAP Directive

The broad scope of the VAP's provisions and implementation work programs places a premium on intra-ASEAN coordination and consultation with the private sectors. VAP 5.2 calls for the involvement of private sector stakeholders in addressing approaches and mechanisms for project design and implementation.

This activity stream is designed to support ASEAN efforts to respond to the VAP directives to strengthen intra-ASEAN coordination and consultation and explore ways of better involving the private sector. Experience suggests that consultation with the private sector on policies at an early stage can help ensure better policy decisions and more effective implementation.

Activities

Coordinating Conference on the ASEAN Economic Community (ECOM)

The Facility supported ASEAN's efforts to solicit stakeholder input on the draft Blueprint to accelerate creating the ASEAN Economic Community (AEC) to 2015. On June 7-8, the Secretariat, with Facility funding, convened government leaders, private sector representatives, business associations and civil society participants for an intense look at the draft Blueprint. One private sector expert characterized the blueprint as "thoughtful" and as a practical way to advance the AEC. Others considered it to be overly ambitious. Much of the blueprint content is drawn from existing ASEAN agreements. Putting these together in an integrated fashion with clear milestones and timelines for implementation is an ambitious goal. The results of the discussions of the conference were sent to all ASEAN senior officials' sectoral bodies for consideration in any revisions to their portion of the Blueprint. The Blueprint will be endorsed by ASEAN leaders at their November 2007 Summit.

Progress in Achieving Performance Indicators

The performance indicators for this activity stream include improved public-private sector consultation and internal coordination in the ASEAN trade-related policy-making process. The Facility measured progress toward achieving these indicators by tracking increased attention to ways to improve coordination among the various ASEAN entities and officials and need for private sector input in regional policy making.

There has been increased attention by ASEAN to receive input from the private sector. This has become evident in the interest in ECOM, the Secretariat's interest in outreach to businesses and in a concerted public

relations plan on the ASEAN Economic Community Blueprint (see below). These build on previous Facility supported activities, including the ASEAN Talks Business conference and the ASEAN Services Forum that took place during the previous reporting period.

Activity Stream Outputs and Outcomes

The Facility conducted nine activities, including a Washington, D.C. based study tour, assisting in the design and implementation of the first forum between the ASEAN Secretariat and the business community (“ASEAN Talks Business,” sponsoring two other fora bringing ASEAN together with business (ECOM and Investment Forum) and provided informal assistance by encouraging private sector sponsorship of the ASEAN Services Forum. In total, these events reached 235 ASEAN and private sector participants. As mentioned above, the Secretariat has demonstrated increased interest in engaging the private sector and improving coordination through the AEC Blueprint as it recognizes the importance of both to achieve ASEAN ambitious integration objectives.

NATURAL RESOURCE MANAGEMENT

Related VAP Directives

The ASEAN Socio-Cultural Community (ASCC) promotes environmentally sustainable economic growth. In building a community of caring societies, the VAP (3.1) recognizes that national initiatives will be the principle means to achieve such an objective and presents a complementary role for regional interventions. The VAP calls for measures to: (a) promote sustainability of water resources; (b) develop ASEAN civil society cooperation for environmental protection and sustainable development, and (c) ensure a region of disaster-resilient nations.

Activities

Water Resources Project Concepts

The Facility’s environmental expert’s work on water resources management culminated with meeting of the ASEAN Working Group on Water Resources Management (AWGWRM). The working group convened in Penang, Malaysia, July 23-25 to review the status of the ten priority Project Concepts of the *ASEAN Strategic Plan of Action on Water Resources Management*. Significant progress was reported for four of the ten priority Project Concepts. Results of the meeting were endorsed by Senior Officials on the Environment (ASOEN) at their meeting in mid-August which included agreements on:

1. Project Concept 1.a: An Urban Demand Management Learning Forum led by Singapore to be held in June 2008;
2. Project Concept 1.b: A Demand Management Learning Forum on Irrigation led by Thailand to be conducted in December 2008;

3. Project Concept 4: An ASEAN Water Data Management and Reporting System Design activity led by Malaysia that will span 24 months and be launched in 2008; and
- 4-5. Project Concept 5: Risks and Impacts from Extreme Events co-led by Indonesia and Thailand which is to be split into separate proposals, one on flooding and one on drought.

Progress in Achieving Performance Indicators

The performance indicators for this activity stream are: (a) improved ASEAN-civil society relations; (b) progress toward achieving environmentally sustainable water management; and (c) progress toward advancing the ASEAN Regional Program on Disaster Management. Progress was tracked and achieved by (a) successfully convening the ASEAN - CSO Forum in May and subsequent support to ASEAN CSO's in development of a practical strategy and mechanism for working with ASEAN bodies on issues of environmental protection and sustainable development; (b) furthering the ASEAN Strategic Plan on Water Resource Management through assisting lead member countries in the development of full project proposals for funding and implementation; and (c) milestones reached in implementing AADMER, including establishment of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA) Centre.

Activity Stream Outputs and Outcomes

The Facility's environmental specialist concluded his work under the Facility as of the end of August. He completed major tasks in his scope of work: water resource management, civil society consultation and disaster management and response. He ushered the five project concepts that were endorsed by the AWGWRM. These will be launched in the coming year provided funding could be found from other donors. The specialist assisted in convening ASEAN's first consultative forum for environmental civil society organizations. The forum established of the ASEAN Civil Society Environmental Alliance (ACSEA, currently awaiting accreditation by the ASEAN Secretariat) and defined priority themes for work, including climate change, in a lead up to the United Nations Framework Convention on Climate Change scheduled in Bali, Indonesia in December 2007. In the area of disaster management, the specialist reviewed and provided guidance on standard operating procedures for the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management which is expected to become operational in 2008. The specialist also served as a liaison between ASEAN and the U.S. Office of Foreign Disaster Assistance.

PUBLIC HEALTH

Related VAP Directive

This activity responds to VAP 3.1.7 to prevent the spread and reduce harm of infectious diseases, and more specifically to put into place regional systems, networks and procedures for communicable diseases, surveillance, and early warning and response (VAP 3.1.7.9). It also seeks to enhance food safety (VAP 3.1.8).

Activities

Mapping Exercise Workshop

The ASEAN-US Facility's public health team convened a group of 40 ASEAN Member Country and regional partner organization representatives on 26-27 July to discuss a mapping exercise on pandemic preparedness. The workshop, which was held in Vientiane, Lao PDR, consisted of presentations by the ASEAN Secretariat, World Health Organization, United Nations System Influenza Coordination (UNSIC), ASEAN-Asia Development Bank Project in Controlling Highly Pathogenic Avian Influenza (HPAI), the Facility public health team and Member Country Ministry of Health representatives.

The workshop revealed that pandemic preparedness plans are progressing. All countries have strategy plans and most are moving towards action plans. All national plans have strong, high level government commitment. Surveillance systems with a variety of levels of capacity, health system response, communication strategies and public health measures have been developed and identified. The gaps identified in the plans include lack of coordination and collaboration with multi sectors (non health), specifically with respect to essential services needed to maintain operations during a pandemic (i.e. power supply, finance/banking and military services).

The workshop also identified a number of recommendations to address these issues, including: (a) drafting plans to outline strategies according to pandemic response strategies; (b) creating pre-pandemic and pandemic strategies at the national and regional level; (c) developing scenarios and contingency plans that can be tested, including testing essential services and facilities that already exist in the region such as the Panstop stockpile and East Asia Emergency Rice Reserve (EAERR); (d) developing guidelines on border health policy in times of crisis; (e) clarifying ASEAN protocols and mechanisms to access anti-virals stockpiles; and (f) creating special pandemic response teams that are prepared to maintain essential services.

Avian Influenza Workshop

A follow up to the recommendations of the Mapping Workshop was the ASEAN Regional Workshop on Multisectoral Coordination in Pandemic Preparedness and Response that took place on 29-30 November, 2007 in Bangkok, Thailand. The workshop helped to produce: (1) an understanding of a multi-sectoral approach

in pandemic preparedness and response; (2) a list of identified roles and responsibilities of relevant stakeholders in pandemic preparedness and response at national and regional level; (3) a list of recommended specific activities in addressing the gaps; and (4) shared best practices/lessons learned among Member Countries and stakeholders. The workshop suggestions included:

- identify an ASEAN coordinating structure with specific TOR to drive multisectoral planning and preparedness among the Member Countries (i.e. the ACDM supported by the AEGCD) and organize regular regional meetings on pandemic preparedness (i.e. back-to-back with the ACDM);
- promote the sharing of plans that will lead to improved integration;
- conduct capacity building activities to strengthen contingency planning in various sectors and exercise the plans (e.g. on the job training, attachment training, training of trainers);
- identify the regional experts and expertise in pandemic preparedness and planning already available in the ASEAN region;
- develop manuals/templates to guide contingency planning for pandemic preparedness and response.

These outputs will suggestions as the basis of the public health component of the first work plan for the Facility Phase II.

Sanitary and Phytosanitary: Irradiation of Fruits

On July 9 and 10, a delegation from the U.S. Animal Plant Health Inspection Service (APHIS) conducted a workshop in Ho Chi Minh City, Vietnam on plant quarantine and irradiation. Representatives from Vietnam, Cambodia, Laos, Malaysia, Philippines, Singapore, and Thailand attended. The workshop carried out work under the ASEAN – U.S. Trade and Investment Framework Arrangement (TIFA) on sanitary and Phytosanitary standards (SPS).

APHIS explained the process for pest risk assessments and for approving irradiation as a quarantine treatment. A highlight of the seminar was the signing of Framework Equivalency Work Plans (FEWP) between the U.S. and Vietnam, Malaysia, the Philippines, and Laos. The U.S. and Thailand already have an FEWP. FEWPs are the first step in the process for the use of irradiation as a quarantine measure to meet USG SPS standards. The benefits to ASEAN countries of completing the work specified in the FEWPs would be an increase in their capacity to meet international SPS standards and prospects for improved access for specified agricultural exports into the U.S. market. The Facility worked with the ASEAN Secretariat on this workshop, encouraging it to regard the work as an ASEAN-US initiative.

Progress in Achieving Performance Indicators

Performance indicators for this activity stream are increased pandemic preparedness and procedures to help ensure food safety. Measures to track progress would include agreement on principles of effective response to possible pandemic emerging disease; agreement on a regional framework for emergency response to a possible pandemic; and the number of ASEAN Member Countries that have signed work plans leading to agreements

with APHIS for access to the US market for fresh fruits. With respect to the latter, four countries signed framework agreements, as noted above. On pandemic preparedness, the workshops have revealed that more work will be necessary and that the notion of a regional framework agreement may be a longer –term objective. However, important progress has been made in securing buy in on a multi-sector approach to pandemic preparedness, setting the stage for the work plan of Facility II.

Activity Stream Outputs and Outcomes

As noted above, the mapping exercise and first workshop revealed gaps in the preparations of the non-health sector to handle a pandemic that were recognized as demanding attention. This laid the groundwork for the second workshop to gain commitment on a multi-sector approach, building support for the outcome of this work: developing principles for effective responses to pandemics. Signing of FEWP’s by four member countries is the first concrete step toward achieving the ultimate outcome: increased exports of fresh fruit from ASEAN Member Countries to the United States. These work plans can take a year or more to implement, so activity will need to be closely monitored to ensure member countries are on track.

STRENGTHENED SECRETARIAT RESOURCES ACTIVITY STREAM

Related VAP Directive

The ASEAN Secretariat’s Basic Mandate, Functions and Composition (Secretariat’s Mandate), states that the Secretariat is “to initiate, advise, coordinate, and implement ASEAN activities” and “to function as coordinating Secretariat to help facilitate effective decision-making within and amongst ASEAN bodies.” In other words, the Secretariat is tasked to provide technical input and to facilitate effective decision-making in ASEAN to implement the VAP. The focus of the Strengthened Secretariat Resources Activity Stream is on expanding the capacity of Secretariat staff to play those roles covering virtually all VAP directives.

Activities

Resource Support Activity Sub stream

Associate Officer Program

One ASEAN associate officer finished his assignment in July, two others in October, and another in November. They have worked in the units on (a) Special Duties working on the ASEAN Charter; (b) Statistics unit helping design the ASEANstats website; (c) Natural Resources developing guidelines on the implementation and monitoring of the Global Forests Initiative; and (d) Science and Technology, supporting the work of the Committee on Science and Technology and its sub groups.

Proposal Writing Toolkit

The final toolkit to aid ASEAN Secretariat staff to draft project proposals was submitted to the ASEAN Secretariat in November.

VAP Indicator

In November Facility statisticians submitted proposals for an expanded ASEAN Statistical Indicators Framework. One report identified a series of indicators that could be used to track ASEAN progress in community building. These data were integrated into a larger AusAid project on the ASEAN Community Progress Monitoring System (ACPMS). The Facility's consultant played an active role in the ACPMS project, participating in two regional workshops and commenting on their selection of indicators with recommendations for improvements. A second report developed ICT indicators. The data shows that while ASEAN as a group is well above the world average in internet subscribers, Lao, Cambodia and Burma are well below the average for low income countries (Vietnam has jumped from the average of a low income country to just below the average for a middle income country). The draft report suggests the definitions and methodology for collecting ICT data so all ASEAN Member Countries can collect data that is comparable to be able to measure ASEAN's progress.

IT Activity Sub stream

Project Monitoring System: IAI Enhancements

IAI database upgrades were completed during the reporting period. Data entry continued through November. Bug-fixing on the overall monitoring system was completed in October. The project monitoring system helps the coordination unit to track ASEAN project proposals through implementation. The IAI component helps the IAI Unit to track training participants and their progress over the training program.

Public Relations Activity Sub stream

Communications Training

A Speechwriting Workshop, the third in a series of four public relations trainings, drew 27 ASEAN Secretariat staff to learn how to craft effective speeches. Participants analyzed their audience, attempted to adopt the voice of the speaker for which they would write, and analyzed existing ASEAN speeches. In the fourth and final Facility communications training, ASEAN Secretariat staff got hands on experience drafting public relations plans. Using the ASEAN Community blueprints as examples, 16 participants brainstormed communications objectives, identified stakeholders, mapped the issues, discussed the current mindset of their target audiences, developed messages, and discussed campaign plans and tactics. Relationships, force field analysis, influencers, medium and messages were the buzz words in one day training. The training was held first to discuss the Socio-Cultural Blueprint and repeated for the Economic Blueprint. The training produced an outline for public

relations strategies for the Secretariat to draft. Trainers also provided a four-phased public relations plan for the ASEAN Economic Blueprint.

ASEAN Schools Tour and Youth Film

The ASEAN Schools Tour kicked off with its first stop in Phuket, Thailand in June. The tour is an educational campaign launched by Secretary General Ong to help kids learn about and participate in the ASEAN Community. The tour stopped in all ASEAN Member Countries, reaching approximately 4,000 students ages 13-15. Each stop included a highly interactive half-day of fun composed of short speeches from ASEAN and member country officials, competitive trivia and art contests among the participating schools, and host school performances. Some students got their picture taken with the Secretary General! The highlight of the ASEAN Schools Tour is the first ever animated film about ASEAN, which was produced by the Facility in collaboration with the ASEAN Secretariat. The animation not only makes it easy for kids to understand what ASEAN is, but more importantly what it means for them to be a part of ASEAN – and it spurs a few laughs to boot! The film illustrates the journey of 10 kids through ASEAN countries and through the three doors that make up the ASEAN Community: Peace, Prosperity and People. Viewers learn that being a part of ASEAN means that they are safer and have more opportunities. The film encourages kids to take part in the ASEAN Community.



History of ASEAN-US Relations

A brochure commemorating the 30th anniversary of the ASEAN-US dialogue was finalized and printed in October after being cleared by USAID and the US Department of State. Hard copies were distributed in early November and will be provided to the ASEAN-US Informal Coordination Mechanism (ICM) meeting in San Francisco in December.

Transnational Crime Sub stream

Illicit Drug Study

A narcotics specialist, working with the UN Office of Drugs and Crime, participated in a workshop at the ASEAN Secretariat 29-30 October to present his findings of a draft report for which the Facility provided a conduit for financing from the US State Department. The report included recommendations for measures that could help achieve a drug free ASEAN by 2015. The study suggested that ASEAN maintain a regional approach to addressing the drug problem. While national actions are important, the drug issue is transnational in scope; data collection and analysis, capacity building and training are necessary parts of this regional framework.

Based on workshop input, the consultant revised the study. The final result, the “Report on Vision, Benchmarks and Recommendation Towards Achieving Drug-Free ASEAN 2015,” was endorsed by the ASEAN Ministers Meeting on Transnational Crime (AMMTC) on November 6-7, 2007 in Brunei Darussalam.

Progress in Achieving Performance Indicators

The performance indicator for this activity stream is increased Secretariat capacity to support implementation of the VAP. The ASEAN-US Facility is measuring progress toward achieving this indicator by tracking the number of Secretariat staff members who receive training designed to increase their capacity to support VAP implementation, through improvements in IT infrastructure, and through semi-annual surveys of senior Secretariat staff.

- 1 The completed management training, the ASO, and IT improvements have increased the Secretariat’s capacity to support VAP implementation.
- 2 The expanded PMS to cover data for IAI projects is another step toward assisting the Secretariat to gain a firmer understanding of the numbers of individuals trained under these projects and how they have progressed in their careers.
- 3 Public relations training is important for ASEAN Secretariat staff develop the skills, confidence, and strategy to engage in public outreach to generate support for ASEAN work and momentum to take its work forward in creating an ASEAN Community.

Activity Stream Outputs and Outcomes

The Facility has strengthened the Secretariat’s recourse through resource development, IT support and public relations activities. Over its lifetime, the Facility has supported six associate offices and two trainings, one on human resource management and the other on skills development. Assisting the Secretariat to set up indicators to track ASEAN’s progress is essential not only to record progress but also to identify problem areas that demand attention.

The Facility’s diagnostic of the Secretariat’s IT system, purchase and installation of upgrades, and improved software systems for monitoring projects helps the Secretariat staff work smarter and more efficiently. The public relations work is essential for ASEAN to get the good word out on its activities, building support for its activities and objectives. As indicated above in the Trade-Related Coordination and Dialogue section, the Secretariat’s increasingly active role in public relations and reaching out to the business community is a particularly good output to which the Facility has contributed modestly. The key targeted outcome is the adoption of more ASEAN agreements in implementation of the AEC Blueprint according to schedule.

Work on transborder crime was limited to two studies, one on member country counter-terrorism plans the other on the production and use of illicit drugs. Both provided a basis for further ASEAN action: the Convention on Counter-Terrorism and the declaration on a drug-free ASEAN. The other activity in this sub-

stream was preparation for a workshop on trade-based money laundering. The proposal for that workshop was approved by the USG and ASEAN authorities and can be taken up under Facility II.

Appendix A.
ASEAN-US Technical Assistance and Training Facility
Performance Monitoring Framework

RDM/A Strategic Framework A. Improved Regional Governance and Economic Reform/1								
PC 4. Increase participation in global trade and investment								
ASEAN-US Technical Assistance & Training Facility Activity Streams								
Trade Negotiations	Trade-related Coordination and Dialogue	Customs & Trade Facilitation	Investment	Trade in Services	Priority Sector Integration	Strengthened Secretariat Resources	Natural Resource Management	Public Health
ASEAN Vientiane Action Program Directives								
2.12. Economic Relations with Dialogue Partners... efforts will be made to strengthen external economic relations .with major Dialogue Partners...through the establishment of FTAs and Closer Economic Partnerships...promoting the coherence of agreements with major trading partners.	5. 2.Institutional Arrangements...The ASEAN Secretariat will facilitate the consultation process among ASEAN bodies and seek the most efficient modality in setting up the appropriate institutional arrangement at the Program /project level. Approaches and mechanisms to closely involve other ASEAN stakeholders, including the private sector and Civil society must also be addressed.	2.3.5.1 Customs: Integrate customs structures in ASEAN. 2.3.5.2 Rules of Origin: Transparent, predictable, standardize 2.3.2 NTMs: Transparency and removal of NTBs. 2.3.5.3 Standards: accelerate implementation of framework agreement on MRAs... establish specific standards for harmonization of standards... based on existing international criteria.	2.2.ASEAN Investment Area implementation of the AIA will be intensified...liberalization... improve the investment environment...adopt a Strategic promotion program..	2.4.1. Trade in Services...Accelerate regional integration towards creating a single market in services through Progressive liberalization...	2.1. Eleven Priority Integration Sectors...textiles and apparel, ICT, healthcare...a roadmap will serve as the basis for economic integration of each of the priority Sectors.	5.Implementation Mechanisms...Strengthen existing institutions	VAP 5.2 Institutional Arrangements approaches and mechanisms to involve ASEAN civil society. VAP 3.3.9 Freshwater resource: Manage water resources efficiently through integrated water resources management as outlined in ASEAN Strategic Plan of Action on Water Resources Management. VAP 3.1.9.1 Disaster Management: Implement the ASEAN Regional Program on Disaster Management as outlined in the ASEAN Agreement on Disaster Management and Emergency Response.	VAP 3.1.7.1 Preventing the spread and reducing the harm of... infectious diseases. VAP 3.1.7.8 Put into place regional systems, networks and procedures for communicable diseases... surveillance, early warning... VAP 3.1.8 Enhance food safety.
Performance Indicators								
Better prepared ASEAN Member Country trade negotiators.	Improved public-private sector consultation and internal coordination in ASEAN trade-related Policy making process.	Increased harmonization of customs structures; Transparent, predictable rules of origin; Identification and progress to remove NTBs; progress towards harmonization of standards.	Increased effort toward Liberalization and investment facilitation and promotion through improved environment. and regional investment promotion.	Increased awareness of the benefits to ASEAN of liberalizing trade in services.	Progress toward integrating the ASEAN textile and apparel products, ICT and healthcare sectors.	Increased Secretariat capacity to support implementation of the VAP.	Improved ASEAN - civil society organizations (CSO) working relations; Progress toward sustainable management of water resources; Progress in implementing AADMER.	Increased pandemic preparedness on a regional level and improved national programs. Food safety standards set in accordance with best practices.
Measures of Progress Toward Achievement of Performance Indicators								
1. Number of negotiators trained. 2. Number of negotiations.	1. Increased attention to improving intra-ASEAN coordination.	1. Number of AHTN Chapters where progress achieved toward harmonization. 2. Adoption of work plans and progress toward implementing ASEAN Single Window. 3. Movement toward effective, predictable rules of origin.	1. Progress toward implementation of the ASEAN Investment Agreement. 2. Increase in FDI inflows.	1. Number of ASEAN Member Country government and private sector representatives and Secretariat staff trained.2. Number of scheduled commitments and MRAs.	1. Integration road map improved in Phased II and finalized.	1. Number of Secretariat staff who receive training designed to increase their capacity to support VAP implementation. 2 Number of improvements in IT systems and programs.	1. ASEAN – CSO Forum convened and ASEAN - CSO cooperation strategy and mechanisms determined. 2. Strategic Plan furthered through development of selected Project Concepts into full implementable projects. 3. Milestones achieved toward implementing	1. Agreement on principles of effective preparedness and response to a potential pandemic emerging disease; 2. Agreement on a regional framework for emergency response to a possible pandemic; 3. Number of AMCs signing APHIS agreements for

		4. Implementation of work plan to identify NTMs as trade barriers and progress toward eliminating NTMs. 5. Standardization targets established and/or met.					AADMER.	access to US market for fresh fruits and vegetables.
2. Report in surveys of Secretariat staff responsible for trade in goods, services and investment negotiations on the degree of improvement of ASEAN Member Country negotiation skills.	1. Increased attention to improving private sector input.	2. Report in surveys of Secretariat staff and our experts whether progress has been made toward achieving the performance indicator.	2. Report in surveys of Secretariat staff and our experts whether progress has been made toward achieving the performance indicator.	2. Report in surveys of Secretariat staff whether or not support in ASEAN for liberalizing trade in Services have increased.	2. Report in surveys of Secretariat staff, private sector representatives and our experts as to whether progress has been made toward implementing the Integration roadmap.	2. Report in surveys of senior Secretariat staff whether or not progress has been made toward achieving the performance Indicator.	4. Report in surveys of senior Secretariat staff on whether or not progress has been made toward achieving the performance indicators.	4. Report in surveys of senior Secretariat staff on whether or not progress has been made toward achieving the performance indicators.

Attachment B. Status Matrix
ASEAN-U.S. Technical Assistance by Activity Stream—Status Report as of November 30, 2007

Activity Stream	Workplan		TOR		Consultant Anticipated	Activity		ASEC Staff	
	Approved	Drafted	ASEAN Approved	USAID Approved		Underway	Complete		
Sector Integration Activity Stream									
Textile Sector Integration									
1	ASEAN Textiles Sector -- Post MFA (Assessment 4)	x	x	x	x	Minor, Werner		x	Azhari
2	ASEAN Textiles Sector -- Post MFA (Training 20)	x	x	x	x	Werner		x	Rillo
3	ASEAN Textiles Sector (Other Activity 4)	x	x	x	x	Minor		x	Azhari
4	Textile Sector Integration Assessment Follow-up (Other Activity 6)	x	Deferred			TBD			Cheen
ICT Sector Integration									
5	Towards an Integrated ASEAN ICT Sector (Policy Study 10)	x	x	x	x	Magjera		x	Vitasa, Cheen
6	ASEAN ICT Activity Workshop - USO (Other Activity 7)	x	x	x	x	Magjera		x	Vitasa
7	ASEAN ICT -- Cybersecurity Activity TBD (Training Activity 27)	x	Deferred			TBD			Vitasa
Healthcare Sector Integration									
8	Healthcare Roadmap Assessment (Assessment 8)	x	x	x	x	Atje		x	Cheen
9	Healthcare Roadmap Assessment Workshop (Other Activity 9)	x	x	x	x	Atje		x	Cheen
Logistics Sector Integration									
10	Logistics Integration: Elements of a Roadmap Concept Paper (Policy Study 13)	x	x	x	x	Cook, Banomyong		x	Vitasa, Cheen
11	Logistics Integration: Elements of a Roadmap Workshop (Other Activity 17)	x	x	x	x	Cook, Banomyong		x	Vitasa, Cheen
12	Logistics Integration Follow Up TDB (Other Activity 18)	x	Deferred			TBD			Vitasa, Cheen
Investment Activity Stream (I)									
13	Investment in Services (Policy Study 2)	x	x	x	x	Magjera		x	Krishnan
14	Supply Chain NTBs (Policy Study 4)	x	x	x	x	USTBC		x	Azhari
15	Supply Chain NTBs (Assessment 1)	x	x	x	x	Lojewski		x	Azhari
16	Investment in Services II (Policy Study 7)	x	x	x	x	Magjera		x	Phoung
17	Determinates of FDI/Doing Business Assessment (Assessment 5)	x	x	x	x	Cassidy, Maxfield		x	Cordenillo
18	Determinates of FDI/Doing Business Assessment (Training Activity 12)	x	x	x	x	Cassidy, Maxfield		x	Cordenillo
19	Best Practices for Investment Promotion Agencies Workshop (Training 24)	x	x	x	x	Lloyd, Creedon		x	Krishnan
20	Skills Development for Investment Promotion (Training Activity 20)	x	Withdrawn			TBD			Cordenillo
21	Investment Promotion Conference (Other Activity 10)	x	x	x		TBD		x	Cordenillo
22	Toward and ASEAN Investment Area: Road Traveled (Policy Study 8) * moved from Services Activity Stream	x	x	x	x	EWC		x	Cordenillo
23	Toward and ASEAN Investment Area: Road Ahead (Policy Study 14)	x	x	x	x	EWC Yusuf/Wee/Plummer		x	Cordenillo
24	Toward and ASEAN Investment Area (Training Activity 44)	x	x	x	x	Plummer		x	Cordenillo
Customs and Trade Facilitation Activity Stream									
25	Customs (Assessment 3)	x	x	x	x	Torrence		x	Azhari
26	Comprehensive Trade Facilitation Plan (Other Activity 22)	x	x	x	x	Noordin		x	Azhari
AHTN Substream									
27	ASEAN Harmonized Tariff Nomenclature (Policy Study 6)	x	x	x	x	Kappler		x	Le
28	AHTN Part 1 (Training 5)	x	x	x	x	Kappler		x	Le
29	AHTN Part 2 (Training 13)	x	x	x	x	Kappler		x	Le
30	AHTN Part 3 (Training 14)	x	x	x	x	Kappler		x	Le
31	AHTN Part 4 (Training 22)	x	x	x	x	Kappler		x	Le
32	AHTN Part 5 (Training 25)	x	x	x	x	Kappler		x	Le
33	AHTN Part 6 (Training Activity 29)	x	x	x	x	Kappler		x	Le
34	AHTN Part 7 (Training Activity 30)	x	x	x	x	Kappler		x	Le
35	AHTN Implementation Seminar (Training Activity 32)	x	x	x	x	Kappler		x	Le
36	AHTN Implementation Seminar (Training Activity 33)	x	x	x	x	Kappler		x	Le
37	AHTN Implementation Seminar (Training Activity 34)	x	x	x	x	Kappler		x	Le
38	AHTN Implementation Seminar (Training Activity 35)	x	x	x	x	Kappler		x	Le
Single Window Substream									
39	Toward a Single Window TBD (Training 26)	x	x	x	x	Nolle		x	Le
40	Single Window Follow-up Preparedness Assessment (Other Activity 11)	x	x	x	x	Dagang Net		x	Le
41	Legal Advisor to ASW Working Group (Other activity)		x	x	x	Luddy		x	Le

	Activity Stream	Workplan Approved	TOR			Consultant Anticipated	Activity		ASEC Staff
			Drafted	ASEAN Approved	USAID Approved		Underway	Complete	
Rules of Origin Substream									
42	Rules of Origin Definitions (Policy Study 3)	x	x	x	x	Rosengarden, CSIS-Jakarta		x	Robeniol
43	ASEAN Rules of Origin Strategic Study (Policy Study 11)	x	x	x	x	Rosengarden, CSIS-Jakarta		x	Robeniol
44	ASEAN Rules of Origin Workshop on Strategic Study (Other Activity 13)	x	x	x	x	Rosengarden		x	Robeniol
45	Rules of Origin Follow Up Activity TBD (Other Activity 36) (Workshop on Administrative Issues)	x	Deferred			TBD			Robeniol
Nontariff Measures Substream									
44	NTM Technical Implementation Adviser (Other Activity 12)	x	x	x	x	na	Withdrawn		Phuong/Kenny
45	Assistance to Member Countries to update NTM Inventories (Other Activity 12)	x	na-informal support			na		x	Phuong
Standards and Conformity Assessment Sub-stream									
46	Work Plan to Implement Harmonized Cosmetic Regulatory Scheme(Assessment 9)	x	Withdrawn			ASEAN Experts TBD			Giang
47	CDER Training for Drug Regulatory Authorities (Training)	x	x	x	x	CDER/FDA		x	Giang
48	Pharmaceuticals: Development of an MRA on Good Manufacturing Practices (Other Activity 23)	x	Deferred			Nemeroff			Giang
49	Regulations on Traditional Medicines and Health Supplements: Publication Assistance (Other Activity 24)	x	x	Deferred		TBD			Giang
50	Harmonized Electrical and Electronic Equipment Regulatory Regime (EEE) (Assessment 11)	x	x	x	x	Underwriters Laboratories/NEMA		x	Giang
Trade in Services Activity Stream (S)									
51	Trade in Services Seminar (Training 2)	x	x	x	x	Self, Waite		x	Vinh
52	Trade in Services "Scheduling Seminar" (Training 15)	x	x	x	x	Self		x	Reyes, Cheen
53	Trade in Services MRA Workshop (Training Activity 36)	x	x	x	x	Self,Stoler		x	Reyes, Cheen
54	Trade in Services Seminar: Scheduling ICT Telecommunications Commitments (Training Activity 37)	x	x	x	x	Magjera		x	Reyes, Cheen
55	Trade in Services Statistical Workshop (Training Activity 39)	x	x	x	x	Abaroa		x	Sutanto
56	Advanced Statistics in International Services Workshop (Training Activity 38)	x	Deferred			Abaroa			Sutano
57	Support of ASEAN Services Forum TBD (Other Activity 37)	x	na - informal support			na		x	Phuong
58	MRAs: Support for Inaugural Meeting of Coordinating Bodies (Other Activity 38)	x	Deferred			na			Phuong
59	Technical Assistance for Statistical Compliers Workshop (Other Activity 26)	x	Withdrawn			BEA			Sutano
60	Services and System of National Accounts (Training Activity 45)	x	x	x	x	IMF		x	Sutano
Trade Negotiations Activity Stream									
61	Implications of FTAs (Policy Study 5)	x	x	x	x	EWC		x	Azhari
62	Trade Negotiations Training Course (Training 1)	x	x	x	x	Fisher, James		x	Noordin
63	Trade Negotiations Training Course in Vietnam (Training 8)	x	x	x	x	Fisher, Graef, Lojewski		x	Azhari
64	Trade Negotiations Training Course in Cambodia (Training 9)	x	x	x	x	Fisher, Graef, Lojewski		x	Azhari
65	Online Trade Negotiations Training Course (Training 10)	x	x	x	x	Crowe		x	Robeniol
66	Implications of FTAs Methodology Workshop (Training 16)	x	x	x	x	EWC		x	Cordenillo
67	The AEC Defined: Trends and Options (Policy Study 12)	x	x	x	x	Aggarwal		x	Robeniol
68	Trade Negotiations Course Lao July 2006 (Training Activity 40)	x	x	x	x	Graef, Self, Wallar		x	Satyani
69	Trade Negotiations Course (Training Activity 41) (ROO Basics)	x	Deferred			Graef,Fisher			Robeniol
70	Trade Negotiations Advanced Course (Training Activity 42) (ROO Advanced)	x	Deferred			Graef,Fisher			Robeniol
71	Trade Negotiations Advanced Course (Training Activity 43) (Services Policy CLV)	x	Deferred			Graef,Fisher			Hiong
72	AEC Defined: Trends and Options Workshop (Other Activity 14)	x	x	x	x	Aggarwal		x	Robeniol
73	WTO Accession Work Plan: Lao PDR (Other Activity 27)	x	x	Deferred		Self			Robeniol

	Activity Stream	Workplan		TOR		Consultant Anticipated	Activity		ASEC
		Approved	Drafted	ASEAN Approved	USAID Approved		Underway	Complete	Staff
Trade-related Coordination and Dialog Activity Stream									
74	Intra-ASEAN Coordination and Dialog (Assessment 6)	x	x	x	x	Hillmann, Hathaway, Wallar		x	Phoung
75	Toward More Effective Intra-ASEAN Coordination and Dialog Workshop (Study Tour)	x	x	x	x	Hillmann, Hathaway, Wallar		x	Phoung
76	Toward More Effective Intra-ASEAN Coordination and Dialog Workshop: Study Tour Report (Policy Study 1)	x	x	x	x	Hillmann		x	Phoung
77	Private Sector Consultation in ASEAN: Aggarwal Presentation (Assessment 2)	x	x	x	x	Aggarwal		x	Cordenillo
78	Toward More Effective Private Sector Input in ASEAN Workshop (Training 18)	x	x	x	x	Aggarwal		x	Cordenillo
79	To Improve Private Sector Input in ASEAN: Take Away/Fact Sheets (Policy Study 9)	x	x	x	x	ASEAN Secretariat/PR Team		x	Wong
80	Effective Private Sector Input: Building Tools (Training 21) (Fact Sheet Writing)	x	x	x	x	Alley, O'Leary, Burson Marsteller		x	Wong
81	Effective Private Sector Input: Private Sector Roundtable (Other Activity 5) ASEAN Talks Business	x	x	x	x	Wallar/ Maxfield		x	Cordenillo
82	More Effective Private Sector Input in ASEAN Online Course (Training 19)	x	x	x		TBD	Withdrawn		Robeniol
83	Effective Private Sector Input (Training 23) (AEC Stakeholders)	x			na/funding support	Wallar/ Maxfield		x	Cheen
Natural Resource Management Activity Stream									
84	Water Resource Management Activities TBD (Other Activity 28) (Scoping Studies: Data and Classification)	x	x	x	x	Weinstock/ Cadmus		x	Raman
85	Water Resource Management: Risks and Impacts	x	x	x	x	Weinstock/ Cadmus		x	Raman
86	Work with NGOs – Developing a Forum on Environment Issues (Other Activity 29)	x	x	x	x	Weinstock/ Cadmus		x	Raman
87	Disaster Management Technical Assistance (Other Activity 30)	x	x	x	x	Weinstock/ Cadmus		x	Kamal
Public Health Activity Stream									
88	Infectious Disease-Pandemic Preparedness Technical Assistance: Mapping Exercise (Other Activity 31)	x	x	x	x	Soemarjo/ Constella Futures		x	Thuzar
89	Infectious Disease-Pandemic Preparedness Mapping Workshop (Training Activity 49)	x	x	x	x	Soemarjo/ Constella Futures		x	Thuzar
90	Infectious Disease-Pandemic Preparedness Training: Regional Framework Workshop (Training Activity 50)	x	x	x	x	Soemarjo/ Constella Futures		x	Thuzar
91	Food Safety: Sanitary and Phytosanitary Measures TBD (Other Activity 32)	x			na/informal support	APHIS		x	Somsak
Strengthened Secretariat Resources Activity Stream									
Resource Support Activity Sub-stream									
92	Secretariat Summit Support to Laos (Other Activity 1)	x	x	x	x	NA		x	Sunoto
93	Self Study Course on Proposal Writing (Other Activity)	x	x	x	x	Crowe		x	Sunoto
94	ASEAN Summit Support (Other Activity 33)	x	x	x	x	Villacorte		x	Sunoto
95	Human Resources Management Training (Training 11)	x	x	x	x	AMA		x	Sunoto
96	ASEAN Secretariat Associate Officer Programme (Other Activity 2)	x	x	x	x	NA		x	Sunoto
97	Expanded Associate Officer Program (Other Activity 39)	x	x	x	x	NA		x	Gultom
98	Development of VAP Implementation Indicator (Other Activity 15)	x	x	x	x	Ordoubadi		x	Sutanto
99	VAP Implementation Indicator: Additional Expert	x	x	x	x	Ward		x	Sutanto
100	Skills Training (English) Course (Training)		x	x	x	English First		x	Tan
IT Activity Sub-stream									
101	Trade-related Resources on the Web (Training)	x	x	x	x	Maxfield		x	Azhari
102	Searchable Donor Database (Training)	x	x	x	x	STTI, Maxfield		x	Diana Bagus
103	IAI Upgrades: Expansion to the pMS (Other Activity 35)	x	x	x	x	STTI		x	Krishna
104	ARF Unit -- UN Peacekeeping and Diplomacy (Training)	x	x	x	x	Ngoc		x	Abad
105	ARF Unit - ARFnet Web Design (Training)	x	x	x	x	UN		x	Abad

	Activity Stream	Workplan	TOR			Consultant Anticipated	Activity		ASEC
		Approved	Drafted	ASEAN Approved	USAID Approved		Underway	Complete	Staff
106	Internal Secretariat IT Infrastructure Diagnostic (Assessment 7)	x	x	x	x	RTM, Progressive Networks		x	Ee Khoon
107	Internal Secretariat IT Infrastructure Activity TBD (Other Activity)	x	x	x	x	ETC, Pronet		x	Prihanto
108	Computer to Support ARFnet Dialogue (Other Activity)	x	x	x	x	ACICO		x	Abad
109	ASEAN Secretariat Application Portal Assessment (Assessment)	x	x	x	x	Solusi Infotama		x	Rony Farid
110	ASEAN Secretariat Application Portal: Enhancement Follow-Up (Other Activity)	x	x	x	x	TBD	Deferred		Rony Farid
Public Relations Sub-stream									
111	History of U.S.-ASEAN Relations	x	x	x	x	O'Leary/Maxfield		x	Wong
112	Public Relations Assistance/Strategy	x	x	x	x	Li, Alley		x	Wong
113	Public Relations Assistance/Strategy: Implementation (Other Activity)	x	x	x	x	Alley, O'Leary Burson Marsteller		x	Wong
114	Youth Video & Caravan (Other Activity)		x	x	x	Hello Motion/Alley		x	Suchela
115	PR Training Program (presentations/media communications) (Training)		x	x	x	Alley/BM		x	Wong
116	Web Server Assessment		x	x	x	RTI		x	Farid
117	30th Anniversary Logo & Giveaways (Other Activity)		x	x	x	Alley, Maxfield		x	Wong
Transnational Crime Sub-stream									
119	Counterterrorism Consultancy (Other Activity)	x	x	x	x	Lim		x	Roy
120	Trafficking in Persons Data Collection Technical Assistance (Other Activity)	x	Insufficient Funding			OIM			Sunoto
121	Counterterrorism Plan (Policy Study)	x	Withdrawn			TBD			Roy
122	Counterterrorism Training (Training Activity 46)	x	Deferred			TBD			Roy
123	Counterterrorism Follow-up TBD (Other Activity) (Study on Illicit Drugs)	x	na/INL funding (contract still pending)			UNODC		x	Roy
Financial Market Sub-stream									
124	Anti-money Laundering/Counterterrorist Financing Workshop (Training)	x	x	Deferred		TBD			Hafidz
125	Financial Market Risk Management (Training)	x	Withdrawn			TBD			Yuen
Total		120	104	101	99		0	102	125