



Regional: Capacity Building for Developing Qualification Frameworks under the Mutual Recognition Agreements to Support the ASEAN Economic Community by 2015 and Beyond

Project Name	Capacity Building for Developing Qualification Frameworks under the Mutual Recognition Agreements to Support the ASEAN Economic Community by 2015 and Beyond		
Project Number	48250-001		
Country	Regional		
Project Status	Active		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8881-REG: Capacity Building for Developing Qualification Frameworks under the Mutual Recognition Agreements (MRAs) to Support ASEAN Economic Community (AEC) by 2015 and Beyond		
	Japan Fund for Poverty Reduction		US\$ 1.20 million
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Public sector management - Public administration		
Gender Equity and Mainstreaming	Some gender elements		

Description	<p>A key vision of the Association of Southeast Asian Nations (ASEAN) Economic Community (AEC) is establishing a globally integrated and competitive single market and production base that generates better economic opportunities for the region's 600 million men and women. Free movement of workers will be central to realizing this vision. While the region has a long history of international labor mobility, this has mostly involved the movement of less-skilled workers, much of it undocumented. Out of an estimated 9.5 million migrants in the ASEAN region in 2013, around 70% were from within the region, of which around 87% were low-skilled workers. To more fully realize the gains from regional integration, it is important that labor mobility takes place under a more transparent, legal, and safe framework, and that it also extends to skilled workers.</p> <p>A promising way to progress toward these goals is to build on the AEC's aspiration of free movement of professionals under the mutual recognition agreements (MRAs). First, even though the occupations covered under the MRAs are skilled ones, their implementation can play a pivotal role in enabling ASEAN countries to better use their existing resources, including unskilled workers. For example, the absence of skilled professionals can be a constraint on the ability of lower-income economies abundant in less-skilled workers to attract capital and participate in the global economy. Second, the successful implementation of the current set of MRAs could present a model for expanding coverage to more occupations, including less-skilled ones. Over time, MRAs for lower- and medium-skilled occupations could be developed. Significantly, ASEAN policy makers recognize the benefits of an organized approach to labor mobility, as can partly be seen from the increasing number of bilateral and multilateral agreements to address the issue as well as commitments towards freer professional movement within the ambit of the AEC.</p> <p>This technical assistance (TA) will support the implementation of the MRAs and, more broadly, the goals of the AEC. The TA is closely linked to the Asian Development Bank (ADB) Midterm Review of Strategy 2020, especially on the theme of regional cooperation and integration, as the TA will (i) support the goal of the AEC, especially its first pillar involving free skill mobility; (ii) increase the competitiveness and productivity of countries and the region, thereby supporting the second generation of regional cooperation and integration; (iii) harmonize standards related to skill mobility across countries in the region; and (iv) promote trade and investment by facilitating skill mobility.</p> <p>Moreover, the TA will also support the first pillar of the midterm review of Strategy 2020 on poverty reduction and inclusive growth, since greater integration of ASEAN economies is expected to result in higher economic growth and better utilization of human resources. This is because economic growth remains the main driver of poverty reduction in the region.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>Despite the clear aspirations to facilitate professional movement in the region, progress has, in general, been slow and uneven. From 2005 to 2012, ASEAN member governments signed MRAs in eight occupations (footnote 2), but implementation has been slow. This is in part due to the lack of overall vision and system to facilitate the movement of professionals through qualification frameworks at the national and ASEAN levels. At the national level, revising domestic policies and regulations to meet the provisions of the MRA has been difficult, and this is compounded by the fragmented responsibilities of numerous institutions at different subnational jurisdictional levels.</p> <p>Results from the initial studies in preparing this TA indicate that ASEAN has been working with its member governments to develop the national qualification frameworks (NQFs) and the ASEAN Qualification Reference Framework (AQRf) that will form the basis for a professional movement system. It is important to note that the NQFs and the AQRf are live and dynamic documents that must be updated continuously following the latest developments in labor markets at national and international or regional levels. The frameworks should ultimately be developed for all occupations, including those under the MRAs, and be linked to education and/or training systems. The development of skills qualification frameworks relates directly to the development of national curricula, education, and human resources.</p> <p>It is important to note that the full implementation of MRAs would still not guarantee professional movement since it would only enable professionals to register or obtain certification in a signatory country that is officially recognized in other signatory countries. Other factors that contribute to professional movement include demand and supply gaps; admissions policies; and the recruitment process, which is primarily controlled by the private sector. Therefore, the slow progress is attributable to the complexity of the issues and the absence of a dedicated system to facilitate freer professional movement. Without such a system in place, there is a risk that some countries will implement the MRAs inconsistently or, even worse, not at all.</p> <p>To build such a system, a strong case has to be made for the benefits of mobility of skilled workers within the region in order to increase public support and enthusiasm for the implementation of the MRAs. Thus, a freer movement of professionals in the region will require cultivating support of key stakeholders, including not only different levels of government, but also business and civil society communities, local think tanks, and regulatory and professional bodies. This in turn requires rigorous and credible research analysis on the benefits of labor mobility and costs of inaction, and policy recommendations that are implementable.</p>
Impact	More coordinated and integrated ASEAN economies resulting in higher economic growth and more prosper region with reduced poverty

Project Outcome

Description of Outcome	More efficient movement of professionals supported by better data and analysis, and enhanced capacity of key officials to implement the MRAs for the AEC.
Progress Toward Outcome	

Implementation Progress	
Description of Project Outputs	<ol style="list-style-type: none"> 1. Studies on supply, demand and flows of professionals under the MRAs and their impacts. 2. Datasets and information system supporting the MRAs and AEC. 3. Comparative and thematic analysis on related issues. 4. Trained officials and enhanced capacity for developing the qualification frameworks for MRAs 5. Qualification frameworks of professionals in the participating countries and qualification reference frameworks of professionals at ASEAN level. 6. Publications from capacity buildings, policy dialogue, pilot and in-depth studies and other activities. 7. Capacity building programs in various forms
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Responsible Staff

Responsible ADB Officer	Gentile, Elisabetta
Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	Development Indicators and Policy Research Division
Executing Agencies	<i>Asian Development Bank</i> <i>6 ADB Avenue,</i> <i>Mandaluyong City 1550, Philippines</i>

Timetable

Concept Clearance	17 Aug 2014
Fact Finding	18 Aug 2014 to 04 Sep 2014
MRM	-
Approval	06 Mar 2015
Last Review Mission	-
Last PDS Update	27 Nov 2014

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
06 Mar 2015	-	06 Mar 2015	31 Dec 2018	-	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,200,000.00	0.00	0.00	0.00	0.00	1,200,000.00	06 Mar 2015	1,037,999.90

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