



Technical Assistance Report

Project Number: 48716-001
Regional—Policy and Advisory Technical Assistance (R-PATA)
December 2014

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

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
AEC	–	ASEAN Economic Community
ASEAN	–	Association of Southeast Asian Nations
BIMP-EAGA	–	Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area
BEFC	–	BIMP-EAGA facilitation center
CIMT	–	Centre for IMT-GT Subregional Cooperation
IMT-GT	–	Indonesia–Malaysia–Thailand Growth Triangle
RCI	–	regional cooperation and integration
SBEZ	–	special border economic zone
SERC	–	Regional Cooperation and Operations Coordination Division
TA	–	technical assistance
TASU	–	Technical Assistance Supervising Unit
TTF	–	trade and transport facilitation

NOTE

In this report, "\$" refers to US dollars.

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POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 48176-001	
Project Name	Advancing Regional Cooperation and Integration through Brunei Darussalam –Indonesia–Malaysia–Philippines East ASEAN Growth Area and Indonesia–Malaysia–Thailand Growth Triangle	Department /Division	SERD/SERC
Country Borrower	REG, BRU, INO, MAL, PHI, THA Not Applicable	Executing Agency	Asian Development Bank
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Public sector management	Economic affairs management		0.45
Industry and trade	Industry and trade sector development		0.05
		Total	0.50
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
Regional integration (RCI)	Pillar 1: Cross-border infrastructure Pillar 2: Trade and investment		
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development Organizational development	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
Partnerships (PAR)	Implementation Regional organizations		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Regional	High
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.50	
Sovereign Policy and advisory technical assistance: Technical Assistance Special Fund		0.50	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.50	
9. Effective Development Cooperation			
Use of country procurement systems			No
Use of country public financial management systems			No

I. INTRODUCTION

1. The Association of Southeast Asian Nations (ASEAN) member states are taking concerted efforts to implement their regional cooperation and integration (RCI) commitments under the ASEAN Economic Community (AEC) Blueprint. While substantial progress has been achieved, there are still many measures that need to be implemented by December 2015, some of which will require an ongoing commitment to regional integration beyond 2015. To this end, the bottom-up approach of the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA)¹ and the Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT)² subregional programs are beginning to complement the top-down approach being taken by ASEAN. The Asian Development Bank (ADB) has been providing technical support to these two subregional programs since 1996. The ministers and senior officials from the member countries of these subregions have requested technical assistance (TA) to continue advancing regional integration.

2. BIMP-EAGA was established in 1994 to accelerate the socioeconomic development of less-developed, marginalized, and geographically remote areas in these four countries as part of a broader goal to narrow development gaps. The objective of BIMP-EAGA is reflected in its geographic focus on provinces and states that are relatively underdeveloped, rather than on entire national territories. In addition to the entire sultanate of Brunei Darussalam, participating entities include nine provinces in Kalimantan, Sulawesi, the island chain of Maluku, and Papua (Indonesia); the federal states of Sabah and Sarawak, and the federal territory of Labuan (Malaysia); and Mindanao (26 provinces) and the province of Palawan (the Philippines). The BIMP-EAGA program covers (i) cross-border trade and investment; (ii) customs, immigration, quarantine, and security; (iii) infrastructure development, which includes transport, energy, and information and communication technology; (iv) natural resource development, which consists of agriculture, fisheries, and environment; (v) development of small and medium-sized enterprises; and (vi) tourism. The IMT-GT was established in 1993 with the objective of accelerating the economic transformation of the member states and provinces in the three member countries by exploiting their underlying complementarities and comparative advantages. The geographic scope of the IMT-GT includes 32 provinces and states—14 provinces in southern Thailand, 8 states in Peninsular Malaysia, and 10 provinces on the island of Sumatra in Indonesia. The IMT-GT program of cooperation presently covers (i) agriculture, (ii) halal products and services, (iii) human resource development, (iv) tourism, (v) trade and investment, and (vi) transport and infrastructure.

3. Previous regional TA in support of IMT-GT and BIMP-EAGA accentuated ADB's role as development partner and regional adviser to the two subregional programs, enhanced the programs' strategic directions and initiated efforts to develop investment projects.³ Recent summit declarations by IMT-GT and BIMP-EAGA expressed appreciation for ADB support and requested additional assistance for these subregional programs. The proposed TA will build on successes and lessons and further enhance the effectiveness of the BIMP-EAGA and IMT-GT programs to advance RCI in Southeast Asia. In particular, the TA will support the identification, implementation, and monitoring of priority RCI projects and initiatives to allow these two programs to contribute more effectively towards a more connected and integrated Southeast Asian region. The TA will also support the recommendations of ADB's Midterm Review of Strategy 2020,⁴ which called for ADB to enhance its role in catalyzing RCI efforts by (i)

¹ Comprising Brunei Darussalam, Indonesia, Malaysia, and the Philippines.

² Comprising Indonesia, Malaysia, and Thailand.

³ ADB. 2008. *Technical Assistance for Institutional Development for Enhanced Subregional Cooperation in the aSEA Region*. Manila (TA 6462-REG, \$3,800,000).

⁴ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

enhancing regional connectivity, (ii) moving to second-generation regional integration initiatives, (iii) taking an active role in project development and regional public goods, and (iv) supporting trade facilitation. The TA is consistent with ADB's Strategy 2020 RCI pillar,⁵ the Midterm Review of Strategy 2020, and ADB's 2006 RCI strategy.⁶ The RCI sections in the relevant country programs and strategies also include support to IMT-GT and BIMP-EAGA as strategic development priorities. The design and monitoring framework is in Appendix 1.⁷

II. ISSUES

4. The two subregional programs are making increasing efforts to link their activities with wider regional initiatives, while maintaining their respective independence and regional cooperation niches. Unfortunately, some linkages remain weak, and the urgency for increased synergy has intensified, given the requirements for the AEC. The need to widen and deepen regional and subregional synergies by identifying sector-wide approaches across programs was a key finding of a recent ADB study, which calls for increased efforts to enhance the potential of BIMP-EAGA and IMT-GT to be core building blocks for the AEC.⁸ Greater consistency by the two subregional programs with the policies and rules agreed to by ASEAN member states would contribute to a more reliable and sustainable integration process, and strengthen the support of central governments for their respective initiatives and projects. Identifying points of convergence and complementarity across subregional programs to support RCI will further enhance the effectiveness of these programs.

5. In 2012, BIMP-EAGA and IMT-GT programs adopted implementation blueprints for 2012–2016 that included rolling project pipelines. These blueprints are currently midway through their implementation periods, and about 70% of priority projects identified in 2012 have begun implementation; about 5%–8% have been completed.⁹ However, capacity for monitoring project outputs and development outcomes remains limited.¹⁰ Therefore, continuation of ADB support for project implementation is crucial. Further development of institutional capacity and sustainable mechanisms to manage development results are also essential. IMT-GT and BIMP-EAGA leaders sought ADB's continued assistance in these areas at their respective summits in Myanmar in May 2014.

6. Furthermore, given the renewed commitment to enhancing connectivity under both programs, new projects need to be identified and formulated. The subregions recognize the increasing complexity involved in identifying, structuring, financing, and implementing second-generation RCI projects. Future projects will also need to address development issues facing the middle-income countries that comprise these subregions, including (i) rapidly growing and increasingly congested and polluted urban areas; (ii) lack of access to reliable power supplies to serve new industries and the needs of a growing middle class; (iii) the need to attract private investment in innovative sectors to enable the subregions to move up in international value chains; (iv) the need to leverage subregional cooperation to test new ideas and approaches that can prepare communities to address climate change impacts; (v) how to facilitate the movement

⁵ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

⁶ ADB. 2006. *Regional Cooperation and Integration Strategy*. Manila.

⁷ The TA first appeared in the business opportunities section of ADB's website on 17 November 2014.

⁸ ADB. 2013. *Regional and Subregional Program Links*. Manila.

⁹ The draft midterm review of the IMT-GT implementation blueprint shows that only 8% of the priority projects have been completed and 74% are ongoing. In BIMP-EAGA, 5% of projects are estimated to be completed, with 60% ongoing.

¹⁰ While in-country institutional arrangements are generally well-defined, country-to-country coordination across subregional programs are not. While the IMT-GT Secretariat is now established, its capacity is still weak, and the BIMP-EAGA Facilitation Center has yet to resolve legalization issues.

of skilled labor; and (vi) high logistics costs, including as a result of obstacles to trade and transport facilitation (TTF).

7. In order to sustain subregional cooperation efforts to address these development issues, both BIMP-EAGA and IMT-GT have recognized the importance of establishing effective program-level institutional mechanisms. One example is the newly 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 permanent facilitation center.¹¹ However, the CIMT, as well as the BIMP-EAGA facilitation center (BEFC), will need substantial capacity building to develop RCI project pipelines, implement projects, and monitor and evaluate development results, both at the subregional and project levels. While efforts have been initiated to better collect, store, and analyze subregional data, more comprehensive systems and procedures are needed to develop comprehensive databases for BIMP-EAGA and IMT-GT that support evidence-based decision making by subregional policy makers. Furthermore, there is a need to promote greater private sector participation in both subregional programs through increased investment, trade, and transfer of knowledge and technical expertise. The TA design incorporates the following lessons from previous TA projects: (i) all studies and initiatives to be supported must have full ownership by subregional and national secretariats; (ii) the private sector should be consulted and involved in most initiatives; and (iii) to ensure consistency, studies and assessment should take into consideration ASEAN plans and agreements.

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact will be the BIMP-EAGA and IMT-GT subregions become more integrated with themselves, and with the ASEAN region. The outcome will be BIMP-EAGA and IMT-GT projects and initiatives under the implementation blueprints are implemented.

B. Methodology and Key Activities

9. The three TA outputs and associated key activities are described below:

- (i) **Output 1: Improved sector coordination between the subregional programs and the Association of Southeast Asian Nations.** The TA will support greater synchronization and linkages of subregional sector strategies with broader ASEAN frameworks and initiatives. The TA will help translate ASEAN strategic objectives, initiatives, and agreements—such as those concerning TTF and the mutual recognition of professionals—into specific subregional projects. As such, BIMP-EAGA and IMT-GT demonstration projects could also serve as incubators or pilots for broader regional RCI initiatives.¹² Activities under this output include (a) organizing two joint, sector-level dialogues and workshops between ASEAN and the two subregions, in coordination with sector working groups; and (b) identifying approaches for specific sector linkages, such as TTF, and facilitating the movement of skilled workers through mutual recognition agreements. Furthermore, the traditional focus on enhancing physical connectivity projects will continue to be aligned with the master plan on ASEAN connectivity.
- (ii) **Output 2: Regional thematic studies on cooperation and integration developed and implemented.** This output will support the identification and implementation of RCI thematic studies that could be the basis for new pilot

¹¹ The lack of a BIMP-EAGA facilitation center as a permanent international institution, following the model of the CIMT, has made the BIMP-EAGA program less effective than the IMT-GT.

¹² The signing of the memorandum of understanding for the movement of buses in BIMP-EAGA is an example of a demonstration project that has been replicated by ASEAN.

projects and initiatives, covering the five countries included in the TA. Activities under this output include (a) supporting sector working groups in the implementation of blueprint projects and thematic studies; (b) preparing the second phase of ongoing thematic signature initiatives, such as special border economic zones, the Green Cities Initiative, the Borneo–Mindanao power interconnection, and climate vulnerability assessments; and (c) preparing studies in two new areas, namely TTF in BIMP-EAGA and investment profiling of economic corridors in IMT-GT.¹³ These new initiatives are also expected to help attract private sector investment to the subregion, in particular to Mindanao in the Philippines, where the peace process with Bangsamoro is gaining momentum and is creating new opportunities for the entire BIMP-EAGA.

- (iii) **Output 3: Managing for development results enhanced.** The TA will support the two subregional programs in establishing and implementing a practical system of managing for development results, at the institutional, sector and project levels, and will include the following activities: (a) assist the CIMT and BEFC to develop business plans, regulations, guidelines, and key performance indicators to improve their operational capacity as regional secretariats; (b) design and implement selected capacity enhancement training programs on RCI-related themes for government officials working in the national secretariats, the CIMT and BEFC and in local governments—the RCI themes could include special border economic zones, green cities, climate change, TTF, power transmission, or regional project design, and will be linked to ADB’s operational programs and technical expertise; (c) assist subregional secretariats to institutionalize the compilation and dissemination of economic, trade, investment, and tourism data (including metadata) at the subregional level; and (d) assist subregional secretariats to develop a project database incorporating key project monitoring indicators, with baselines and targets.

10. Based on the outputs and activities above, major assumptions of the TA are that the participating governments remain politically committed to RCI, that the subregional secretariats are both capable and cooperative, and that ASEAN lends sufficient advisory and political support to BIMP-EAGA and IMT-GT. Major risks include: (i) inadequate private sector participation, (ii) project task forces operate inefficiently due to low capacity, (iii) insufficient data are available for a comprehensive monitoring framework, (iv) private sector participation is inadequate, (v) clusters and working groups cannot agree on and identify new regional projects, and (vi) countries do not appoint qualified staff to the BEFC. To mitigate these risks, the TA will work closely with the subregional and national secretariats to improve capacity, facilitate coordination with ASEAN bodies, and develop tools to facilitate private sector involvement.

C. Cost and Financing

11. The TA is estimated to cost \$500,000, which will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF—other sources). The BIMP-EAGA and IMT-GT governments will (i) provide counterpart support in the form of staff to work with ADB and TA consultants; (ii) make substantive contributions in technical and regional meetings; and (iii) provide logistical arrangements, secretarial assistance, domestic transport, and other in-kind contributions. ADB staff is expected to act as resource persons or facilitators; charging of travel costs to the TA is foreseen, with approximately 5% of the budget allocated for representational

¹³ Investment profiling includes the identification of private sector investment opportunities along strategic subsections of economic corridors, including but not limited to physical infrastructure, industrial parks, logistics centers, and agro-processing zones.

costs at training sessions, workshops, seminars, and conferences, which are confirmed as direct and identifiable costs of the TA. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

12. ADB, through the Regional Cooperation and Operations Coordination Division (SERC) in ADB's Southeast Asia Department, will implement the TA over 18 months from 1 January 2015 to 30 June 2016. SERC will coordinate with the Southeast Asia sector divisions and resident missions to implement specific activities. For example, SERC will work with the Urban and Water Division to implement the Green Cities Initiative, with the Energy Division in preparing studies to develop power transmission lines, and with the Environment Division in developing subregional climate change vulnerability studies. SERC will (i) create, consolidate, and disseminate knowledge and information to support IMT-GT and BIMP-EAGA; (ii) help subregional bodies build their institutional capacity to more effectively manage regional cooperation; and (iii) act as facilitator, catalyst, and coordinator of subregional cooperation. ADB's knowledge departments and communities of practice could also collaborate on some TA activities. SERC will appoint two international staff, one national officer, and one operations assistant to coordinate the TA. ADB review missions will regularly monitor and report on major TA activities. TA implementation will be conducted in close consultation with the relevant national coordinators in each member country, including the BEFC, the CIMT, and, when relevant, with the ASEAN Secretariat.

13. The TA requires 13.5 person-months of international and 21 person-months of national consulting services. Most international consultants will be engaged to do short-term studies. One national consultant will be hired to work fulltime as regional development analyst for the TA. Consultants will be recruited as individuals in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), as the services to be delivered are too diverse and specialized for a single firm to cover. Output-based (lump sum) contracts for consulting services will be used when feasible and appropriate. The outline terms of reference for consultants are in Appendix 3.

14. The purchase of equipment (computer hardware and software) will be carried out in accordance with ADB's Procurement Guidelines (2013, as amended from time to time) and in coordination with ADB's Office of Information Systems and Technology and Office of Administrative Services, where applicable. Upon TA completion, any procured equipment will be disposed of in compliance with Project Administration Instruction 3.11.¹⁴ Disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, amended from time to time). Good practices and lessons will be disseminated through knowledge products and other publications, workshops, and through transfer of knowledge to BEFC, the CIMT, and, when relevant, the ASEAN Secretariat.

IV. THE PRESIDENT'S DECISION

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis for Advancing Regional Cooperation and Integration through Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area and Indonesia–Malaysia–Thailand Growth Triangle, and hereby reports this action to the Board.

¹⁴ ADB. 2014. Procurement Contract Monitoring, Supervision, and Review. *Project Administration Instructions*. PAI 3.11. Manila.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact The BIMP-EAGA and IMT-GT subregions are more integrated with themselves, and with the ASEAN region.</p>	<p>By 2020 Intraregional trade as a percentage of total trade increased to 15% in BIMP-EAGA and 10% in IMT-GT (2012 baseline: BIMP-EAGA: 12% and IMT-GT: 6%)</p>	<p>BIMP-EAGA and IMT-GT statistical databases</p>	<p>Assumption Continued commitment by subregional governments to regional cooperation</p> <p>Risk Private sector participation is inadequate</p>
<p>Outcome BIMP-EAGA and IMT-GT projects and initiatives under the implementation blueprints are implemented.</p>	<p>By 2016 For IMT-GT: 60% of projects in the implementation blueprint are completed (2014 baseline: 8%)</p> <p>For BIMP-EAGA: 50% of the projects in the implementation blueprint are completed (2014 baseline: 5%)</p>	<p>Final review of the implementation blueprints</p> <p>Minutes and declarations from ASEAN senior officials, ministerial, and leaders' meetings</p>	<p>Assumption Subregional secretariats are both capable and cooperative</p> <p>Risk Project task forces do not operate efficiently because of low capacity</p>
<p>Outputs</p> <p>1. Improved sector coordination between the subregional programs and ASEAN</p> <p>2. RCI thematic studies developed and implemented</p> <p>3. Managing for development results enhanced</p>	<p>By 2016 Common approaches agreed to link BIMP-EAGA and IMT-GT interventions to ASEAN in two areas: TTF and mutual recognition agreements for professions (baseline: zero)</p> <p>Four of the following six thematic or scoping studies completed: climate change, power transmission, SBEZ, green cities, transport facilitation, and corridor investment profiling (baseline: zero)</p> <p>70% of key performance indicators for subregional secretariats achieved (baseline: zero)</p> <p>100 government officials from the subregions have enhanced their capacity on RCI topics</p>	<p>Plans and work programs of the clusters and working groups</p> <p>Progress and monitoring reports to senior officials and ministerial meetings</p> <p>Reports of the BIMP-EAGA facilitation center and the CIMT</p> <p>Pre- and post-tests of officials attending capacity building activities</p>	<p>Assumption ASEAN lends adequate support to BIMP-EAGA and IMT-GT</p> <p>Risk Clusters and working groups cannot agree on regional projects</p> <p>Risk Countries in the subregion cannot agree on study results</p> <p>Risks Countries do not appoint qualified staff for BIMP-EAGA facilitation center</p> <p>Insufficient data for a comprehensive monitoring framework</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	(baseline: zero)		
	<p>Two subregional statistical databases established and institutionalized (baseline: zero)</p> <p>Two databases of subregional projects with smart project indicators established (baseline: zero)</p>	<p>Statistical brochures, pamphlets, and yearbooks</p> <p>Project performance database reports</p>	
<p>Activities with Milestones</p> <p>1. Output 1: Improved sector coordination between the subregional programs and ASEAN</p> <p>1.1 Organize two joint sector-level dialogues between ASEAN and the two subregions, in coordination with sector working groups. The topics could be transport facilitation in 2015 and mutual recognition agreements of professions in 2016. (April 2015–April 2016)</p> <p>1.2 Identify approaches for specific sector linkages, such as TTF, and facilitate the movement of skilled workers through mutual recognition agreements. (June 2015–June 2016)</p> <p>2. Output 2: RCI thematic studies developed and implemented</p> <p>2.1 Support sector working groups in the identification and preparation of RCI studies and projects. (January 2015–June 2015)</p> <p>2.2 Prepare studies to support the second phase of ongoing thematic signature initiatives, such as SBEZ, the Green Cities Initiative, the Borneo–Mindanao power interconnection, and climate vulnerability assessments. (January 2015–June 2016)</p> <p>2.3 Prepare studies in the two new areas, namely TTF in BIMP-EAGA and investment profiling of economic corridors in IMT-GT. (January 2015–June 2016)</p> <p>3. Output 3: Managing for development results enhanced</p> <p>3.1 Assist CIMT and BIMP-EAGA facilitation center to develop business plans, regulations, guidelines, and key performance indicators to improve their respective operational capacity as regional secretariats. (January 2015–June 2015)</p> <p>3.2 Design and implement selected capacity enhancement training programs on RCI-related themes for government officials working in the national secretariats, CIMT, and BIMP-EAGA facilitation center, as well as local government. Themes could include SBEZs, green cities, climate change, TTF, power transmission, or regional project design, and they will be linked to ADB’s operational programs and technical expertise. (April 2015–June 2016)</p> <p>3.3 Assist subregional secretariats to institutionalize the compilation and dissemination of economic, trade, investment, and tourism data at the subregional level. (January 2015–June 2016)</p> <p>3.4 Assist subregional secretariats to develop a database of projects incorporating project indicators with baselines and targets. (January 2015–June 2016)</p>			<p>Inputs</p> <p>Asian Development Bank Technical Assistance Special Fund (TASF-other sources): \$500,000</p> <p>International and national consultants with appropriate skills and expertise</p> <p>Note: The BIMP-EAGA and IMT-GT governments will (i) provide counterpart support in the form of staff to work with ADB and TA consultants; (ii) make substantive contributions in technical and regional meetings; and (iii) provide logistical arrangements, secretarial assistance, domestic transport, and other in-kind contributions.</p>

ASEAN = Association of Southeast Asian Nations, BIMP-EAGA = Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area, CIMT = Centre for IMT-GT Subregional Cooperation, IMT-GT = Indonesia–

8 Appendix 1

Malaysia–Thailand Growth Triangle, RCI = regional cooperation and integration, SBEZ = special border economic zone, TTF = trade and transport facilitation.
Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants ^b	
a. Remuneration and pier diem	
i. International consultants	280.0
ii. National consultants	62.0
b. International travel	45.0
c. Reports preparation, communication, and translation	15.0
2. Surveys and field visits	15.0
3. Workshops, training, seminars and conferences	53.0
4. Miscellaneous administration and support costs	10.0
5. Contingency	20.0
Total	500.0

Note: The technical assistance (TA) is estimated to cost \$500,000.00, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area and Indonesia–Malaysia–Thailand Growth Triangle governments will (i) provide counterpart support in the form of staff to work with ADB and TA consultants; (ii) make substantive contributions in technical and regional meetings; and (iii) provide logistical arrangements, secretarial assistance, domestic transport, and other in-kind contributions.

^a Financed by the ADB's Technical Assistance Special Fund (TASF-other sources).

^b It is noted that ADB discourages provision of cash advances to ADB staff, consultants, and resource persons. Direct payment through bank transfer to the end-user or beneficiary is encouraged.

^c 5% will be allocated for representation costs.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Individual consultants will be recruited to support technical assistance implementation. It is estimated that 13.5 person-months of international consulting services and 21 person-months of national consulting services are required. The indicative person-month requirements, tasks, and minimum qualifications of consultants are set out below:

2. **Regional development experts** (two national experts, 2 person-months; and two international experts, 2 person-months; 4 person-months total) (output 1). The consultants will be recruited based on the sector selected, which is to be agreed by the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA) and Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT) programs (potential topics are transport facilitation in 2015, and mutual recognition agreements of professionals in 2016). They will provide support to Technical Assistance Supervising Unit (TASU) officers to:

- (i) undertake desk studies analyzing the points of convergence, complementarities, and issues and impediments to greater cross regional and subregional linkages in a specific sector;
- (ii) prepare and present the findings of the desk review under (i);
- (iii) design an appropriate platform, such as a workshop or seminar, for a joint meeting of the Association of Southeast Asian Nations (ASEAN), BIMP-EAGA, and IMT-GT to initiate sector engagement.
- (iv) organize two joint sector-level dialogues between the Association of Southeast Asian Nations and the two subregions, in coordination with sector working groups; topics could be transport facilitation in 2015 and mutual recognition agreements of professions in 2016;
- (v) identify approaches for specific sector linkages, such as trade and transport facilitation, and facilitate the movement of skilled workers through mutual recognition agreements;
- (vi) outline the prerequisites to and possible structure of a common sector-wide approach to be shared between the regional and subregional programs;
- (vii) recommend a set of measures to strengthen coordination and develop links between the subregional programs and ASEAN in the specific sector, indicating short- and long-term objectives; and
- (viii) prepare inception, draft final, and final reports.

3. **Project development experts** (four international consultants for 1 person-month each, 4 person-months total) (output 2). Consultants will focus primarily on facilitating implementation of the implementation blueprint projects and thematic studies in priority areas in the BIMP-EAGA and IMT-GT subregional programs. They will assist the TASU officers and work closely with clusters, working groups, and national and regional secretariats to:

- (i) assist with rationalization and stocktaking of implementation blueprint rolling pipelines, including the identification and preparation of regional cooperation and integration studies and new projects;
- (ii) support sector working groups in the implementation of implementation blueprint projects and thematic studies;
- (iii) prepare thematic studies to support the second phase of ongoing thematic signature initiatives, such as (a) special border economic zones, (b) the Green Cities Initiative, (c) the Borneo–Mindanao power transmission interconnection, and (d) the climate vulnerability assessment;

- (iv) prepare studies in two new areas: (a) transport facilitation, and (b) investment profiling;
- (v) develop recommendations for new implementation blueprint projects in the subregions; and
- (vi) prepare inception, draft final, and final reports.

4. **Managing for development results expert** (one international consultant for 3 person-months) (output 3). The consultant will focus on improving the efficiency of the subregional institutional mechanisms, including the respective subregional secretariats, and will support the TASU officers in the following tasks:

- (i) assist the Centre for IMT-GT Subregional Cooperation (CIMT) and BIMP-EAGA facilitation center to develop business and operational plans, regulations, guidelines, and key performance indicators to improve their operational capacity as regional secretariats;
- (ii) provide inputs and assist in refining and implementing the processes, in a manner consistent with a dynamic, results-focused monitoring framework;
- (iii) review and recommend the appropriate functions, responsibilities and strategies for the organization and structure of the secretariat; and
- (iv) prepare inception, draft final, and final reports.

5. **Capacity development specialist** (one international consultant for 2.5 person-months) (output 3). The consultant will focus on improving the capacity of subregional stakeholders to design and implement priority projects and initiatives:

- (i) design selected capacity-building support programs on regional cooperation and integration-related themes for government officials working at the national level and the IMT-GT and BIMP-EAGA subregional secretariats, and in local governments from the subregions; themes could include special border economic zones, green cities, climate change, trade and transport facilitation, maritime transport, power transmission, or regional project design;
- (ii) implement the capacity-development programs; and
- (iii) prepare a program design and brief evaluation report for each program.

6. **Senior regional statistician** (one international consultant for 2 person-months; one national consultant for 3 person-months; 5 person-months total) (output 3). The experts will be senior statisticians and will focus on the establishment and institutionalization of a subregional database comprising economic, trade, investment, and tourism data. The consultants will support the TASU officers in the following tasks:

- (i) undertake an evaluation of the available dataset and recommend modifications that would allow a more comprehensive and operationally useful dataset with a view to improving the analysis and monitoring of the socioeconomic impact of subregional cooperation;
- (ii) guide the clusters, working groups, task forces, and expert groups composed of national statistical officers in the production of the datasets;
- (iii) institutionalize the methodology, including collection of meta-data, in the process used to compile, collate, produce, and disseminate subregional statistical publications;
- (iv) align the publications with the respective national data releases;

- (v) guide and assist subregional secretariat staff in the development, management, and monitoring of economic, trade, investment, and tourism data at the subregional level;
- (vi) assist the subregional secretariats to develop a database of projects incorporating project indicators, with baselines and targets; and
- (vii) prepare inception, draft final, and final reports.

7. **Regional development analyst** (1 national consultant for 16 person-months) (output 3). The regional development analyst will provide support to the TASU officers and consultant team by undertaking the detailed tasks enumerated below:

- (i) provide analytical support for the preparation of briefing papers and status reports on subregional activities, including monitoring the progress and status of implementation blueprint and priority subregional projects;
- (ii) assist in coordinating with the various institutional structures of BIMP-EAGA and IMT-GT, particularly with the BIMP-EAGA facilitation center and CIMT, the national secretariats, the business councils, and relevant development partners, including multilateral and bilateral organizations, nongovernment organizations, and private sector organizations;
- (iii) assist in conducting further consultations and obtaining inputs from national and local statistics agencies and organizations, national secretariats, the BIMP-EAGA facilitation center, CIMT, BIMP-EAGA Business Council, and IMT-Joint Business Council on proposed improvements in the databases and websites and their use as tools for raising public awareness on BIMP-EAGA and IMT-GT;
- (iv) help prepare resource papers and provide other assistance to subregional meetings, conferences, workshops, and seminars, including participating in consultations and monitoring missions to subregions;
- (v) assist in preparing and participate in relevant working group meetings, forums, and other key events;
- (vi) assist in organizing training and institutional-strengthening activities for BIMP-EAGA and IMT-GT; and
- (vii) assist with other relevant tasks as may be specified by the TASU officers.

8. **Resource persons.** The resource persons will be recognized experts in their respective fields, with good communication skills and experience with economic development (particularly in developing economies in Southeast Asia) or regional cooperation. Their responsibilities will include:

- (i) prepare timely, rapid, pragmatic, and results-focused studies addressing emerging issues and problems, in consultation with countries during technical assistance implementation;
- (ii) prepare recommendations on how to address issues and problems quickly and practically; and
- (iii) facilitate the discussion, endorsement, and adoption of the results of the studies and recommendations by the countries, and document and synthesize the findings for useful and easy reference.