

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SEOC

<b>TA No. and Name</b>		Amount Approved: US\$600,000.00	
TA 6062-REG: Coordinating the Revival of Cooperation Activities in BIMP-EAGA		Revised Amount: N/A	
Executing Agency: BIMP-FC [formerly Central Project Facilitation Unit (CPFU)]	Source of Funding: TASF	Amount Undisbursed: \$ 20,963	Amount Utilized: \$579,037
TA Approval Date: 30 Oct 2002	Signing -	Fielding of First Consultant(s): 28 July 2003	TA Completion Date Original: 31 Dec 2003      Actual: 17 Nov 2005  Account Closing Date Original: 31 Dec 2003      Actual: 29 Sep 2006
<p><b>Description:</b> BIMP-EAGA (Brunei Darussalam, Indonesia, Malaysia, and Philippines East ASEAN Growth Area) is a sub-regional cooperation initiative launched in 1994. Early support by ADB, in the form of a comprehensive study in 1995-96, included setting a short- and long-term development vision and strategies. While dynamic at the start, the BIMP-EAGA initiative stalled with the Asian financial crisis in 1997. Following gradual recovery in the regional economies, prospects for regional cooperation improved and at the 2001 ASEAN Leaders' Summit, the leaders of the member countries reaffirmed their commitment to reviving and promoting greater cross-border cooperation. As the appointed Regional Development Advisor for BIMP-EAGA, ADB was requested by the respective governments to provide technical assistance (TA) to build up the capacity of an EAGA-wide central project facilitation unit (CPFU)<sup>1</sup> and to develop a supportive and dynamic framework for the coordination of BIMP-EAGA activities.</p> <p><b>Expected Impact, Outcome and Outputs:</b> The TA was expected to directly develop coordination mechanisms, primarily within the public sector but also between the public and private sectors of BIMP-EAGA. It was also expected to improve the flow and quality of information between the concerned public sectors and the private sector in the subregion through enhanced coordination. As a result, the resources contributing to regional cooperation would increase through (i) better preparation of policies and projects directly related to the development of the subregion; (ii) greater efficiency in the implementation of projects; and (iii) stronger interest of concerned governments, external assistance agencies, and private sector entrepreneurs, in becoming partners in the development effort. The TA included three capacity building activities for the BIMP-FC, namely: (i) providing a project facilitation framework; (ii) enhancing communication mechanisms between BIMP-FC and, concerned government agencies; and (iii) enhancing information dissemination.</p> <p><b>Delivery of Inputs and Conduct of Activities:</b> A team of qualified international and domestic consultants implemented the RETA. Originally expected to be completed in 12 months, the TA was actually completed in 21 months. BIMP-FC was a newly created subregional institution, and therefore resolving related organizational, administrative, and logistics issues took longer than anticipated. Although the RETA paper and the TOR of the consultants had been well defined, the actual scope of work of the consultant team was broader, including involvement in the implementation of the restructuring of the working group mechanisms and setting up the newly created working group clusters. External factors also contributed to the delay in the implementation of the TA, including the lengthy process of seconding staff to BIMP-FC, the lengthy reorganization of the BIMP-EAGA Business Council, (BEBC), and the postponement of many EAGA meetings because of successive elections held in Indonesia, Malaysia, and the Philippines. On ADB's part, the TA Head changed three times during implementation, which partly hindered oversight, and slowed TA account closing. Overall, the consultant firm and its team of consultants worked satisfactorily and submitted the required reports on time.</p>			

<sup>1</sup> This unit was initially referred to as the CPFU, but was later changed to BIMP Facilitation Center (BIMP-FC) or FC.

**Evaluation of Outputs and Achievement of Outcome:** The most significant output of the TA was that it enabled the newly established BIMP-FC to be set up as a fully functioning office in Kota Kinabalu, Malaysia within a short period. The limited technical and staff resources of the BIMP-FC notwithstanding, the impact of the TA was significant. The technical and logistics inputs provided by the TA enabled BIMP-FC to function as the subregion's central secretariat, performing not only coordination and project facilitation work, but also actively initiating cooperation activities. The resulting steady progress in the implementation of key initiatives included: (i) the full implementation of the restructuring of the working groups and clusters, (ii) the adoption of a subregional institutional coordination framework, (iii) the prioritization of cluster flagship projects, (iv) the creation of the BEMCA<sup>2</sup>, (v) establishing formal institutional links with the ASEAN Secretariat, (vi) forming a network of development partners including GTZ, ASEAN-Japan Centre, ASEAN-Japan Foundation, and the Northern Territory of Australia, (vii) BIMP-EAGA's participation in subregional and international events such as the Sabah International Expo and the 1<sup>st</sup> China-ASEAN Expo, and (viii) initiating the preparation of the BIMP-EAGA development roadmap. The objectives of the TA were met and earlier concerns about the sustainability of BIMP-FC have been resolved with the commitment from the four governments to fund its operations jointly.

**Overall Assessment and Rating:** The TA was successful. It was designed in response to the request of the four BIMP-EAGA governments for building the capacity of the newly established subregional secretariat, and for developing a supportive and dynamic framework for the coordination of activities in the subregion. The success of the TA is reflected in the support by the BIMP-EAGA governments for the continued and sustainable operations of BIMP-FC and in its contribution to coordinating cooperation initiatives, facilitating prioritization of projects and monitoring achievements of the subregion. With FC's accomplishments, the four governments recognized the benefits of and the need for sustaining a central secretariat. This led to an agreement in 2005 to jointly fund BIMP-FC operations through annual contributions by each member country. With the endorsement by the BIMP-EAGA Leaders of the Development Roadmap in December 2005, BIMP-FC is expected to play an even larger role in ensuring that the initiatives identified in the Roadmap are implemented and that all BIMP-EAGA stakeholders actively participate and benefit from regional cooperation. Further organizational strengthening and capacity building will be needed to secure BIMP-FC's ability to cope with increasing demands, not only from within BIMP-EAGA, but also from a growing number of interested development partners from outside the subregion.

**Major Lessons:** TA implementation should have begun after the TORs of BIMP-FC had been finalized and agreed upon by the member countries. This could have allowed for a more thorough assessment of the organizational structure, staffing and budgetary requirements, and priority work program of BIMP-FC, and less TA resources would have been used to address institutional and logistics issues.

**Recommendations and Follow-Up Actions:** The gains achieved under the TA can be enhanced by: (i) fast tracking the hiring of additional staff for the BIMP-FC; (ii) strengthening ADB's role as Regional Development Advisor by improving linkages with and mobilizing technical, knowledge and financial resources from other development partners; (iii) building capacity of other EAGA institutions to enable them to actively perform their respective roles defined in the institutional coordination framework and in turn, enable the BIMP-FC to focus more on its coordinative and facilitation role; and (iv) strengthening the EAGA private sector consultation platform, coordination mechanisms, and involvement through the BEBC Secretariat.

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<sup>2</sup> BIMP-EAGA Media Communicators Association (BEMCA) is an informal association of media and public relations practitioners in the subregion organized to undertake joint action to disseminate information and create a favorable image for BIMP-EAGA as a viable tourism and investment destination.