



## Regional: Advancing Regional Cooperation and Integration through Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area and Indonesia-Malaysia-Thailand Growth Triangle

Project Name	Advancing Regional Cooperation and Integration through Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area and Indonesia-Malaysia-Thailand Growth Triangle	
Project Number	48176-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	<b>TA 8814-REG: Advancing Regional Cooperation and Integration through Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area And Indonesia-Malaysia-Thailand Growth Triangle</b>	
	Technical Assistance Special Fund	US\$ 500,000.00
	<b>TA 8814-REG: Advancing Regional Cooperation and Integration through Brunei Darussalam_Indonesia_Malaysia_Philippines East ASEAN Growth Area and Indonesia_Malaysia_Thailand Growth Triangle (Supplementary)</b>	
	Technical Assistance Special Fund	US\$ 500,000.00
	<b>TA 8814-REG: Advancing Regional Cooperation and Integration through Brunei Darussalam_Indonesia_Malaysia_Philippines East ASEAN Growth Area and Indonesia_Malaysia_Thailand Growth Triangle (Supplementary)</b>	
	People's Republic of China Regional Cooperation and Poverty Reduction Fund	US\$ 700,000.00
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	<b>Industry and trade</b> - Industry and trade sector development <b>Public sector management</b> - Economic affairs management	
Gender Equity and Mainstreaming	No gender elements	
Description	The TA intends to enhance the capacity of the BIMP-EAGA and IMT-GT subregional programs, especially in strengthening their contributions to ASEAN Economic Community (AEC) 2015 and beyond. In particular, the TA will support the identification, implementation and monitoring of priority regional cooperation and integration (RCI) projects to allow these two programs to directly contribute towards a fully integrated Southeast Asian region.	

Project Rationale and Linkage to Country/Regional Strategy	<p>The ASEAN Member States are taking concerted efforts to implement their RCI commitments under the AEC Blueprint and the ASEAN Vision 2025: Forging Ahead Together endorsed at the 27th ASEAN Summit in 2015. While substantial progress by the Program has been achieved, there are still many measures that need to be implemented and this TA will support some of the additional measures needed. In this, the bottom-up approach of the BIMP-EAGA and the IMT-GT subregional programs complement the top-down approach by ASEAN. Subregional programs are taking conscious efforts to link their activities with wider regional initiatives, while keeping their own independence and niches for regional cooperation. The need to widen and deepen regional and subregional synergies by identifying sector-wide approaches across programs is widely accepted. Increased efforts to enhance the potentials of BIMP-EAGA and IMT-GT to be core building blocks for AEC and beyond. In addition, greater consistency with the agreed policies and rules by ASEAN Member States would contribute to a more reliable and sustainable process of integration and could strengthen the support of central governments for their respective initiatives and projects. Identifying points of convergence and complementarity across subregional programs to support RCI enhance the effectiveness of these programs and save member countries resources. The TA will also support the objectives of the midterm review (MTR) of ADBs Strategy 2020, calling for enhancing ADBs role in catalyzing RCI efforts through: i) enhancing regional connectivity; ii) moving to 2nd generation regional integration; iii) taking an active role in project development and regional public goods; and iv) supporting trade facilitation.</p> <p>Accentuating ADBs role as Development Partner and Regional Adviser to the two subregional programs, ADB Support was successful in enhancing its strategic directions and in initiating efforts to develop investment projects. The subregional programs adopted Implementation Blueprints (IB) 2012-2016, including rolling pipelines of projects. At the 2014 BIMP-EAGA and IMT-GT Summits in Myanmar, the leaders sought ADBs continued assistance in project implantation, identification and preparation of new project, and developing institutional capacities and sustainable mechanisms to manage development results. This shows that the subregions recognize the increasing complexity of identifying, structuring, financing and implementing 2nd generation RCI projects. Given that these two subregional programs are comprised of middle-income countries (MIC), future projects need to address development issues facing MICs: i) rapidly growing and increasingly congested urban areas, ii) lack of access to reliable power supplies, iii) the need to attract private investment in innovative sectors, iv) leveraging subregional cooperation to test new ideas and approaches in preparing communities to address climate change impacts, v) facilitating the movement of skilled labor within Asia, and vi) high logistic costs due to, among other reasons, obstacles in transport and trade facilitation.</p> <p>To sustain subregional cooperation efforts to address these development issues, BIMP-EAGA and IMT-GT have recognized the importance of establishing effective institutional mechanisms at the program level. An example is the recently legalized and self-funded Centre for IMT-GT Subregional Cooperation (CIMT) which serves as the Secretariat for IMT-GT. BIMP-EAGA is also in the process of establishing a Facilitation Center (FC). However, the CIMT and BIMP-EAGA FC will need substantial capacity building to develop RCI project pipelines, implement projects, and monitor and evaluate development results. The private sector also needs to participate more actively in both subregional programs through increased investment, trade and the transfer of knowledge and technical expertise.</p>
Impact	The BIMP-EAGA and IMT-GT subregions are more integrated with themselves, and with the ASEAN region.

## Project Outcome

Description of Outcome	BIMP-EAGA and IMT-GT projects and initiatives under the implementation blueprints are implemented.
Progress Toward Outcome	<p>Both the BIMP-EAGA and IMT-GT subregional cooperation programs have recently concluded their respective Implementation Blueprints (IB) 2012-2016 and have taken into account the learnings from their experience in operationalizing the IBs, in crafting their new strategic documents.</p> <p>The CIMT secretariat has been leading the preparation of the IMT-GT Vision 2036 and the new IB 2017-2021. For BIMP-EAGA, ADB is providing facilitation support and technical assistance in the preparation of the BIMP-EAGA Vision 2025 (BEV 2025). Both strategic documents are for endorsement at the BIMP-EAGA and IMT-GT Leaders' Summit on 29 April 2017 in Manila, Philippines.</p>

## Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Improved sector coordination between the subregional programs and ASEAN</li> <li>2. RCI thematic studies developed and implemented</li> <li>3. Managing for development results enhanced</li> </ol>
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Status of Implementation Progress (Outputs, Activities, and Issues) FOR OUTPUT 1:

BIMP-EAGA and IMT-GT serve as building blocks to the ASEAN Economic Community (AEC) initiative. It is important to establish formal institutional links with relevant ASEAN sectoral bodies and with the ASEAN Secretariat. ADB successfully organized an ASEAN, BIMP-EAGA and IMT-GT Land Transport Facilitation Consultation Meeting on 24 April 2015 in Surabaya, Indonesia.

There will be a Forum to discuss complementarities of the BEV 2025 and the IMT-GT Vision 2036 (including its IB 2017-2021) with the ASEAN Vision 2025 and the Masterplan for ASEAN Connectivity (MPAC) 2025. This will be organized by ADB in 2017. Both the new BIMP-EAGA Vision 2025 and the IMT-GT Vision 2036 will highlight the subregions as important building blocks contributing to ASEAN goals.

FOR OUTPUT 2:

IMT-GT

Under the TA, Green City Action Plan Songkhla/Hat Yai (Thailand) was completed. ADB also has completed Green City Action Plans for Medan, Kendari and Batam in Indonesia led by SEUW. SERC is printing the GCAPs to be included as knowledge products for the BIMP-EAGA and IMT-GT Leaders' Summits.

The TA supported the 2nd Asia-Pacific Forum on Urban Resilience and Adaptation and 16th International Convention on Melaka Twin Cities on 2-4 March 2016 in Melaka, Malaysia. This event attended by 500 delegates enabled the GCAP cities to share learnings, identify new tools, and enhance regional integration of GCAPs. It also showcased how action plans take into account existing Green City frameworks, development master plans, and planned anchor projects to identify potential actions and projects that will support communities to become models of urban sustainability.

In addition, a publication brochure for dissemination of the GrEEen City Action Plan in Melaka: Sustainable Urban Management Support for Follow-up Activities in Melaka, Malaysia, was prepared in close collaboration with SEUW. This was distributed at the 13th Chief Ministers and Governors Forum and 22nd IMT-GT Ministerial Meeting in Phang Nga, Thailand on 22-23 September 2016.

The TA also supported the preparation of terms of reference for the second phase of the Special Border Economic Zones study. A side meeting of Malaysia and Thailand was arranged during the IMT-GT Strategic Planning Meeting on 3-5 February 2015 in Penang, Malaysia. Phase II of the study would focus on the Sadao (Thailand)Bukit Kayu Hitam (Malaysia) border crossing area including Padang Besar (Thailand and Malaysia) crossing. Thailand also indicated signified interest in looking at the Narathiwat-Bukit Bunga border for the next phase. The countries intent both agreed on a single study, with a single team of consultants, jointly financed by both countries, and using the CIMT as a financial vehicle and overall coordinator. ADB would provide minor support as for a facilitator to assist the joint team if needed.

In 2016, both Malaysia and Thailand agreed to jointly finance a single SBEZ study with the CIMT secretariat as the overall coordinator. ADB would provide minor support as facilitator to assist the team and in this regard, helped prepare a TOR for such a study in March 2016. A steering committee will be formed and a bidding process will be undertaken by CIMT for the project.

The TA is also supporting the preparation of a Tourism Sector Strategic Framework (TSSF) in IMT-GT. The 1st Task Force Meeting was convened as part of the 9th Working Group on Tourism Meeting held in Langkawi, Malaysia on 17-18 August 2016. The draft TSSF was presented to the Tourism Working Group at the IMT-GT Strategic Planning Meeting on 13-14 March 2017 in Bangkok, Thailand. The TSSF is expected to be endorsed at the next Ministerial Meeting in Sept/Oct 2017.

BIMP-EAGA

The study on the corridor investment profiling for BIMP-EAGA (Phase II), wherein the TA is assisting on the compilation and assessment of key corridors. This followed the Phase I of the study, which determined a set of uniform templates for which investment and trade information (completed under the previous RETA 6462). Stock-taking of information (templates, fieldwork) on the corridor initiative is ongoing in consultation with the countries. Findings of the corridor investment profiling study entitled Investment Guide to Value Chains in BIMP-EAGAs Economic Corridor was presented at the BIMP-EAGA Senior Officials Retreat on 26 February 2016 in Davao City, Philippines. The final reports were provided to the countries. In April 2016, ADB completed the study on corridor investment profiling for BIMP-EAGA (Phase II), with a report composed of two parts: (i) BIMP-EAGA Investment Opportunities in Corridor Value Chains; and (ii) BIMP-EAGA Economic Corridors: Business Perceptions about the Investment Climate. ADB is printing the reports as knowledge products for the upcoming BIMP-EAGA and IMT-GT Leaders' Summits. ADB has also since received requests for the 2nd phase of the study in the identification of value chain in selected priority sectors.

The TA also completed a study on land transport facilitation, which provided recommendations to improve the implementation of the BIMP-land transport MOUs in the areas of insurance, transit, authorized economic operators and common permits to cross borders.

The TA also conducted a BIMP-EAGA Customs, Immigration, Quarantine and Security (CIQS) assessment with final report being which was presented at the 24th BIMP-EAGA Senior Officials Meeting on 7 December 2015 in Kota Kinabalu, Malaysia. ADB is also supporting Work on enhancing the connectivity on the West Borneo Economic Corridor (WBEC) especially on the state of Sabah given its geographical location at the intersect between WBEC and its sister economic corridor, the Greater Sulu Sulawesi Corridor (GSSC) which incorporates Mindanao and Palawan.

BIMP-EAGA has recently launched its Green Cities Initiative and ADB would provide assistance in developing GCAPs for one-two BIMP city(ies) per year. The first city under BIMP-EAGA with a completed GCAP is Kendari.

FOR OUTPUT 3:

The TA has organized two capacity enhancement training programs for government officials and the subregional secretariats of BIMP-EAGA and IMT-GT. The first training program was a Regional Training in Project Management on 4-8 May 2015 held in Penang, Malaysia, which was participated by 24 officials from Brunei, Indonesia, Malaysia, Philippines and Thailand. The second program organized by the TA was the Community-Based Eco-Tourism (CBET) training workshop, which was held on 5-7 August 2015 in Kuching, Malaysia. This training program was participated by a total of 40 officials from Brunei, Malaysia and the Philippines.

As part of the process of establishing and institutionalizing two subregional statistical databases for BIMP-EAGA and IMT-GT, the TA has organized a Joint BIMP-EAGA and IMT-GT Meeting on Subregional Statistics and Database on 28-29 July 2015 in Bangkok, Thailand and agreed on the next steps on the database and possible deliverables for the next Summit. A 2nd Joint BIMP-EAGA and IMT-GT Meeting on Subregional Statistics and Database was organized by ADB on 4-5 May 2016 in Kuala Lumpur, Malaysia. A BIMP-EAGA Statistical Leaflet was also launched at the Summits on 28 April 2015 in Langkawi, Malaysia. ADB also assisted in the preparation of IMT-GT and BIMP-EAGA statistical brochures launched at the 22nd Ministerial Meeting in Phang Nga, Thailand on 23 September 2016 and at the 20th Ministerial Meeting in Palawan, Philippines on 30 November 2016, respectively. The same statistical brochures will be provided to the Leaders at the upcoming BIMP-EAGA and IMT-GT Summits. In both Strategic Planning Meetings of BIMP-EAGA and IMT-GT early in 2017, ADB has presented to the Working Group on Trade and Investment and the Trade and Investment Facilitation Cluster the statistical database management and next steps. The subregional secretariats CIMT and BIMP-FC will now take the lead in compiling and consolidating the subregional statistics in coordination with National Statistics Offices. ADB will only provide ad hoc technical advisory role if countries convene regional meetings on the statistics.

The TA has also provided assistance to the CIMT in the preparation of their business plan, operations manual and CIMT board of directors guidelines and responsibilities, which was presented to the Senior officials in August 2015 in Jakarta. A similar support will be provided to the BIMP-EAGA FC once it is legalized.

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

## Business Opportunities

**Consulting Services** A total of 32 person-months of international consulting services and 39 person-months of national consulting services have been recruited under the TA. Most international consultants were engaged to do short-term studies. One national consultant was hired to work full time as regional development analyst for the TA. Consultants were recruited as individuals in accordance with ADB's Guidelines on the Use of Consultants (2013, amended from time to time), as the services to be delivered are too diverse and specialized for a single firm to cover. Output-based contracts for consulting services were used, when feasible. ADB is actively involved in the implementation of the TA. SERD organized a team of ADB staff. The team includes staff from SERD sector divisions working on topics covered by the TA in BIMP-EAGA and IMT-GT. ADB's knowledge departments and communities of practice are also involved on some of the TA activities. SERC has appointed 2 international staff, one national officer and one operations assistant to coordinate this TA.

**Procurement** Purchases of equipment (computer hardware and software) will be undertaken in accordance with ADB's procurement guidelines and in coordination with ADB's Office of Information Systems and Technology and Office of Administrative Services, where applicable. After the TA completion, any procured equipment will be disposed in compliance with Project Administration Instruction 5.11. Disbursement under the TA will be made in accordance with ADB's Technical Assistance Disbursement Handbook (2010, amended from time to time)

## Responsible Staff

Responsible ADB Officer	Krishnan, Gary P.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Regional Cooperation and Operations Coordination Div, SERD
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

## Timetable

Concept Clearance	05 Nov 2014
Fact Finding	-
MRM	-
Approval	16 Dec 2014
Last Review Mission	-
Last PDS Update	30 Mar 2017

## TA 8814-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
16 Dec 2014	-	16 Dec 2014	30 Jun 2016	30 Jun 2018	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	700,000.00	0.00	0.00	0.00	0.00	1,700,000.00	16 Dec 2014	891,468.82

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Project Page	<a href="https://www.adb.org/projects/48176-001/main">https://www.adb.org/projects/48176-001/main</a>
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