



ASEAN-Australia Development Cooperation Program Phase II (AADCP II)

2008 – 2019

4th Annual Review Report

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**for
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Acronyms and Abbreviations

AADCP II	ASEAN-Australia Development Cooperation Program, Phase II
AAECP	ASEAN-Australia Economic Cooperation Program
AANZFTA	ASEAN-Australia-New Zealand Free Trade Area
ACMF	ASEAN Capital Markets Forum
AEC	ASEAN Economic Community
AECSP	AANZFTA Economic Cooperation Support Program
AIMO	ASEAN Integration Monitoring Office
ASEAN	Association of South East Asian Nations
ASEC	ASEAN Secretariat
AusAID	Australian Agency for International Development (until Oct 2013)
CBT	Competency Based Training
CPR	Committee of Permanent Representatives
DFAT	Department of Foreign Affairs and Trade
DP	Dialogue Partner
EU	European Union
FDI	Foreign Direct Investment
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
HR	Human Resources
IAI	Initiative for ASEAN Integration
IPSAS	International Public Sector Accounting Standards
IPR	Independent Progress Review
JCC	Joint Cooperation Committee
JPRC	Joint Planning and Review Committee
M&E	Monitoring and Evaluation
MRA	Mutual Recognition Agreement
OECD	Organisation for Economic Cooperation and Development
PAF	Performance Assessment Framework
PD	Program Director
PMF	Project Management Framework
PPMSU	Program Planning and Monitoring Support Unit

QAI	Quality at Implementation
RPP	Rolling Prioritisation Plan
SEOM	Senior Economic Officials Meeting
SO	Senior Officer
SOM	Senior Officials Meeting
SOPs	Standard Operating Procedures
SPCD	Strategic Planning and Coordination Division
SPO	Senior Program Officer
SSA	Special Services Agreement
TO	Technical Officer
ToR	Terms of Reference
UNCTAD	United Nations Conference on Trade and Development
WCCMD	Working Committee on Capital Market Development
WGDSA	Working Group on Data Sharing, Analysis, Dissemination and Communication

Map of ASEAN and Australia



Executive Summary

1. Introduction

This 4th Annual Review Report documents progress of the *ASEAN-Australia Development Cooperation Program Phase II (AADCP II)* for the 12-month period December 2012 to November 2013. Field work for the Review and discussion of the initial findings took place in Jakarta from 18 – 27 November 2013.

The Review aims to understand the progress made in the past 12 months, draw out lessons learned and make recommendations for the future. It examines project activities and the management model including AADCP-funded staff positions. It is an important evaluation tool in the AADCP II annual calendar, which allows reflection and learning. The Terms of Reference are attached at Annex 1.

2. Background

The Report's findings are based on analysis of evidence collected from 27 interviews with 42 people (30 women, 12 men). People met included representatives of the Australian aid program, the ASEAN Secretariat, AADCP II-funded staff and an adviser from the parallel *AANZFTA Economic Cooperation Support Program*. Discussion during those meetings was guided by the questions set out in the Interview Schedules attached at Annexes 3 and 4. This data collection was backed up by extensive background reading of key AADCP II documents (Annex 5). The author was able to add insight through her own knowledge and direct involvement in AADCP I and the ASEAN Australia Economic Cooperation Program (AAECP). Unfortunately, it was not possible to meet other dialogue partners during the field work period.

The Report commences with a Background section which describes the purpose of the Review and the Methodology. Section 3 sets out Review findings at an overall Program level regarding Relevance, Effectiveness, Efficiency, Monitoring and Evaluation (M&E), Sustainability, Gender Equality, Cross-Cutting Issues and Risk Management. Section 4 has a project-level focus. It describes and analyses key results of a sample of nine projects active in the past year. Further analysis about lessons learned and recommendations for the future are contained in Section 5. The recommendations are summarised in a table in Section 6, which is repeated below in this Executive Summary. Annex 6 provides additional evidence in support of recommendations regarding the AADCP II-funded ASEAN Secretariat staff.

3. Findings - Program Quality

2013 has been a “year of change”. There have been significant changes in personnel at all levels in the program. Despite this and due to well established systems and procedures being in place, the program has gained momentum.

Relevance is a key underpinning principle of AADCP II. ASEAN respondents valued the programming flexibility in AADCP II which allows Australia to respond to emerging ASEAN priorities. The Program is based on excellent relationships between stakeholders. These relationships have matured through 2013 and been renewed following the various personnel changes.

There has been a significant level of activity in the past 12 months, despite the staffing changes. Thirty projects were being implemented. Nine new proposals were in design or contracting stages. This is impressive, knowing that the total number of projects in the life of AADCP II is 45.

The report suggests that internal promotion of AADCP II within the ASEAN Secretariat would inform new staff and reinforce to ongoing staff the opportunities afforded by AADCP II. It would also build relationships between ASEC Desk Officers and the Program Planning and Monitoring Support Unit (PPMSU) team.

Absorptive capacity issues documented in previous reviews still remain and affect the capacity of ASEAN Secretariat staff to be fully engaged in project management. Some project responsibilities have shifted from ASEC Desk Officer to PPMSU Senior Program Officers resulting in the PPMSU staff taking on more work than intended in the management model. As well, there have been some complex contracting negotiations with multilateral agencies that have added to project delays. These factors have affected program effectiveness and efficiency.

In the 2013 review period, financial performance was good. There was a 25 per cent annual increase in project expenditure. Expenditure on projects of US\$3.4 million (December 2012 to November 2013) amounts to 44 per cent of total project expenditure (June 2009 – November 2013) in just one year, which is a notable result. This is evidence that a strong flow of projects has been underway in 2013 and under-expenditure has started to be addressed. Continuation of this upward trend will require a strong focus on developing the pipeline of future projects.

Procurement of consultants to implement projects and the contracting processes are systematic, resulting in engagement of good quality consultants, who are up to date with international best practice. As Australian aid is untied, selection is not restricted to Australians, a point recognised and appreciated by ASEAN Secretariat interviewees.

The M&E timetable is tied to the annual JPRC Meeting with the *Annual Review Report* and *Rolling Prioritisation Plan (RPP)* reporting on program and project progress. The *Performance Assessment Framework*, a detailed compilation of each project's progress, has been updated following discussion during the field mission.

Strategies for program sustainability beyond completion in 2019 need to be built into future planning. The high rate of ASEC staff turnover and rotations tends to undermine sustainability of capacity development benefits under Component 1. It is expected that sustainability of Component 2 project benefits would be enhanced considerably if AADCP II project designs were to include activities further into the project cycle – for example, distribution of books and workshops to brief beneficiaries on new products.

There has been no noticeable change in how gender is treated in the Program over the past 12 months. It seems too early to consider creating an indicator for gender in the M&E approach, beyond tracking representation of women in program activities and decision-making and promoting use of gender-disaggregated data.

The Risk Register maintained by the PPMSU is thorough and realistic. The experience of successful changeover in AADCP II staff in 2013 indicates that recruitment processes have been robust. It is suggested that the likelihood criterion for Risk 5 could be downgraded from M (Medium) to L (Low).

It is anticipated that the 2014 update of the Risk Register would include risks related to the lead-up to AEC deadline of December 2015. Key stakeholders such as the Committee of Permanent Representatives and the ASEAN Secretariat will play important roles in managing expectations and influencing developments so that the approaching AEC deadline becomes an opportunity rather than a threat to the Program.

4. Findings – Project Results

Benefits of AADCP II involvement and investment are achieved largely through its projects. The Report describes progress in a selection of nine projects over the past 12 months.

Component 1:

- i. the **Enhancing the ASEAN Community Progress Monitoring System Project** produced two books, *ASEAN Brief 2012* and the *ASEAN Community Progress Monitoring System 2012*
- ii. **Strengthening the ASEC Project Management Framework (PMF)**, completed in April 2012 has resulted in Standard Operating Procedures (SOPs) being endorsed and in use since April 2013.

Component 2 a:

- iii. The ASEAN Secretary-General launched the book, ***Narrowing the Development Gap in ASEAN: Drivers and Policy Options*** at the ASEAN Secretariat in May 2013. It is a series of six research papers prepared by academic experts from Deakin University in Australia and the International Islamic University in Malaysia.
- iv. AIMO together with UNCTAD produced the ***ASEAN Investment Report 2012***. The book was published by the ASEAN Secretariat in July 2013. The book aims to provide a better understanding of trends in foreign direct investment in the ASEAN region.

Component 2b:

The five tourism projects are interrelated. They are introducing a competency based training curriculum to training of tourism professionals in ASEAN, training Master Trainers and Master Assessors and preparing for the establishment of a Tourism Regional Secretariat in Indonesia. This has resulted in development and use of toolboxes tailored to ASEAN requirements. An important outcome of this concerted effort through the five AADCP II projects and the three predecessor AADCP I projects is progress towards the Mutual Recognition Agreement for tourism professionals which will enable movement of qualified staff within ASEAN. The five AADCP II projects are:

- v. ***Feasibility Study for Establishment of a Regional Secretariat for ASEAN Tourism Professionals***
- vi. ***Gap Analysis on Implementation of MRA of Tourism Professionals***
- vii. ***Toolbox Development for Housekeeping - Priority Tourism Labour Division Project***
- viii. ***Toolbox Development for Front Office, Food and Beverage and Food Production Project***
- ix. ***ASEAN Master Trainers and Assessors for Housekeeping Division***

5. Lessons Learned

Lessons learned from the findings are grouped into four categories:

- Project Design
- Program Management
- M&E Processes and Use
- AADCP-Funded Staff

These lessons have led to five recommendations which are summarised in the table below.

No.	Recommendation	Page No.
1	The PPMSU develop and implement a strategy for ensuring that sufficient design resources are available to support project proponents in developing concepts and full designs for new projects and variations to current projects.	20
2	Site visits by PPMSU staff to observe project activities be recognised as an important data collection opportunity for M&E. Templates be developed to ensure the value is maximised.	21
3	Case studies be designed and implemented for selected projects in order to develop “M&E stories” which add richness to M&E. In 2014, this approach could be piloted with one case study of a completed activity.	21
4	That the AADCP II team develop a plan for internal communications to promote AADCP II within the ASEAN Secretariat.	22
5	It is recommended that the positions of Technical Officer – Trust and Project Fund, Contract Officer and Senior Economist be extended as they are mixed duties positions which provide essential services to the running of AADCP II.	22

6. Conclusion

Australia and ASEAN are preparing to celebrate the 40th anniversary of Australia-ASEAN relations in 2014. There is much to be proud of in the program of the past year. Changes that are recommended in this Report could make AADCP even stronger in this anniversary year, setting the foundation for a productive period through to 2019.

1. Introduction

This 4th Annual Review Report documents progress of the *ASEAN-Australia Development Cooperation Program Phase II (AADCP II)*, for the 12-month period December 2012 to November 2013. Field work for the Review and discussion of the initial findings took place in Jakarta from 18 – 27 November 2013. Monitoring and Evaluation (M&E) consultant, Susan Majid, contracted by the Department of Foreign Affairs and Trade (DFAT) through Leadership Strategies Pty Ltd, prepared the Review. The AADCP II Monitoring and Evaluation Officer, Fithri Saifa, organised the program of meetings, attended most and led development of the Performance Assessment Framework.

2. Background

2.1 Background to the Review

The objectives of the 4th Annual Review as set out in the Terms of Reference (ToR) were to:

- a) *Assess performance of AADCP II against the Quality at Implementation (QAI) criteria of relevance, effectiveness, efficiency, monitoring and evaluation, sustainability, gender equality, cross cutting issues, risk assessments, current issues and key results.*
- b) *Assist the AADCP II Monitoring and Evaluation (M&E) officer in gathering required information to update the AADCP II Performance Assessment Framework (PAF), as well as develop a gender indicator which can be populated in future PAF updates.*
- c) *Examine a selection of recent project proposals and provide advice on crafting activity level results in line with the PAF.*
- d) *Assess progress of AADCP II projects in contributing towards intended outcomes for institutional strengthening and establishment of ASEAN Economic Community (AEC), in accordance with the PAF matrix and provide support to strengthen the M&E systems for existing projects.*
- e) *Conduct a review of AADCP II funding of ASEC staff positions to ascertain whether they are to be continued or not.*

Full details are in the ToR at Annex 1.

AADCP II is a partnership between the Governments of ASEAN's ten Member States represented in Jakarta by the Committee of Permanent Representatives (CPR), the Government of Australia, and the ASEAN Secretariat. The Review Report contains information useful in other DFAT reporting on the Australian aid program, including the annual *Quality at Implementation (QAI) Report* and the *East Asia Regional Organisations and Programs Annual Program Performance Report*.

A parallel program to AADCP II, the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Economic Cooperation Support Program (AECSP), is jointly funded by the Australian Government and the New Zealand Ministry of Foreign Affairs and Trade.

2.2 Methodology

The Review method includes the following stages:

- reading at home office of background documents and information about AADCP II
- preparation of the Review Plan, and its finalisation following review by the DFAT regional team, Australian Embassy, Jakarta
- development in Jakarta of the draft PAF
- data collection in Jakarta
- data analysis
- presentation of initial findings to the AADCP II Program Planning and Monitoring Support Unit (PPMSU) and discussion
- development in Jakarta of the revised PAF
- preparation of this Review Report
- finalisation of the Report following consideration and feedback from DFAT and the ASEAN Secretariat.

Data collection was based on 27 meetings in the ASEAN Secretariat. Table 1 below is a summary of the number of meetings and people met during the data collection period 18 – 26 November 2013. The full program listing meetings is attached as Annex 2.

Table 1: Data Collection 18-26 November 2013

Stakeholder	DFAT Staff	AADCP PPMSU	ASEC Staff	AADCP Funded ASEC Staff	AANZFTA Economic Support	Total
Meetings	2	3	19	2	1	27
Women	1	5	20	4	0	30
Men	1	0	9	1	1	12
People Met	2	5	29	5	1	42

At most interviews, the Review team¹ followed the format of questions attached in the schedule at Annex 3, supplemented as appropriate to the topic being discussed. ASEC staff interviewed were most generous with their time and the information shared, for which the team is grateful. The information adds richness to findings summarised later in this Report. A different interview schedule was used at meetings with ASEAN Secretariat staff funded by AADCP II. This is attached as Annex 4.

Data analysis commenced in Jakarta and was completed at home office. Each interview was documented in a grid organised by themes. The information was used as a basis for a PowerPoint presentation to the PPMSU staff on 27 November 2013, for this Report and to update the PAF. Background references read before the field trip and supplemented during and after the mission, are listed in Annex 5. The author was able to add insight through her

¹ Susan Majid and Fithri Saifa, accompanied by Senior Program Manager Regional (Development Cooperation), Mr Eko Setiono, at selected meetings.

own knowledge and previous direct involvement in AADCP I and the ASEAN Australia Economic Cooperation Program (AAECP).

2.3 AADCP II Structure

The structure of the current AADCP II reflects the original objectives from the 2008 program design, with additional sub-divisions into Streams² and Focus Areas retrofitted in more recent years.

The three original program objectives were:

- *To strengthen ASEC's institutional capacity to effectively implement its mandate **(Component 1)**;*
- *To provide timely and high quality economic research and policy advice on priority regional economic integration issues **(Component 2a)**;*
- *To support regional mechanisms/capacity for implementation of selected high priority AEC Blueprint activities at national level **(Component 2b)**.*

An additional Component is Program Management. The Program comprises a series of projects – 45 to date – delivered to contribute to these objectives. The projects are clustered into 9 Streams and 17 Focus Areas. Table 2 below provides details of the Streams (bold font) and Focus Areas (regular font) in each Component.

Table 2: AADCP II Program Structure

Component 1	Components 2a) & 2b)
<ul style="list-style-type: none"> ➤ Corporate Development ➤ M&E <ul style="list-style-type: none"> • Economic Integration • Institutional Capacity 	<ul style="list-style-type: none"> ➤ Services <ul style="list-style-type: none"> • Strengthening Evidence Base • Raising Awareness and Understanding • Increasing Mobility of Services Professionals ➤ Investment <ul style="list-style-type: none"> • Implementation of ACIA • Increasing FDI • Strengthening Evidence Base ➤ Consumer Protection <ul style="list-style-type: none"> • Institutional Strengthening • Public Awareness & Advocacy ➤ Agriculture <ul style="list-style-type: none"> • Agricultural Standards • Cooperation ➤ Connectivity <ul style="list-style-type: none"> • Awareness • M&E ➤ Financial Integration <ul style="list-style-type: none"> • Financial Integration ➤ Cross Cutting Issues <ul style="list-style-type: none"> • Regulatory Reform • Narrowing the Development Gap

Source: AADCP II Program Breakdown as at February 2013

² "Clusters" have also been used in some documents, but as these appear to be at the same level as Streams, they are not used in this description of the overall Program structure.

2.4 Focus of the 2013 Annual Review

The Annual Review focused on AADCP II activities and their management during the 12 months to November 2013. During the review period there were 39 active projects and proposals. Table 3 below provides a summary of the 30 projects active in 2013 and their value.

Table 3: AADCP II Projects Active in Review Period

Category	Number	Budget in (USD)	Average Project Size (USD)
Started in Review period	9	\$4,908,280	\$545,364
Ongoing throughout 2013	9	\$4,969,558	\$552,173
Completed in Review period	12	\$2,843,150	\$236,929
Total Projects	30	\$12,720,988	\$424,033

Source: Compiled from the PPMSU and Finance & Budget Division data.

2.5 Management of AADCP II

The management model is considered to be a unique feature of AADCP II. An Australian Government Program Director (PD) and the PPMSU plan and monitor the Program from within the ASEAN Secretariat. ASEAN Secretariat Desk Officers manage the projects. AADCP II is run largely using ASEAN systems. For example:

- Australian aid funds are paid into two ASEAN Trust Funds so that all payments are made by the ASEAN Secretariat, but are jointly authorised by Australia and ASEC
- technical input is out-sourced to consultants selected through an ASEAN Secretariat procurement process
- ASEAN contracts known as Special Services Agreements (SSAs) are used to engage consultants.

This differs from the approach of other Dialogue Partners (DPs), who appoint managing contractors to manage their programs.

In November 2013, in addition to the PD, there were nine ASEAN staff funded by AADCP II. These include five staff in the PPMSU office engaged 100 per cent on AADCP II, three staff with mixed AADCP II and ASEAN Secretariat duties, and one who is 100 per cent engaged on ASEAN Secretariat duties. There is also a Senior Officer (SO) in the Human Resources (HR) Division, currently vacant, advertised in January 2014. One position for a technical specialist, identified in the program design, has never been filled. Table 4 provides details of the AADCP-funded positions in the ASEAN Secretariat.

Table 4: Details of the AADCP-Funded Positions

Type	Position	Location	Name	Gender
F/T AADCP	PD	PPMSU (from the Australian aid program)	Fairlie Williams	F
F/T AADCP	PC	PPMSU	Nathalie Maggay	F
F/T AADCP	Senior Program Officer (SPO)	PPMSU	Sukanya Thongthumrong	F
F/T AADCP	SPO	PPMSU	Catherine Corpuz	F
F/T AADCP	M&E Officer	PPMSU	Fithri Saifa	F
F/T AADCP	Administrative / Personnel Officer	PPMSU	Maria Josephine	F
Mixed duties	Contract Officer	Legal Services & Agreements Division	Sendy Hermawati	F
Mixed duties	Technical Officer (TO) – Trust and Project Fund	Finance & Budget Division	Finna Kemala	F
Mixed duties	Senior Economist	Finance, Industry & Infrastructure Division	Dr Khin Maung Nyunt	M
F/T ASEC	Senior Officer (SO)	Human Resources Division	Vacant	-
F/T ASEC	TO	Human Resources Division	Juvelia Neviandini	F

3. Findings - Program Quality

Section 3 describes findings and trends under each of DFAT's QAI criteria. Further analysis and recommendations are contained in Section 5, Lessons Learned, below.

2013 has been a “year of change”. H.E. Le Luong Minh commenced as ASEAN Secretary-General in January and Australia's first resident Ambassador to ASEAN, Mr Simon Merrifield, took up his appointment to Jakarta in September.

There have been major changes in key ASEAN Secretariat and PPMSU staff who lead and manage AADCP II. Program Director, Australian Government representative, Jenny Lala, departed in February 2013. She was replaced by Fairlie Williams in July 2013. Dr Somsak Pipoppinyo, who had been involved in AADCP I and II since 2003 (most recently as PMT member), resigned from the ASEAN Secretariat. On 1 July 2013, he was replaced as Director of the Finance, Industry and Infrastructure Directorate by Mr Tran Dong Phuong. The ASEAN Co-Chair, Ms Lee Chen Chen, was absent on maternity leave for part of the review period and during this period, Mr Subash Pillai was interim co-chair.

Other changes within the PPMSU included:

- SPO Cornelia Wiryasti was replaced by Sukanya Thongthumrong
- M&E Officer, Irene Wijaya was replaced by Fithri Saifa.

By November 2013, these changes were well embedded. Strong relationships were evident ensuring that program momentum was largely unaffected. The smooth transition through 2013 is testament to the quality of the AADCP II partnership established in earlier years.

3.1 Program Relevance

Relevance is a key underpinning principle of AADCP II. The design intent is for AADCP II to respond to ASEAN priorities and work in partnership with ASEAN. Activities under Component 1, *To strengthen ASEC's institutional capacity to effectively implement its mandate*, support the ASEAN Charter's requirement for the ASEAN Secretariat to have the "highest standards of integrity, efficiency & competence"³. Activities under Component 2 derive from the blueprint to achieve the ASEAN Economic Community (AEC) by 2015.

Project proposals are initiated by ASEAN – either by the sectoral bodies (generally for Component 2) or the ASEAN Secretariat (generally for Component 1). The approval process, steered by the PMT with ultimate approval by the JPRC, ensures that projects align with ASEAN priorities. Projects in the Tourism, Agriculture and Investment streams have benefitted from longevity of Australian support. They build on projects previously supported through AADCP I.

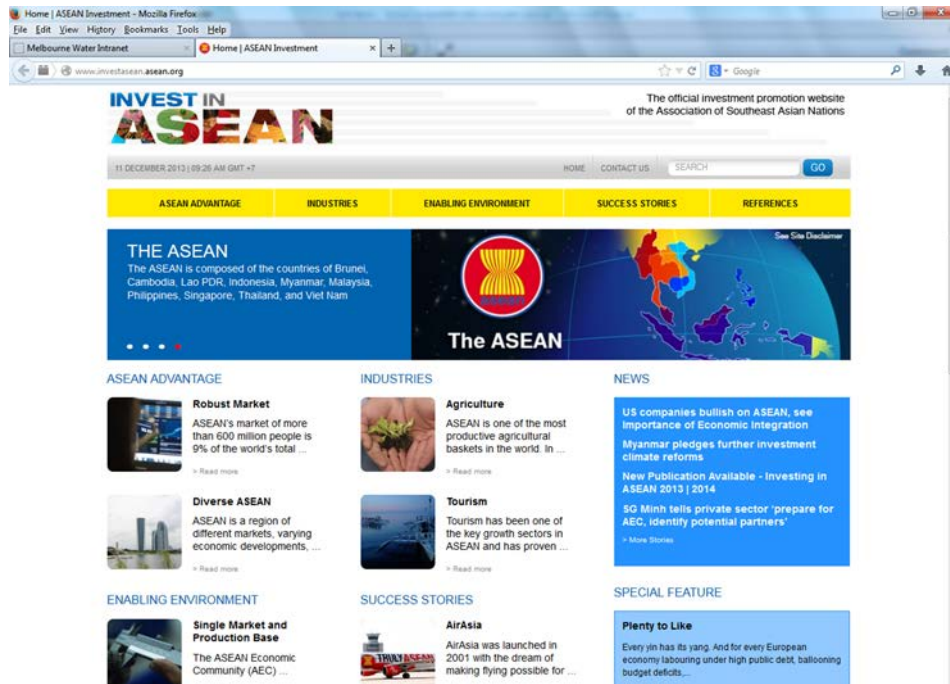
Interviews affirmed the relevance of Australia's contribution. For example, positive feedback on projects in the Investment stream included:



- The successful launch of the *ASEAN Comprehensive Investment Agreement: A Guidebook for Businesses and Investors* in March 2013 at a workshop for the Malaysian private sector and relevant government investment promotion agencies in Kuala Lumpur. The Guidebook has been distributed to investors interested in ASEAN (at investor forums).
- Investment Promotion Agencies are using ASEAN books and publications such as the *ASEAN Comprehensive Investment Agreement: A Guidebook for Businesses and Investors* The *ASEAN Investment Report 2012: The Changing FDI Landscape* is being used by Coordinating Committee for Investment, economic development boards, chambers of commerce, etc.
- newspapers in Brunei Darussalam highlighted the launch of the *Invest in ASEAN* website⁴ to its readers following its launch there by ASEAN Economic Ministers on 19 August 2013
- a consultant from Ernst & Young advised ASEAN Secretariat project proponents that the website is most helpful and he would be referring it to others
- most of the viewing of the website was from China and United States (average monthly views of 2,815 and 2, 637 respectively). Viewing from within ASEAN for the past three months totals 10,300 with Indonesia and Thailand topping list at 2,576 and 2,252 views respectively.

³ Article 11, Clause 8 of the *ASEAN Charter*, p 16

⁴ <http://investasean.asean.org/index.php/page/view/home>



Project proponents in the investment stream noted that investment promotion can be competitive when each ASEAN member is attempting to promote their own country to the outside world. ASEAN appreciate having a common (and neutral) website that benefits all ASEAN Member States (AMS).

While early outcomes have been positive for these investment products and their relevance is clear, their impact could be made greater through funding by AADCP II of follow-up “socialisation” activities to create awareness and distribute the products to relevant specialist audiences. In the case of the *ACIA Guidebook for Businesses and Investors*, further national workshops are being planned in the Philippines and Singapore in January 2014, following the success of the initial Malaysian workshop. The Philippines workshop will be co-funded by the Government of the Philippines and AADCP II, using the balance of project funds, and the Singapore workshop will be self-funded⁵. The decision to run these national workshops stems from the success of the Kuala Lumpur workshop. ASEAN would like to organise further ACIA workshops in other AMSs but funding had not been included in the project budget. This theme recurred through interviews in a number of Streams and will be revisited later in Section 5.

Several respondents valued the programming flexibility in AADCP II which allows Australia to respond to ASEAN priorities. AADCP II is a demand driven rather than supply driven program. In interviewees’ minds, this distinguishes Australian aid from that of other Dialogue Partners.

As has been described in previous Annual Reviews, both achieving alignment with ASEAN priorities and progress in implementing the Program have been based on excellent relationships between stakeholders. These relationships have matured through 2013 and been renewed following the various personnel changes identified above. A measure of this maturity is the confidence that Australian interviewees felt knowing that they could pick up the phone to speak to their respective ASEAN counterpart in the ASEAN Secretariat or the

⁵ In line with the standard arrangements for Singapore and Brunei Darussalam which are not eligible for Official Development Assistance and therefore direct AADCP II funding.

CPR to talk informally should an issue arise, confident that they could discuss issues and make decisions together.

3.2 Program Effectiveness

In 2013, the Program has made significant progress. This Section will describe **Program** level findings including factors which underpin program effectiveness, while specific achievements of selected **projects** will be described in Section 4.

Program Activity

As mentioned above and in Table 3, there has been a significant level of activity in the past 12 months, despite staffing changes. Thirty projects were being implemented and nine new proposals were in design or contracting stages. This is impressive, given that the total number of projects in the life of AADCP II is 45.

In 2011, the Program was structured under the nine Streams listed above in Table 2, which has been effective in adding strategic focus and cohesion within the Components. Of the 30 projects active in 2013:

- 2 have a budget of less than US\$100,000
- 8 between US\$100,000 and US\$300,000
- 11 between US\$300,000 and US\$500,000
- 7 of between US\$500,000 and US\$800,000, and
- 2 exceed US\$1.2 million.

A trend towards increasing size of AADCP II projects is evident. In 2013, two-thirds of projects exceeded \$300,000⁶, compared to 59 per cent in 2012. Furthermore, the average size of projects completed in 2013 is less than \$250,000, whereas the average size of those starting or ongoing in 2013 is more than \$500,000.

Trends noted in the 2012 Annual Review have continued. The work-streaming approach introduced in 2011 is well embedded. These and stronger project designs have provided useful boundaries against project “scope creep” (ad hoc requests for changes in project direction) during project implementation.

Pipeline of New Proposals

In terms of the number of projects, the rate of replacement (9) does not match the rate of completion (12) for this 12-month snapshot. It is hard to know whether that is an issue without knowing the size of the planned new activities, given that the trend is for larger projects. However, an increasing focus on pipeline development in 2014 would ensure the strong progress exhibited in project implementation in 2013 would continue.

Creating Demand

A key and recurring challenge is being sufficiently proactive with partners at ASEC to build demand without overwhelming current capacity. The high turnover of ASEAN Secretariat staff has meant that awareness of the opportunities that AADCP II can offer is now low. Several ASEC staff currently involved in AADCP II activities recommended that some internal promotional sessions be run by the Strategic Planning and Coordination Division

⁶ This is the threshold for new project review and approval by the PMT recommended by the Independent Progress Review team in 2012 and approved in 2013.

(SPCD) and PPMSU to engage new ASEAN staff in the AADCP II focus areas to inform them of how AADCP II can help them – by funding new projects and supporting them during the design stage. This would provide an ideal opportunity for the new PPMSU staff members to develop working relationships with a broader spectrum of ASEAN staff than those associated with current AADCP II projects and proposals.

Others asked when the next funding round would be announced as they had been expecting to hear a call for proposals. Apparently, in the early years, funding rounds with closing dates were held. The current practice is to encourage discussion and submission of concepts and proposals on an ongoing basis. But clearly the internal communications have not been effective if there is still expectation in some quarters of an advertisement calling for proposals.

One interviewee suggested there could be some information sharing about the achievements of AADCP II. He said that often in ASEC, staff are very focused on their own work area and do not really understand what their colleagues are doing in other streams. As AADCP has a spread of projects across the organisation, he thought that this would add insight into development of the AEC as well as the contribution being made by DPs. There appears to be no coming together of project personnel to share project achievements. If such seminars or workshops could be held, they would also serve the purpose of providing updates to staff on opportunities to submit proposals, and assist with relationship building between SPDC, PPMSU staff and ASEC Desk officers.

Projects with Multilateral Agencies

On top of these internal issues, there have been some complex contracting negotiations with multilateral agencies selected to provide technical input. ASEAN sees multilateral agencies such as the World Bank, the United Nations Conference on Trade and Development (UNCTAD), and the Organisation for Economic Cooperation and Development (OECD) as impartial, credible and candid project partners. However, in some cases, multilateral response rates during proposal development and contracting have been so poor that they have added to delays.

Institutional Strengthening

Institutional strengthening and capacity development within the ASEAN Secretariat are ongoing through the program management model. Two examples of change in 2013 attributable to AADCP II follow. First, the Legal and Agreements Division now uses the templates and processes for Letters of Agreement and SSAs developed by AADCP II. These are being used for other programs such as the AECSP and the Japan ASEAN Integration Fund.. Secondly, the AEC Division have developed common templates building on the *Strengthening the ASEC Project Management Framework (PMF)* project completed in 2012 (further details about the PMF project are included in Section 4 below, p 16).

3.3 Program Efficiency

Absorptive Capacity

An important factor contributing to the slower than expected rate of proposal development is the varying level of capacity of the ASEAN Secretariat staff to attend to AADCP II project responsibilities and have the head-space to consider and design new proposals due to competing priorities and level of experience. These absorptive capacity issues have been documented in previous reviews but still remain.

On average, most indicated that they spent about half a day a week on their AADCP project (10 per cent of their week). Of course this varies with the stage of the activity- during some weeks at busy periods there would be significant inputs made. These pressures are the reality of working in the ASEAN Secretariat. The strong partnership between SPCD and PPMSU has provided support in 2013 and is expected to continue to do so in 2014.

There is a clear tension between the reduced capacity of the ASEAN proponents to make timely inputs into project design and management for whatever combination of these reasons and the desire of the PPMSU staff to do their job well – i.e. reduce delays at every stage in the project cycle - in order to achieve results and spend program funds. The AADCP II SPOs and M&E Officer support newer (or busy) Desk Officers. This is, in effect, on-the-job capacity development, which is valued by the ASEAN Secretariat and well aligned with the institutional strengthening objective of Component 1.

Expenditure

Under-expenditure has been a characteristic of AADCP II since its inception. It has been noted in previous reviews, which led to the no-cost extension to 2019. The extension was endorsed by the JPRC at its March 2013 meeting and approved by the Australian Government in June 2013.

However, in the 2013 review period financial performance was good. There was a 25 per cent annual increase in project expenditure⁷. AADCP II trust fund records show expenditure of US\$3.4 million (December 2012 to November 2013), a strong result when compared to the US\$2.7 million the previous year (December 2011 to November 2012). Expenditure of US\$3.4 million amounts to 44 per cent of total project expenditure (since June 2009) in just one year, which is a notable result. This is evidence that a strong flow of projects has been underway in 2013 and under-expenditure has started to be addressed.

Procurement

Procurement of consultants to implement projects and contracting processes used in AADCP II are systematic. Minor improvements in processes were discussed during the fieldwork in areas of tender formats and communication with tenderers.

ASEAN Secretariat staff appreciated that AADCP II procurement allows engagement of the best consultants for the task at hand who are up to date with international best practice. As Australian aid is untied this does not restrict selection to Australians. For example, the consultant for the *Developing the ASEC Accounting Manual Based on the International Public Sector Accounting Standards (IPSAS)* project, Professor Franz Van Schaik from the Netherlands (Deloitte), had been a member of the IPSAS Board from 2006-11. He proved to be expert technically and a good trainer of the 17 Finance and Budget Division staff. On the other hand, the tourism and agriculture stream projects have the benefit of being run by Australian consultants with both technical expertise and long-term continuity in knowledge and relationships through their engagement in predecessor activities in AADCP I⁸.

⁷ Expenditure on projects in Components 1, 2a) and 2b) and bank charges. Expenditure on Component 3, *Program Planning, Management and Support* was not included here as there should not be substantial annual variations.

⁸ William Angliss Institute of Technical and Further Education (TAFE) for two of the tourism projects in the Regional Partnerships Stream and Dr Robert Premier was a key member of the team contracted by RMIT University for the original *Good Agricultural Practices for Production of Fresh Fruit and Vegetables in ASEAN Countries* project in the Program Stream.

3.4 Program Monitoring and Evaluation

M&E is managed by the PPMSU. The M&E Officer works closely with the SPOs and the PC to collect data and write reports. The TO –Trust and Project Fund prepares monthly financial statements.

The M&E timetable is tied to the annual JPRC Meeting held this year in February and scheduled next year in March. Two key documents are prepared for this meeting:

- the *Rolling Prioritisation Plan (RPP)* includes substantial reporting on past activities, including highlights from the updated PAF. The RPP is based on the Australian financial year (July to June) and so necessarily looks backwards as well as forwards; and the
- *Annual Review* which is based on the ASEAN financial year (calendar year).

Australian Embassy staff draw on these reports for their annual QAI Report to Canberra and other internal reporting.

Data collection for the above reports is based on:

- consultants' reports
- regular liaison with Desk Officers during project implementation
- end of project meetings between AADCP II staff (SPO, M&E Officer, Senior Economist) and the relevant ASEC Desk Officers
- SPO and M&E officer observation at selected project activities.

There is no central database. Different staff work to their own spreadsheets and inconsistencies were found between them. AADCP II M&E has suffered from the lack of pre-existing ASEAN systems and database.

The PAF developed by the former M&E Adviser, Mike Crooke, and former M&E Officer, Irene Wijaya, brings together detailed project information on project progress and results to date at output and outcome levels in a large matrix. The PAF is a data-rich tool suitable for internal use in the AADCP PPMSU and PMT but it is too detailed for wider use. Its value is that it can be used to generate other M&E products and reports designed for their specific audience..

The above reports also generate information which is being disseminated in the AADCP II quarterly Newsletter and on the AADCP II website to inform AADCP stakeholders and the general public.

The data collection strategy used in the M&E and the regional nature of the program encourages reporting at output level rather than outcome level. It has been difficult to gauge downstream changes brought about by the projects. Furthermore, some project designs have not included funded activities which would lead to downstream outcomes. Examples include the *ACIA Guidebook* project and others which are described in Section 4.

Within the boundaries set for current M&E, the approach is thorough and PPMSU staff have an amazingly detailed knowledge of their projects. However, there appears to be some scope for additional activities in M&E which is described further in Section 5.

3.5 Program Sustainability

An extension to 2019 was recommended by the IPR team in May 2012. In its IPR Management Response, the Australian Government agreed to this recommendation and a no-cost extension was approved in June 2013. AADCP II is now an 11-year program and 2014 will be the mid-point. The question of **program** sustainability is now six years away. Even so, 2014-15 would be a good time to commence strategic planning for the period 2015 – 2019, which anticipates sustainability of Program benefits beyond 2019. ASEAN's post-2015 AEC strategies would form the basis of planning for the six-year period. Working in partner systems should aid sustainability of both practice and processes in the longer term.

The question of **project** sustainability is relevant now. In Component 1, the institutional strengthening projects and the partnership approach between the PPMSU and ASEC staff contribute to both enhanced ownership and capacity. But as noted above, the high rate of ASEC staff turnover and rotations tends to undermine sustainability of capacity development benefits in the longer term.

Component 2 projects are dependent on both regional and national uptake of project outputs. It is expected that sustainability of project benefits would be enhanced considerably if AADCP II project designs were to include activities further into the project cycle. With limited in-country M&E it is hard to know the level of uptake. The suggested approach to M&E recommended in this Review, should inform the program on downstream benefits and changes resulting from AADCP activities in a sample of projects.

3.6 Gender Equality

Gender equality is mainstreamed in the Australian aid program. However, as noted in the 2012 Annual Review, it is not a policy priority in ASEAN. Furthermore, most of the regional projects work at such a high level that the downstream effects are not at a level which distinguishes between benefits to men and benefits to women. There has been no noticeable change in how gender is treated in the Program over the past 12 months.

It seems too early to consider creating an indicator for gender in the M&E approach beyond tracking representation of women in program activities and decision-making, and promoting use of gender-disaggregated data.

3.7 Cross-Cutting Issues and Commitments

Like gender, there are few projects where cross-cutting issues and safeguards can be applied to program beneficiaries as projects are at such a high level. In projects where cross-cutting issues are relevant, Question 8c in the Proposal form completed by project proponents would identify the issues. The most likely is environmental impact.

The only interview where Question 12 from the Interview Schedule regarding the environmental concerns was relevant, was that relating to the four projects in the Agriculture Stream. Responses revealed the following:

- *Establishment of ASEAN Good Aquaculture Practices (GAqP)*: environmental aspects are most relevant. The GAQP sets standards for both land and water affected by aquaculture
- *Global Recognition of Quality Assurance Systems for ASEAN Fruit and Vegetables (ASEAN GAP)*: environment is one of four modules

- *Strengthening ASEAN Mechanisms for Reducing Emissions from Deforestation and Forest Degradation (REDD+)* - policy guidelines are designed to reduce the impact of climate change
- *Establishment of ASEAN Good Animal Husbandry Practices (GAHP)*: it is early in the project so the environmental requirements are not clear.

3.8 Risk Management

PPMSU maintains and updates a Risk Register which identifies and proactively manages risk. A *Risk Management Update* is included as part of the annual *Rolling Prioritisation Plan*, tabled at JPRC Meetings.

The Register is thorough and realistic. The experience of successful changeover in AADCP II staff in 2013 would suggest that recruitment processes have been robust. It is suggested that the likelihood criterion for Risk 5: *Additional staffing resources provided through AADCP II are not of high quality, are not effectively managed, and/or move to other jobs/agencies* could be downgraded from M (Medium) to L (Low).

It is anticipated that the 2014 update would include risks related to the lead-up to AEC deadline of December 2015. It is conceivable that there may be pressure from ASEAN for a large number of new projects in 2014, with possible pressure to include projects in areas beyond the agreed Program work stream framework. The imminent deadline may lead to requests for “add-ons” within current projects which go beyond the project’s design-intent and original budget.

Key stakeholders such as the CPR and ASEC will play important roles in managing expectations and influencing developments so that the approaching AEC deadline becomes an opportunity rather than a threat to the Program..

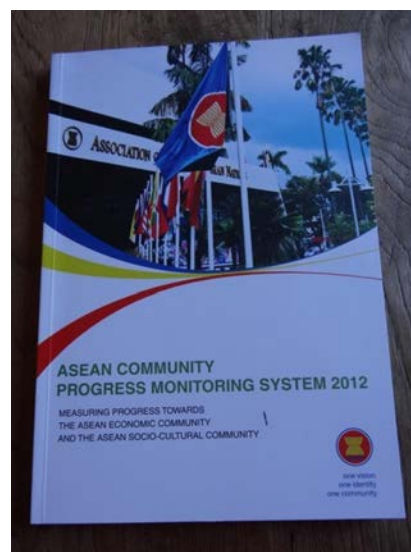
It is hoped that the recommendations of this Report, if accepted, can be used to mitigate the level of risk going forward and contribute to updates of the Risk Register.

4. Findings - Project Results

Benefits of AADCP II involvement and investment are achieved largely through its projects. There is a danger that one can be overwhelmed by the detail. On the other hand, we need project stories to bring alive what is happening in AADCP II. This section describes what has been achieved in a selection of ten projects over the past 12 months. The PAF, which has been prepared in parallel with this Review, summarises progress for all projects through 2013. There have been some notable successes.

Component 1

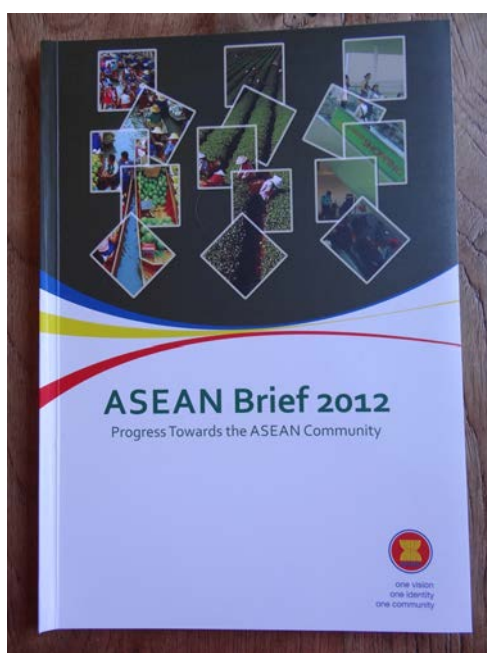
- The Research, Information and Statistics Division was supported by AADCP II to produce two books: *ASEAN Brief 2012*, published in March 2013 (the short version) and the *ASEAN Community Progress Monitoring System 2012*, published in September 2013 (the long version).



Four project meetings were held back-to-back with meetings of the Working Group on Data Sharing, Analysis, Dissemination and Communication (WGDSA) meetings - in Bali in July 2012, Kuala Lumpur in August 2012, Siem Reap in September 2012, and Jakarta in April 2013. Success factors identified by the project's proponents include:

- regular coordination between the Working Group, ASEC and the consultant
- good cooperation between ASEC and the AMSs as the latter provide the statistical data
- the Working Group was the committee for the books
- Working Group members coordinated data collection and consolidation in their countries, which involved sourcing data not just from statistics offices but also from line agencies
- good continuity in attendance at meetings
- training by the consultant.

The ASEC team expects that they should be able to prepare the next issue (2014 using 2013 data) themselves without support of an external consultant. This sustainability had been aided by development of the consolidated template and the confidence they felt following training by the consultants.



To date, the reports have been distributed in Jakarta to ASEAN embassies and international organisations. The statistics offices in Indonesia, Malaysia, the Philippines and Vietnam, as well as the ASEAN Secretariat, have uploaded the Report to their websites. Many people have asked for copies.

Representatives from the Australian Bureau of Statistics (ABS), who had visited the ASEAN Secretariat the week before this review, had also expressed interest.

GIZ was funding socialisation of the Reports including training workshops and communications in four countries and ASEC. This had happened as GIZ already had a project on dissemination of data. They saw this Report as a good platform for their snapshot and press release program. The project proponents "had forgotten" to include

Report distribution and socialisation in the original project proposal.⁹ Nor had they expected the level of interest generated by the books. "*We will try to get funds for distribution*". Countries are asking for copies (e.g. 50 at a time).

- ii) The Strategic Planning and Coordination Division (SPCD) proponents of the **Strengthening the ASEC Project Management Framework (PMF)**, which was completed in April 2012, have reported that they have been implementing some of its 22 recommendations. The Standard Operating Procedures (SOPs) have been endorsed by the CPR. SPCD started using the new SOP templates in April 2013. A six-month review is underway and will be ready to share with the Sub-Committee on Development

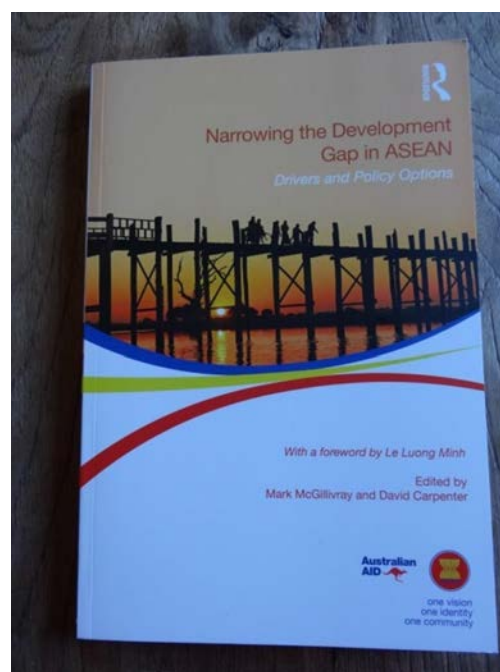
⁹ Distribution had been assumed to be an overall ASEC responsibility and cost, drawing on the publications budget as has been the case for other AADCP II publications. However, this assumption proved false due to a shortfall in funds.

Cooperation by December 2013. All new projects are to use the new SOPs. Benefits will include reduced timelines. Socialisation of the PMF Report benefitted from the earlier engagement by the consultant (PDP) with 40-50 ASEC staff. This has created expectations and demand for greater efficiency thus enhancing receptiveness for the SOPs. SPCD acknowledge that it has taken longer than expected to work through just Stage One of the three stages of recommendations. The results of changes introduced to date are that staff are finding the SOPs simpler and more efficient than the previous system. Feedback from ASEC and DP staff is that they appreciate the new templates. Proponents are finding it easier to complete the proposal application form. They report that the timeline is clear as is “*who does what, when*”. However, it was explained these SOPs are not used for AADCP II projects.

SPCD is now consolidating outdated project management manuals. This started in October 2013 and is expected to take until mid-2014. An external consultant has been engaged to prepare the manual and a consultative workshop with ASEC staff has been conducted. Three volumes are being developed - project development, appraisal and implementation. This is happening sequentially not concurrently as SPCD only has the resources to work on one at a time. The EU is contributing to development of the manual and GIZ is supporting M&E including database development.

Component 2 a)

- iii) The ASEAN Secretary-General launched the book, *Narrowing the Development Gap in ASEAN: Drivers and Policy Options* at the ASEAN Secretariat in May 2013. The book is an ASEAN Secretariat initiative prepared by academic experts from Australian and Malaysian Universities. The ASEC proponents engaged with the researchers and consulted widely during production “*to cross-check information and to ensure that what was presented was acceptable*”. NDG cuts across the work of Senior Economic Officials Meeting (SEOM), Senior Officials Meeting (SOM), and the Initiative for ASEAN Integration (IAI) Task Force, so all three groups were consulted.



Copies of the book have been distributed at ASEAN events. The Secretariat gave four boxes to each ASEAN Permanent Representative in Jakarta, but IAI & NDG Division staff do not know how or where they were distributed within AMSs. Copies are free in ASEAN. As agreed between ASEC and the publisher an additional number of copies were produced for sale.¹⁰ The hardback edition sells for £80. If a request comes in from ASEAN countries, the Secretariat sends copies to the MFA in the country. No money had been included in the AADCP II project for distribution and no strategy developed. The IAI & NDG Division is looking for opportunities for further distribution and for follow up to see the outreach – where the book has gone and how it is being used. They want the book to reach as wide an audience as it can. They also give copies to university students when they visit the

¹⁰ <http://www.routledge.com/books/details/9780415817615/> or for AUD 128 from <http://www.bookdepository.com/search?searchTerm=Narrowing+the+Development+Gap&search=Find+book>

ASEAN Secretariat. The demand for the book “*is quite good - two boxes every two weeks*”.

The focus of the book was to contribute to reduction in income disparity and improve jobs. The book shows that economic measures alone are not sufficient - social factors are important. Next year, IAI & NDG Division would like to promote the NDG book through lectures or small workshops and writing pieces about it. They want to raise awareness about the importance of NDG and ASEAN integration and understand how people have reacted to the NDG book. But there is no funding for awareness raising or for follow-up.



iv) AIMO together with UNCTAD produced the *ASEAN Investment Report 2012*. This report was funded through the **ASEAN Investment Report Project**. The book was published by the ASEAN Secretariat in July 2013. It is an annual publication, previously produced by the Research, Information and Statistics Division. The book aims to provide a better understanding of trends in foreign direct investment (FDI) in the ASEAN region. It is a high quality publication.

To date, more than 600 copies have been distributed to the ASEAN Chamber of Commerce and Industry, Investment Promotion Boards, ASEAN Business Advisory Council Members and Private Sectors in AMSs as well as participants at the ASEAN Business Investment Forum.

Component 2b)

Five tourism projects have been funded under AADCP II relating to Competency Based Training (CBT) of tourism professionals to support implementation of the Mutual Recognition Agreement (MRA) on Tourism Professionals. These fit under the Increasing *Mobility of Services Professionals* Focus Area of the *Services Stream*. During the review period, three projects concluded and a fourth was due to finish by year end. The original project, ***Toolbox Development for Housekeeping Tourism Labour Division***, had finished in 2012.

- v) Under the ***Feasibility Study for Establishment of a Regional Secretariat for ASEAN Tourism Professionals*** staff from William Angliss Institute of TAFE developed a business model and draft agreement for the establishment of a regional secretariat.

In July 2013, the AMSs agreed to establish the Regional Secretariat for Tourism Professionals and this recommendation was endorsed by the ASEAN Tourism Ministers Meeting. An agreement between Member States has been drafted as a first step towards establishing a Regional Secretariat for Tourism Professionals. Indonesia also confirmed its commitment to host the Regional Secretariat of Tourism Professionals providing office space in the Ministry of Culture and Tourism rent-free. Indonesia has contributed US\$49,500 for costs of an ad-hoc team until the Secretariat is approved and formally established. The team will work closely with the ASEAN Secretariat to ensure the establishment goes smoothly. AMSs have committed \$400,000 to the new Regional

Secretariat and are seeking DP support. This is good evidence of sustainability of project benefits.

- vi) The **Gap Analysis on Implementation of MRA of Tourism Professionals** looked at gaps in each AMS's tourism soft and hard infrastructure - for example, the laws and regulations, training institutions, national standards - and each AMS identified priorities to "catch up". The project also developed a matrix of ASEAN tourism standards and each AMS's. However, this output was below expectations as it did not specify the gap between ASEAN and national readiness for the MRA. AMSs accepted consultants' explanation that the matrix of ASEAN and national standards was outputs based but now the sectoral working group is preparing another version based on inputs to compare ASEAN qualifications and each AMS's. This will be ready by March 2014. They are starting with housekeeping.
- vii) & viii) The current **Toolbox Development for Front Office, Food and Beverage and Food Production Project** has developed 98 training units. The previous **Toolbox Development for Housekeeping - Priority Tourism Labour Division Project** which finished in January 2013, had developed 46 units - 144 in total from the two projects. AMSs organised national workshops to scrutinise the content of the 98 modules before the sectoral working group meeting. Suggestions following review included a request for more Asian examples and materials in the modules. There was also comment about inclusion of halal food. National teams will translate toolboxes into local languages and use them in national training.

There is evidence of national follow-up to toolbox development. This has taken place in Cambodia and Malaysia. Already variations are apparent. For example, the same training takes 40 hours in Cambodia and 3 days in Malaysia.

- ix) **Training of ASEAN Master Trainers and Assessors for Housekeeping Division:** This project has trained a pool of ASEAN Master Trainers (26) and Assessors (31). Master Trainers and Master Assessors will use the toolboxes to deliver training to other Trainers and Assessors. Usually Trainers come from the education sector and Assessors from the tourism industry.

Some member countries have responded quickly in making use of project outputs. For example, Cambodia, Indonesia and Malaysia have run follow-up training at national level. The ASEC Desk Officer attended the national training workshop in Cambodia. He recalled that the Minister for Tourism had praised the project, indicating that he wanted to have this standardisation for all 4 star hotels and above to start with and to spread out to others gradually.

The Desk officer noted that an important outcome of this concerted effort in the tourism sector through the five AADCP II projects and the three predecessor AADCP I projects, which he was also involved in, is that the MRA in tourism is progressing. This contrasts with MRAs in other sectors. It will be a marketing edge for tourism training schools to say their graduates are of ASEAN standard.

ASEAN countries are looking at tourism as a best practice example. This led to an invitation for the project to make a presentation to the Third Meeting of the Task Force on ASEAN Qualifications Reference Framework, which was held back-to-back with the AANZFTA Workshop on Developing Regional Qualifications Reference Framework, from 5-7 November 2013 in Kuala Lumpur, Malaysia. The Task Force, which comprises officials from ASEAN ministries of trade, labour, education and qualification agencies, met to finalise the key

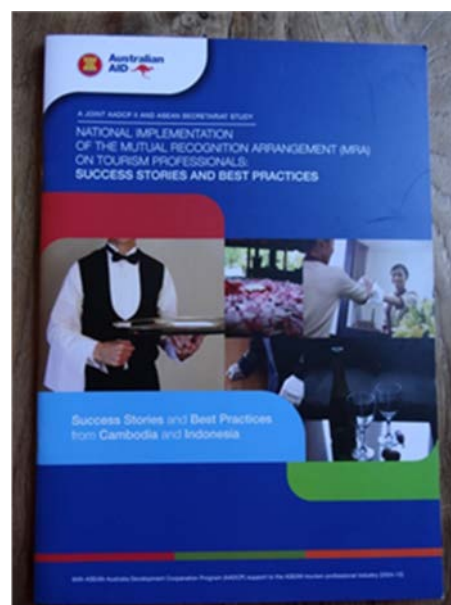
features, underlying principles and structure of the ASEAN Qualifications Reference Framework.

Success factors in the Tourism projects include:

- continuity of engagement by project champions:
 - recently retired sectoral working group chair, Pak I Gusti Putu Laksaguna
 - Desk Officer, Pak Eddy Krismedi
 - William Angliss Institute of TAFE consultants
- pro-active involvement and national follow-up by members of the sectoral body, the ASEAN Tourism Professionals Monitoring Committee
- continuity in AADCP support starting with three tourism projects during AADCP 1¹¹ over the period 2004 to 2013
- time - a decade of building knowledge and relationships through developing and implementing successive projects
- the projects meet demand in AMSs for professionalisation of tourism
- project systems and records including a comprehensive electronic filing system going back to AADCP 1.

Australia's support to the tourism sector was highlighted in the jointly conducted AADCP II and ASEAN Secretariat Case Study, *National Implementation of the Mutual Recognition Arrangement (MRA) of Tourism Professionals: Success Stories and Best Practices from Cambodia and Indonesia*. The cover is reproduced above.

The study highlighted success stories and best practices in the two countries as examples of project outcomes across ASEAN.



Case Study of the Tourism Projects in Cambodia and Indonesia

5. Lessons Learned

Drawing together findings from Sections 3 and 4, this Section describes lessons learned and suggests recommendations for improvement.

5.1 Project Design

The key lesson learned in the 2012 Annual Review related to project design. Processes and tools had been introduced successfully in 2012 to strengthen project identification, appraisal and selection. These were found to have overcome earlier concerns about lack of clarity and ambiguity in project designs. In 2013, the benefits of the strengthened conceptual development and “front end” processes were evident.

¹¹ The three previous projects supported by Australia under the Regional Partnerships Scheme: were the Common Competency Standards for Tourism Professionals (started 2004); Common ASEAN Tourism Curriculum (both William Angliss); and Capacity Building on MRA (UniQuest).

Secondly, the 2012 Annual Review reported that a set of guidelines and tools had been developed to aid variations to project designs, should these be found to be necessary. However, several older projects, which concluded in 2013, missed out on design variations which could have led to increased benefits. In future, proactive monitoring of ongoing projects, along with close coordination between PPMSU, Desk Officers and sectoral bodies, should identify projects which would benefit from a design variation. Stakeholders can then use the established AADCP II practices to vary project designs. This model of continuous improvement is the product of thorough project M&E.

Several cases have been noted in this review where projects had not included activities to ensure that project outputs were actually used. Such activities may include workshops, and/or strategically planned distribution which is documented, funded and followed up. These items had not been foreseen at the time the projects were designed. Furthermore, in a couple of cases, the project proponent sought assistance from another DP, on the assumption that Australia would not help with the final stages of their activity.

Currently the Proposal form has a section for Outputs, but not the immediate outcomes of each output. An extra box for Outcomes in section 3 (part d) would force thinking about what each output would lead to. The M&E Plan should be creative and responsive to the project design.

It is also suggested that each project and proposal needs a unique identifying number. They could be registered at time of Proposal receipt. There is a box at the top of the proposal form. For example, Component 1 projects could be 1.1, 1.2 and Component 2 projects 2.1, 2.2. Currently, there is no way of referring to projects apart from their long and unwieldy names.

Investment in design is critical to overall project achievement and to ease of tendering, contracting and managing. The larger the project, the more critical is good design, in order to protect and maximise the benefits of the investment. It should be mandatory for external design and M&E resources to support ASEAN proponents develop larger projects as the task requires specialist skills. This means that the current practice of the experienced PPMSU team being heavily involved in the design of projects is appropriate. If additional resources are required to assist the proponents to develop their project designs with a theory of change (for larger projects), work plans, resource schedules, budgets and M&E plans, options could include:

- using the unused technical position for an in-house design expert to join the PPMSU
- contracting short-term design expertise as needed.

This person could also engage in capacity development activities through running training in project design for ASEC staff as well as mentoring them to complete proposals for AADCP II and other DP programs.

Recommendation 1: The PPMSU develop and implement a strategy for ensuring that sufficient design resources are available to support project proponents in developing concepts and full designs for new projects and variations to current projects.

5.2 Program Management

While AADCP II largely uses ASEAN systems, the PPMSU has developed some AADCP II in-house systems for pragmatic reasons. For example, there are program guidelines outlining procedures and templates and a *Reference Guide on Administrative Procedures* (many of them ASEC templates) for internal use within PPMSU. The PPMSU attributed their

ability to manage workloads during staff absences to the efficiencies created by these systems.

It should be acknowledged that this hybrid management model is essential for efficient planning, management and M&E of AADCP II projects based wherever possible on ASEAN systems.

5.3 M&E Processes and Use

A culture of reflective learning is understood and embedded in the AADCP II team. There is scope for improvement in data collection in order to triangulate information sources and seek additional information at outcome level.

M&E Site Visits

Site visits are an important means of verifying information contained in consultant reports, which form the backbone of M&E reporting. There is scope for improving the utility of site visits to collect M&E information. For example, when SPOs or the M&E Officer attend a project activity they could use checklists and templates to guide observation of project activities and interviews with consultants. They could seek participant feedback through informal chats or through other means if it were deemed appropriate. They could also take photos for use in reports and publications. Findings could be documented in an M&E Site Visit Report using a standard template. This Report would be used to update the PAF and inform other M&E reports.

Recommendation 2: Site visits by PPMSU staff to observe project activities be recognised as an important data collection opportunity for M&E. Templates be developed to ensure the value is maximised.

Case Studies

The PAF has been useful for documenting updates on outputs and outcomes for each project. In future it could be used to select a couple of projects a year for more in depth study and reporting through case studies. Development of “M&E stories” through case studies would add richness to understanding and reporting on AADCP’s contribution. Case study research could be done by the M&E Officer, with external M&E support if necessary. It would require development of a research methodology which includes travel to selected AMSs for data collection, followed by data analysis and writing of the case study in Jakarta.

Recommendation 3: Case studies be designed and implemented for selected projects in order to develop “M&E stories” which add richness to M&E. In 2014, this approach could be piloted with one case study of a completed activity.

An example could be the *Assessment of ASEAN Capital Market Development and Integration*. This is under the Financial Integration Stream of the Policy and Research Component (2a) in contrast to the one completed case study for the tourism projects in the Services stream in the AEC Implementation Component (2b). It is due to finish in early 2014, meaning that stakeholders should be accessible and it is relatively high value (US\$520,000) given its relatively short duration and progress “on track” at the time of this review.

Visibility of AADCP II

AADCP II is so well integrated into the ASEAN Secretariat's work program that there is a risk that Australia's contribution (\$A57 million over nine years) may not be recognised or celebrated sufficiently. For example, in the ASEAN Secretariat's Annual Report for 2012-2013, AADCP II is under-represented.

Enhanced M&E inclusive of case studies should produce M&E stories suitable to be written up and published. This could be a modest program but with the upcoming 40th anniversary of the ASEAN-Australia aid relationship, 2014 would be a good year to have such material available. This would promote sharing of project results beyond the immediate participants and beneficiaries such as the media, the Australian and AMS Governments, other DPs, the community in AMSs as appropriate.

It is recommended that the practice instituted in AADCP 1 Program Stream of requiring consultants to include photos in their completion reports be adopted in AADCP II so that action photos (e.g. training or site visit) be available to use in publications and on the AADCP II website.

Interviews revealed a need for internal promotion of AADCP II to new ASEC staff. This could be achieved in various ways. One would be to hold "brown bag" lunchtime seminars on specific project achievements. Another would be to organise an introductory workshop with information on what AADCP II offers and how to apply. It also became apparent that some Desk Officers expected there to be a call for proposals as they had not realised that there are no longer proposal rounds.

Recommendation 4: That AADCP II develop a plan for internal communications to promote AADCP II within the ASEAN Secretariat.

5.4 AADCP-Funded Staff

The TOR for this Review sought feedback on the ASEC staff positions, where AADCP-funded personnel are located in ASEAN divisions and contribute to ASEAN work programs. Table 4 in Section 2.5 above provides a summary of the positions funded by AADCP II.

Annex 8 describes the three mixed-duties positions and the two HR positions (one of which is currently vacant). Meetings with the staff occupying these positions and their supervisors inform the views expressed in this Report. The interviews revealed that these staff are making a significant contribution both to AADCP II and to their own Divisions.

The European Union (EU) will be funding 12 positions under its ARISE Grant. Details are set out in Annex 8. These positions include an SO in the HR Division.

Recommendation 5: It is recommended that the positions of Technical Officer – Trust and Project Fund, Contract Officer and Senior Economist be extended as they are mixed duties positions which provide essential services to the running of AADCP II.

6. Recommendations

The five recommendations integrated with the lessons learned are summarised in Table 5 below.

Table 5: Summary of Recommendations

No.	Recommendation	Page No.
1	The PPMSU develop and implement a strategy for ensuring that sufficient design resources are available to support project proponents in developing concepts and full designs for new projects and variations to current projects.	20
2	Site visits by PPMSU staff to observe project activities be recognised as an important data collection opportunity for M&E. Templates be developed to ensure the value is maximised.	21
3	Case studies be designed and implemented for selected projects in order to develop “M&E stories” which add richness to M&E. In 2014, this approach could be piloted with one case study of a completed activity.	21
4	That AADCP II develop a plan for internal communications to promote AADCP II within the ASEAN Secretariat.	22
5	It is recommended that the positions of Technical Officer – Trust and Project Fund, Contract Officer and Senior Economist be extended as they are mixed duties positions which provide essential services to the running of AADCP II.	22

7. Conclusion

Australia and ASEAN are preparing to celebrate the 40th anniversary of AADCP (including the former AAACP) in 2014. There is much to be proud of in the program of the past year. Changes as recommended in this Report could make AADCP even stronger in this anniversary year, setting the foundation for a productive period through to 2019.

ANNEX 1: Terms of Reference

The Fourth Annual Review of ASEAN Australia Development Cooperation Program (AADCP II) Terms of Reference

Background

1. Three annual reviews of AADCP II have previously been undertaken. The first annual review in 2010 focused on the question of whether or not the foundations of the program (including relationships and processes) had been established effectively. The 2011 annual review captured the evolution of the program since its inception, as well as program performance, specifically in relation to partnership management and arrangements.
2. By 2012, AADCP II had moved into a more established phase and the role of the third annual review shifted to performance assessment. Conducted in late 2012, the review assessed program progress and performance over the previous 12 months, using AusAID's Quality at Implementation (QAI) categories. The review also finalised the AADCP II Performance Assessment Framework (PAF) to report on key results for the year. The findings were used to improve program implementation, as well as to inform the JPRC (Joint Planning and Review Committee) meeting, AusAID's Annual Program Performance Report (APPR) and Quality at Implementation (QAI) process.
3. The PAF was finalized during the third annual review and was presented to key stakeholders. It needs to be regularly updated to capture progress in achieving expected outcomes.
4. Existing project M&E systems need to be strengthened to ensure better performance and quality reporting. AADCP II team is not involved in project monitoring and implementation because this is done by ASEAN Secretariat desk officers. This causes difficulty in monitoring and gathering information at the project level.
5. AADCP II was due to finish in 2015 but has recently been extended for a further four years until December 2019.

Objective

6. The objectives of the 2013 AADCP II Annual Performance Review are to:
 - a) Assess performance of AADCP II against the QAI criteria of relevance, effectiveness, efficiency, monitoring and evaluation, sustainability, gender equality, cross cutting issues, risk assessments, current issues and key results.
 - b) Assist the AADCP II M&E officer in gathering required information to update the Performance Assessment Framework (PAF), as well as develop a gender indicator which can be populated in future PAF updates.
 - c) Examine a selection of recent project proposals and provide advice on crafting activity level results in line with the PAF.
 - d) Assess progress of AADCP II projects in contributing towards intended outcomes for institutional strengthening and establishment of AEC, in accordance with the PAF matrix and provide support to strengthen the M&E systems for existing projects.

- e) Conduct a review of AADCP II funding of ASEC staff positions to ascertain whether they are to be continued or not.

Outputs

7. The expected outputs from the review are:

- 1) An Annual Performance Review report that provides assessment against the QAI criteria, provides recommendations on AADCP II funding of ASEC staff positions, and evaluates whether current project clusters are effective.
- 2) Performance Assessment Framework (PAF) updated, specifically the PAF matrix populated with information on progress towards outcomes, as well as any changes arising from recommendations about current project clusters.
- 3) Recommendations for aligning the M&E section in AADCP II project proposals with the PAF.
- 4) 4-5 page summary of outcomes and achievements intended for circulation amongst JPRC, that consist of:
 - a. Key results, describing accomplishments and progress toward outcomes in the PAF's project cluster area/sector.
 - b. Other results, describing key accomplishments of individual projects
 - c. Success stories
 - d. Lessons learned and Best Practices
- 5) A half day workshop with AADCP II project and AusAID Regional staff to discuss how to improve M&E of regional program.

Timing and Duration

8. The review will take place from second week of November 2013 to the end of January 2014. It will require up to 23 days. The following phases are required:

Task	Indicative Timing	Location	Input	Output
Preparation and Desk Review	4 – 11 November	Australia	Up to 4 days	Draft outline for the review
Annual review meetings	17 November- 28 November	Jakarta	Up to 12 days (including 2 days travel and depending on availability of ASEAN and ASEC officials)	Discussions with relevant stakeholders including personnel from ASEAN, ASEC and AusAID, collect relevant data, prepare and present initial findings to AADCP II and AusAID
Draft report preparation	2– 9 December	Australia	Up to 5 days	Draft Report by 9 December including updated PAF Matrix
AusAID feedback	9 – 16	Jakarta		Comments provided by 17

	December			December
Finalisation of annual report plus completed PAF	16 December - 30 January 2014	Australia	Up to 2 days	Final annual performance review report to AusAID by 30 January 2014 at the latest

ANNEX 2: List of Meetings

Date	Time	Department or Division
18 Nov	8.30 – 11.00	Briefing by DFAT
	11.15 – 12.30	AIMO
	13.30 – 15.00	Strategic Planning and Coordination Division
	15.15 – 16.15	Finance and Budget Division
19 Nov	9.15 – 10.30	Services & Investment Division
	11.15 – 11.45	Market Integration Directorate
	14.00 – 15.00	Competition, Consumer Protection & IPR
	15.15-17.00	AADCP II team
20 Nov 20 Nov	9.00 – 10.00	Human Resource Division
	10.00-11.00	Meeting with AADCP II team
	11.15 – 12.15	Finance Integration Division
	13.30 – 14.00	AADCP II team
	14.00 – 15.00	ASEAN Connectivity
	15.00 – 15.30	DFAT
	15.30 – 17.30	AADCP II team
21 Nov	9.00 – 9.30	Strategic Planning and Coordination Division
	9.30- 10.30	Research, Information & Statistical Division
	11 – 12.30	Meeting with AADCP II funded ASEC staff

	14.00 – 15.00	Corporate Affairs Directorate
	15.00 – 15.30	AADCP II team
	16.30 – 17.30	M&E Adviser AECSP
22 Nov	9.00 – 10.30	IAI & NDG Division
22 Nov	11.00 -12.00	Finance Industry, & Infrastructure Directorate
	14.00 -15.30	Agriculture Industries & Natural Resources
	15.30 – 17.00	AADCP II team
25 Nov	8.30 – 10.00	DFAT
	10.00 – 11.15	AADCP II team
	11.15 – 12.30	Legal Services Division
	14 00 – 16.00	Infrastructure & Tourism Division
26 Nov	9.30 – 10.30	AEC
	11.30 – 12.30	Meeting with AADCP II funded ASEC staff
	13.30 -17.30	Data analysis & preparation for the workshop
27 Nov	9.00 – 12.00	Workshop on key findings

ANNEX 3: Interview Schedule

ASEAN - AUSTRALIA DEVELOPMENT COOPERATION PROGRAM PHASE II (AADCP II)

4TH ANNUAL REVIEW

18 – 27 November 2013

INTERVIEW SCHEDULE

Date / Time		
Organisation / Unit		
Number of People being Interviewed		
Names & Positions of People being Interviewed		Sex
Re Program or Project?		
<i>If project, provide details:</i>		
AADCP II Component (orange in program diagram) <i>Circle relevant response</i>	<ol style="list-style-type: none"> 1. Institutional Strengthening 2. Supporting the AEC <ol style="list-style-type: none"> 2 a) Research and Policy 2 b) AEC Implementation 	
AADCP II Stream (green) <i>Circle relevant response</i>	<ol style="list-style-type: none"> 1. Corporate Development / M&E 2. Services / Investment / Consumer Protection / Agriculture / Connectivity / Financial Integration / Cross-Cutting Issues 	
AADCP II Focus Area (yellow)		
AEC Pillar <i>Circle relevant response</i>	<ul style="list-style-type: none"> • Political security • Economic • Socio-Cultural 	
Name of Interviewer(s)		

QUESTIONS

1) a) What is your role / are your roles in AADCP II?

b) When did you begin this role?

c) Roughly, how much / what percentage of your time do you spend on the Program / Project?

d) How does what you do in this Program / Project relate to your other roles?

2) a) Who are the key partners or stakeholders involved in your Program / Project?

b) The relationships with these partners are:

1. Weak	2. Fair	3. Adequate	4. Strong
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c) What factors have contributed to this opinion?

3) What Program / Project activities / meetings have you participated in to date?

4) What has been achieved through these activities?

5) In your opinion, what has gone well? (Examples?)

6) In your opinion, are there things which could be improved? (Examples?)

7) Question for managers of ASEC staff funded by AADCP II:

You are the manager/ supervisor of (name) whose position is funded by AADCP II. It would be good to understand how this position/person contributes to your team's work.

8. **Do you foresee changes in the broader policy or operating environment in the future which may affect the Program / Project's success?** (e.g. in ASEAN, an AEC pillar or in the particular working group or committee. Details or examples?)
- 9) a) **Thinking about what you do and what your Program / Project (and if appropriate the funded staff) is achieving, what difference do you think it will make by the time it finishes to:**
- i) **ASEC's capacity in management and administration (and/or)**
 - ii) **ASEC's capacity in economic research and policy (or)**
 - iii) **ASEC's capacity in implementation of economic integration/AEC activities**
- b) **Are some of these changes apparent already? Examples? / Evidence?**
- c) **How do you document project information?**

10) Have you thought about what will happen after the Program / Project / person finishes? What is happening now (or planned to happen) which will help sustain the activity's/person's momentum and benefits?

11) a) How are women involved into the implementation of the Program / Project?

b) How do women benefit from the Program / Project?

	Strongly Disagree	Disagree	Agree	Fully Agree
c) Women are well represented in Program / Project activities.				

12) (for Agriculture projects) Does the project have any potential environmental impact? What measures have been taken to report on environmental changes (positive or negative) and manage negative impact?

13) Overall, do you have any suggestions to enhance activities for the next 12 months?

14) Are there any other points you wish to discuss? (What have we forgotten to ask?)

ANNEX 4: Interview Questions for AADCP-Funded Staff

ASEAN - AUSTRALIA DEVELOPMENT COOPERATION PROGRAM PHASE II (AADCP II)

4TH ANNUAL REVIEW

18 – 27 November 2013

MEETING WITH AADCP II FUNDED ASEAN SECRETARIAT STAFF

Date / Time		
Number of People at Meeting		
Names & Positions of People		Sex
Name of Interviewer(s)		

QUESTIONS

1. You have all been recruited for positions in the ASEAN Secretariat funded by AADCP II. Are your positions different from mainstream positions? Why/why not?

2. Relationships: How do you relate to the PPMSU? Do you ever get together as a group?

3. Thinking about what you do and what you are achieving, what difference do you think you will make by the time your contract finishes in the following areas:
 - i) ASEC's capacity in management and administration (and/or)

 - ii) ASEC's capacity in economic research and policy (or)

 - iii) ASEC's capacity in implementation of economic integration/AEC activities

- b) Are some of these changes apparent already? (Examples?)**
- 4. In your opinion, what has gone well in your placement? (Examples?)**
- 5. In your opinion, are there things which could be improved? (Examples?)**
- 6. Have you thought about what will happen after your AADCP II funded contract finishes? What is happening now to plan for the future and sustain the benefits of your role?**
- 7. Overall, do you have any suggestions to enhance AADCP II activities for the next 12 months?**
- 8. Are there any other points you wish to discuss? (What have we forgotten to ask?)**

ANNEX 5: References

No.	Document Name	Date	Details
1	Joint Declaration on the ASEAN-Australia Comprehensive Partnership	1 Aug 2007	http://www.dfat.gov.au/asean/joint_dec_2007.html
2	Plan of Action to Implement the Joint Declaration on ASEAN-Australia Comprehensive Partnership	1 Aug 2007	http://www.dfat.gov.au/asean/plan_of_action.html
3	ASEAN Economic Community Scorecard: Charting Progress Towards Regional Economic Integration:	2010	ASEAN Secretariat http://www.aseansec.org/wp-content/uploads/2013/07/AEC-Scorecard.pdf
4	Memorandum of Understanding between the Government of Australia and the Association of Southeast Asian Nations on the Second Phase of the ASEAN Australia Development Cooperation Program (AADCP II)	July 2009	http://aid.dfat.gov.au/countries/eastasia/regional/Documents/asean-adcp-phaseII-mou.pdf
5	ASEAN Australia Development Cooperation Program (AADCP) Phase II 2008-2015: Australian support to implementing the ASEAN Economic Community Blueprint – Program Design Framework	24 Jan 2008	http://aid.dfat.gov.au/countries/eastasia/regional/Documents/asean-adcp-phaseII-design-framework-2008.pdf
6	AADCP II - Matrix of Lessons Learned	Dec 2011	
7	ASEAN Australia Development Cooperation Program Phase II: AidWorks Initiative Number INH857 – Independent Progress Report	May 2012	By Bob Warner, Graham Rady and Colin Reynolds http://aid.dfat.gov.au/countries/eastasia/regional/Documents/asean-adcp-phaseII-progress%20report-final%20public%20version%20aug2012.pdf
8	Independent Progress Report of the ASEAN Australia Development Cooperation Program Phase II: Management Response	2012	http://aid.dfat.gov.au/countries/eastasia/regional/Documents/asean-adcp-phaseII-progress%20report-management-response.pdf
9	East Asia Regional organisations and Programs: Annual Program Performance Report 2011	Aug 2012	AusAID http://aid.dfat.gov.au/Publications/Documents/east-asia-appr-2011.pdf

10	ASEAN Australia Development Cooperation Program (AADCP) Phase II 2008-2015: Australian support to implementing the ASEAN Economic Community Blueprint – Annual Review Report 2012	Jan 2013	http://aid.dfat.gov.au/countries/eastasia/regional/Documents/aadcp-annual-review-2012.pdf
11	ASEAN Australia Development Cooperation Program (AADCP) Phase II 2008-2015: Australian support to implementing the ASEAN Economic Community Blueprint – Performance Assessment Framework	31 Mar 2013	
12	AADCP II Lessons Learned 2012: Maximising Implementation and Communicating Results	Feb 2013	
13	ASEAN-Australia Development Cooperation Program Phase II (AADCP II)	Feb 2013	
14	ASEAN Australia Development Cooperation Program (AADCP) Phase II – Rolling Prioritisation Plan July 2012 to June 2013	Feb 2013	
15	ASEAN-Australia Development Cooperation Program Phase II – Annex 2: 2012 Results Highlights		
16	ASEAN Australia Development Cooperation Program (AADCP) Phase II 2008-2015: Australian support to implementing the ASEAN Economic Community Blueprint – Performance Assessment Framework	15 Oct 13	
17	ASEAN-Australia Development Cooperation Program Phase II – PPMSU Bi-Annual Report (April – September 2013)	18 Oct 2013	
18	AES Guidelines for the Ethical Conduct of Evaluations	1997	http://www.aes.asn.au/component/content/article/15-public/about-aes/7-aes-codes-of-behaviour-ethics.html
19	AES Code of Ethics	2000	http://www.aes.asn.au/component/content/article/15-public/about-aes/7-aes-codes-of-behaviour-ethics.html

20	Internal Bi-Annual Monitoring Report, April - October 2013	11 Nov 2013	Draft for review
21	Bandar Seri Begawan Declaration on the ASEAN Community's Post 2015 Vision	Oct 2013	
22	Project Proposal: <i>Strengthening Communication on ASEAN Connectivity</i>	Jun 2012	
23	Project Proposal: <i>Strengthening ASEAN Secretariat Business Processes and IT System: A Needs Assessment Study</i>	Oct 2013	
24	Project Proposal: <i>Preparation of ASEAN Investment Report 2013</i>	Oct 2013	
25	Quality at Implementation Report Template (No. 107, Version 2.2)		
26	The ASEAN Charter	2008	
27	ASEAN Economic Community Blueprint	2008 (reprinted 2013)	
28	Interpretive Guide for ASEAN GAP	2006, reprinted 2008	
29	National Implementation of the Mutual Recognition Arrangement (MRA) of Tourism Professionals: Success Stories and Best Practices from Cambodia and Indonesia	2012	A Joint AADCP II and ASEAN Secretariat Study
30	ASEAN Brief 2012: Progress Towards the ASEAN Community	Mar 2013	

31	ASEAN Comprehensive Investment Agreement: A Guidebook for Businesses & Investors	Nar 2013. Reprinted July 2013	
32	On Track to ASEAN Community 2015: Annual Report 2012-2013	June 2013	
33	Narrowing the Development Gap in ASEAN: Drivers and Policy Options	2013	
34	ASEAN Investment Report 2012: The Changing FDI Landscape	July 2013	
35	ASEAN Community: Progress Monitoring System 2012: Measuring Progress Towards the ASEAN Economic Community and the ASEAN Socio-Cultural Community	Sep 2013	

ANNEX 6: AADCP II Funded Staff in the ASEAN Secretariat

This annex provides additional details to supplement discussion of **AADCP II Funded Staff Positions** in Point i) of Section 5.4, **Lessons Learned**. It provides evidence and makes recommendations regarding funding of the three mixed-duties positions and the two full-time ASEAN positions (one of which is currently vacant). Meetings with the staff occupying these positions and their supervisors inform the views expressed in this Report. The interviews revealed that these staff are making a significant contribution both to AADCP II and to their own Division. Part of Table 4 from the body of the report is repeated here for ease of reference with details of the staff in the funded positions:

Type	Position	Location	Name	Gender
Mixed duties	Contract Officer	Legal Services & Agreements Division	Sendy Hermawati	F
Mixed duties	TO – Trust and Project Fund	Finance & Budget Division	Finna Kemala	F
Mixed duties	Senior Economist	Finance, Industry, & Infrastructure Division	Dr Khin Maung Nyunt	M
F/T ASEC	Senior Officer (SO)	Human Resources Division	Vacant	-
F/T ASEC	Technical Officer (TO)	Human Resources Division	Juvelia Neviandini	F

The Senior Economist

Dr Khin Maung Nyunt who did his PhD as a private student at Sydney University, provides specialist technical advice for AADCP II as required and provides technical input as an experienced economist with a trade and finance background to several divisions in the AEC Department. He estimates the split in his time between AADCP II and the ASEAN Secretariat divisions is 50:50. For AADCP II he provides feedback on proposal designs, tender review, the quality checklist at implementation, and every project completion meeting between the PPMSU and ASEAN proponent. For ASEAN, he prepares technical papers for meetings on topics like the AIA, researches and writes chapters for AIMO publications including the *ASEAN Services Integration Monitoring Report 2013* on the Cross-Border Transport Agreement and contributions to the *ASEAN Financial Surveillance Report*. He is lead economist in a team of five in work being done between ASEAN and the World Bank. He mentors Desk Officers - ASEC Desk Officers are not research experts so they value having a technical expert like Dr Nyunt on hand. He also provides briefings for the Director of the Market Integration Directorate. *"It is very valuable to have an extra person"* - given ASEC workloads.

The Contract Officer

Sendy Hermawati is in her fourth year of employment with AADCP II. She estimates that originally she spent 50 per cent of her time on AADCP contracts and legal issues and 50 per cent on ASEAN Secretariat work. As AADCP II has become more established and processes and templates are in place, this has reduced to 40 per cent leaving 60 per cent of her time for the very busy Legal Services and Agreements Division. Her Secretariat role includes advising the Secretary-General on legal issues and how to take a protective stance, contracting and provision of legal advice. As well as contract work for AADCP II, Sendy provides legal advice. Two examples of this role for AADCP II are:

- advising when difficulties arose with the publication of the NDG book where publisher, Routledge, was contracted by the consultant, Sustineo, but had to respect the rights of ASEAN which has the copyright over the book.
- Sendy also participated in the protracted contract negotiations when KPMG Hong Kong was engaged as consultant for the *Assessment of Capital Market Development and Integration Project*. This project started in July 2013.

She also provides ad hoc advice to the PPMSU SPOs to deal with project issues early, before they develop into problems.

Technical Officer – Trust and Project Fund

Finna Kemala estimated that financial management of AADCP II takes about 20 per cent of her time. In that time she manages the two AADCP trust funds, all AADCP II payments, financial monitoring, cash-flow estimates and request for advances, reconciliations and reporting. It is an absolutely essential role which is done very well. Finna was also a key proponent of the IPSAS project, described in Section 3.1. She helped develop the terms of reference and participated all the way through the project cycle, including liaison with the consultant when he was preparing the IPSAS Manual and helping with the training of the 17 Finance and Budget staff. IPSAS had to start in 2013, which is why the Finance and Budget Division had requested the project.

In her non-AADCP role, in 2012 Finna migrated data from the Indonesian Financial Accounting Standards (IFAS) previously used in the Secretariat to the International Financial Reporting Standards (IFRS). In 2013, she repeated the exercise, this time from IFRS to IPSAS. She manages the finances of 19 programs including the three Australian programs¹² and those of Korea, Japan and AMSs. Each year she organises the external audit of the ASEAN Secretariat's accounts. That requires consolidation of more than 70 Trust Accounts and project funds. In 2014, the external audit of 2013 accounts will review compliance with IPSAS.

All three are conscious of their dual roles and responsibilities. They report strong relationships with their ASEAN Secretariat colleagues and supervisors in their Divisions and with the AADCP II team. They feel they are trusted to do ASEAN work just like their colleagues. There is a monthly AADCP II team meeting on the first Monday of each month and regular team lunches.

These findings indicate that the three positions are essential both to the running of AADCP II and to the operations of the home ASEC Divisions. If unfunded, AADCP II would increase workloads of busy ASEAN Secretariat staff in the legal, financial and AEC areas, further aggravating absorptive capacity.

Full-Time Positions in HR

The reason for AADCP to provide ongoing funding for the two positions in the HR Division which are not involved in AADCP II seems less tangible. The TO position is valued by the HR Director. The TO, Juvelia Neviandini (Andin), has been developing new SOPs for the recruitment process, managing training and staff development and organises performance appraisals. ASEAN funding has been assured for the retention of this position once the current contract expires in June 2014. This seems a good precedent for the SO position.

The SO position has been vacant for some months, which raises questions about the need for the position. Yet interviewees including the head of HR identified HR as an area which needs additional resources and capacity strengthening. So there is an enigma regarding why the SO position remains unfilled. Given that Australia has committed to fund the SO position, it should proceed. But it is recommended that this be funded as a one-off commitment in expectation that the ASEAN Secretariat would support the position after an initial two years. Because AADCP II has been extended beyond 2015 it should be possible for funding to continue until early 2016, assuming an appointment is made in Q1 2014.

Other Dialogue Partner Staffing Support

The European Union (EU) will be funding twelve ASEC positions under its ARISE Grant. Unfortunately, it was not possible to meet EU representatives or those of other dialogue partners during the field work period.

¹² AADCP II, AECSP, and the ASEAN-Australia Disaster Management Fund
AADCP II Annual Review Report_24 Jan 2014_Final
Annex 6: AADCP II Funded Staff in the ASEAN Secretariat