



Technical Assistance Report

Project Number: 39553
November 2006

Enhancement of Subregional Cooperation in BIMP-EAGA and IMT-GT (Cofinanced by the Government of the People's Republic of China)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ASEAN	–	Association of Southeast Asian Nations
BIMP-EAGA	–	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area
IMT-GT	–	Indonesia-Malaysia-Thailand Growth Triangle
PSOD	–	Private Sector Operations Division
RCI	–	Regional Cooperation and Integration Strategy
RETA	–	regional technical assistance
SERD	–	Southeast Asia Regional Department
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sector	–	Law, economic management, and public policy
Subsector	–	Economic management
Themes	–	Sustainable economic growth, regional cooperation, capacity development
Subthemes	–	Institutional development, organizational development

NOTE

In this report, “\$” refers to US dollars.

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I. INTRODUCTION

1. The Asian Development Bank (ADB) is supporting several key initiatives for subregional cooperation in Southeast Asia, two of which are BIMP-EAGA (Brunei Darussalam, Indonesia, Malaysia, Philippines East ASEAN Growth Area) and the IMT-GT (Indonesia, Malaysia, Thailand Growth Triangle). Following early cooperation gains,¹ both initiatives suffered from the regional impact of the 1997 financial crisis and are in the process of building capacity to have a sustainable impact on development and growth in the region. At the 11th ASEAN Summit in December 2005 in Kuala Lumpur, regional leaders reaffirmed their commitment to the revitalization of both subregional initiatives, and acknowledged their potential importance. ADB participated, along with the ASEAN Secretariat, in the 2nd BIMP-EAGA and the 1st IMT GT Leaders' Summits held alongside the 2005 ASEAN Leaders' Summit. At both meetings, it was decided that Leaders' Summits would be held on an annual basis at the time of the ASEAN Leaders' meetings, and that future discussions would center on a quantitative assessment of progress against key indicators of regional development. ADB was requested to continue its critical role in further enhancing the institutional capacity for both subregional cooperation initiatives, including by giving priority to helping develop a road map for IMT-GT and an approach for quantifying achievements and monitoring of results for both BIMP-EAGA and IMT-GT.

2. In May 2006, at the informal IMT-GT Senior Officials' Meeting (SOM) in Indonesia, ADB was invited to become a Development Partner to IMT-GT, similar to its role in BIMP-EAGA as Development Advisor, and requested to help formulate a road map for IMT-GT. A draft road map has since been prepared with ADB assistance and is being finalized for consideration at the IMT-GT Leaders' Summit in December 2006. In both BIMP-EAGA² and IMT-GT, a key task for ADB is to help catalyze implementation of their respective road maps to accelerate subregional cooperation and integration. The proposed regional TA (RETA) will provide ADB with the means to enhance its role in both initiatives by addressing road map implementation issues within a results-focused framework and enhancing necessary institutional capacities. This would be done in a manner consistent with ADB's new regional cooperation and integration strategy (RCI) and recent memorandum of understanding with the ASEAN Secretariat. The design and monitoring framework is in Appendix 1.

II. ISSUES

3. The largely island-based countries of Southeast Asia share common development challenges and opportunities stemming from their unique geographic context: many of the thousands of islands in the region are relatively thinly populated, with local businesses facing high and often uncertain costs of transport to broader markets. Other serious barriers to sustainable growth of these island economies include high costs of infrastructure (from the absence of scale economies), communication difficulties, scarcity of resources, remoteness, and susceptibility to natural disasters.³ Vulnerable groups in the poorer regions, often clustered in peripheral and outlying islands, are also adversely affected by serious social problems such

¹ BIMP-EAGA and IMT-GT increased links and connectivity, intensified the promotion of tourism, and increased investment. See, for example, <http://www.bimpbc.org/eagaachievement.asp>.

² BIMP-EAGA's road map was finalized in 2005.

³ UN Department of Economic and Social Affairs. <http://www.sidsnet.org>.

as human trafficking. Furthermore, the deterioration of the environmental resource base⁴ and maritime regions often disproportionately affects the livelihoods of the very poor.

4. BIMP-EAGA was formally launched in 1994 as a key strategy of participating governments for addressing the social and economic development of their less-developed and more remote territories. The initiative covers 57.5 million people in Brunei Darussalam; Sulawesi, Kalimantan, Maluku, and Irian Jaya in Indonesia; Sabah, Sarawak, and the Federal Territory of Labuan in Malaysia; and Mindanao and Palawan in the Philippines. IMT-GT, formed in 1993, spans 10 provinces comprising the entire island of Sumatra in Indonesia, eight provinces in Southern Thailand, and eight states in Peninsular Malaysia, with a cumulative population of almost 65 million. Both initiatives have focused on promoting trade, investment, and tourism with an emphasis on private sector-led growth, and have improved air and sea links, lowered trade barriers, and promoted cross-border investment.

5. Regional cooperation in BIMP-EAGA and IMT-GT is noteworthy because it is not just subregional but also subnational, linking together parts of relatively large, middle-income countries that do not always share land borders due to often vast intervening oceanic bodies. The islands comprising BIMP-EAGA are mostly impoverished and have had periods of civil unrest. They are closer to one another than to their respective capitals, implying greater potential for trade amongst themselves or directly with the external world, than to trade with other parties in their own countries. These circumstances require a different approach to subregional cooperation than on mainland Asia, and will thus complement and strengthen ADB's growing knowledge, experience, and reputation with promoting regional cooperation and integration across the Asia and Pacific region.

6. BIMP-EAGA and IMT-GT were created at a time when the economies of the region were surging and leaders sought to extend economic growth to more isolated regions through greater cooperation. For both initiatives, ADB initially provided seminal studies assessing and outlining prospects and opportunities for subregional cooperation. The financial crisis in 1997 disrupted early plans and slowed progress. In the immediate aftermath of the crisis, private sector businesses that were initially expected to play the leading role had to retrench, while governments were forced to focus on the most urgent macroeconomic and structural challenges and had little financial capacity to support regional programs. After 2001, as economic growth has revived, regional leaders have supported revitalizing these sub-regional cooperation initiatives and ADB technical assistance has played a helpful role in these efforts.⁵ The regional leaders have also committed themselves to meeting every year to review progress. With the development of the new road maps, an important milestone in refocusing the two initiatives, a key challenge ahead is facilitating the effective implementation of the road maps, including prioritized project development.

7. In both cooperation initiatives there is a strongly articulated need, including at the respective Leaders' Summits in 2005, for using a framework that can quantify achievements

⁴ ADB. 2001. *Asian Environment Outlook*. Manila; ADB. 2004. *Country Environmental Analysis: The Republic of Philippines*. Manila.

⁵ Recent ADB technical assistance grants include: \$400,000—6059-REG (ADB. 2002. *Technical Assistance for Prioritizing Strategic Directions for BIMP-EAGA*. Manila); \$500,000—6060-REG (ADB. 2002. *Technical Assistance for Facilitating Business Information Exchange for SMEs in BIMP-EAGA*. Manila.); \$700,000—6146-REG (ADB. 2003. *Technical Assistance for Strengthening SMEs' Regional Networking Capacity in BIMP-EAGA*. Manila); and ADB. 2004. *Technical Assistance for Developing a Database on Cross-Border Trade and Investment in BIMP-EAGA*. Manila (Japan Fund for Information and Communications Technology grant 9051).

based on empirical data and measure results and outcomes against the new road maps and action plans. This would entail providing an appropriate database and developing an unambiguous and manageable set of priorities within the constituent institutional structures of BIMP-EAGA and IMT-GT (working groups, business councils, and meetings of senior officials). These management tools could also be used to improve the design and focus of future ADB interventions to promote subregional cooperation and the more efficient allocation of resources.

8. Effective institutional and coordinating mechanisms are vital for the efficient implementation and monitoring of cooperation initiatives like BIMP-EAGA and IMT-GT. While the BIMP-EAGA Facilitation Center, funded by member governments, is already operating and IMT-GT will set up a central coordinating and monitoring secretariat in 2007, institutional capacity for both initiatives needs to be further strengthened. Program implementation oversight, including effective coordination and project and initiative follow-up; working-groups' focus on prioritized outcomes; and integrated interaction between the public and private sectors, need to be enhanced. Also, an effective working relationship between government policy makers and local political and business leaders in the regions has yet to be firmly established.

9. The revitalization of subregional cooperation will need to successfully address new opportunities and competitive challenges arising from growing global integration, competitive pressures, particularly from within Asia, rising energy costs, and the shifting contours of multilateral and regional trade relationships. Increased cooperation in infrastructure, trade and investment can create opportunities, but greater threats from transborder issues like communicable human and animal diseases, natural disasters, environmental degradation, and transnational crime also need to be managed. Sector-specific strategies may also have to adapt to new or unanticipated developments like regional energy security in the face of evolving global trends. There is a need for a timely response to new and emerging issues with substantial subregional or transborder effects, and ADB is well placed to assist through quick, policy-driven analytical studies in areas identified in consultation with stakeholders.

10. The development needs of the countries in the region are growing far more rapidly than the available resources, requiring the private sector to play a much greater role in helping to mitigate financing gaps by leveraging investment flows, particularly in infrastructure. Private sector participation is underutilized due to gaps in information relevant to the private sector and insufficient development of an enabling environment. There is need, therefore, to explore and address constraints on stronger public-private partnerships in subregional investment opportunities. The resource mobilization efforts will also benefit from expanded public sector partnerships in the form of improved coordination with other donors and development partners in the subregion.⁶

11. There is also a need to promote information sharing and dissemination and to develop a more effective communications strategy. Both BIMP-EAGA and IMT-GT will need an effective communications strategy for a more diversified audience within and outside the growth areas, to create awareness of the wide range of opportunities presented by the subregions. Enhancing and widening stakeholders' participation through information dissemination is an important factor in the success of such initiatives.

⁶ Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ) (German Technical Cooperation) is also a substantial contributor to BIMP-EAGA, especially to its Facilitation Center and the BIMP-EAGA Business Council. ADB and GTZ cooperate closely in supporting BIMP-EAGA, through a memorandum of understanding signed in 2005. The Northern Territory of Australia became a development partner of BIMP-EAGA in 2005. Similar discussions are ongoing with the government of the People's Republic of China.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

12. The RETA will strengthen subregional cooperation in Southeast Asia through greater integration of the region's economies. It will speed up the implementation of the road maps of BIMP-EAGA and IMT-GT, thus enhancing ADB's strategic contributions within a results-oriented framework.

B. Methodology and Key Activities

13. **Enhance Strategic Direction and Increase Focus on Management for Development Results.** The RETA will help finalize the IMT-GT road map and subsequently facilitate the implementation, monitoring, and reporting of the road maps and action plans for BIMP-EAGA and IMT-GT. Road map-based action plans and work programs will be developed for various constituent working groups of BIMP-EAGA and IMT-GT to enhance the results focus by generating identifiable milestones and monitoring mechanisms. To guide this process, a formal and quantitative evaluation and results monitoring framework will be prepared in tandem, using a set of clear, relatively simple and quantifiable set of indicators. The framework will enable a rational reprioritization and sharper focusing of the activities of BIMP-EAGA and IMT-GT constituent groups, resulting in greater effectiveness of their work programs with clearly articulated priorities and identified projects along with associated financing mechanisms.

14. **Strengthen Institutions for More Effective Implementation.** Both subregional initiatives need improved institutional capacities for strengthening implementation effectiveness and better program delivery. With greater decentralization, local governments are also expected to play a more important role in both subregional initiatives. Recognizing the need to address inherent institutional weaknesses, BIMP-EAGA and IMT-GT have asked ADB for assistance. Following completion of an ongoing needs assessment of institutional capacities in BIMP-EAGA, the RETA will formulate a capacity-building program as a step toward enhancing the coordination, implementation, and overall effectiveness of the initiative. In IMT-GT, which is establishing a central secretariat, the RETA will help enhance institutional capacities and coordinating mechanisms.

15. **Generate Responsiveness and Informed Policy Dialogue.** Subregional cooperation in Southeast Asia is evolving in a dynamic context, affected by changes in the global and regional trading environment, investment climate, and delivery of public goods including security, transborder crime, and public health and social issues. These changes create both new opportunities and vulnerabilities. The RETA provides for the engagement of experts to provide prompt and results-oriented advice in response to unforeseen or emergent issues related to regional cooperation in the subregion and to facilitate constructive stakeholder dialogue and coordinated responses. In view of the recent sharp movement in energy prices, a review of the energy sector has already been prioritized by the relevant governments, as has the further refining of a strategy for the transport sector, including the development of proposed economic corridors and other project concepts. Other issues will be identified in the course of implementing the RETA in response to new or emerging developments and in consultation with stakeholders.

16. **Improve Public-Private and Public-Public Partnership and Coordination.** The development needs of the region's economies are high and growing in the face of fiscal

constraints. The relative scarcity of public resources and resources of official development agencies necessitates the greater involvement of the private sector and improved public-private partnerships. Although the private sector is already an active stakeholder in these initiatives, there is considerable scope for increasing private sector involvement, particularly in investment in infrastructure by lowering information barriers through seminars and promoting policy dialogue between the private and public sectors. The RETA will also help enhance cooperation and coordination with other potential donor agencies active in the region.

17. Promote Stakeholder Participation and Improve Information Communication and Dissemination. Given the shared development and geographical characteristics of the countries in the subregion, there is an opportunity to assist regional cooperation efforts through enhanced cross-border flows of information and lesson sharing. The RETA will assist in bringing together different stakeholders to share information and draw lessons from common problems and solutions, as well as emergent issues with cross-border implications. A communications strategy will also be developed to improve information flows within member countries, within the subregions, and to the rest of the world.

C. Cost and Financing

18. The total cost of the RETA is estimated at \$1 million—comprising \$750,000 to be financed as a grant from ADB's TA funding program, and \$250,000 to be financed as a grant by the Government of the People's Republic of China—to be administered by ADB. The TA cost estimates and budget are in Appendix 2.

D. Implementation Arrangements

19. ADB's Country Coordination and Regional Cooperation Division, Southeast Asia Regional Department (SERD), will be the Executing Agency for the RETA, responsible for implementing and monitoring the RETA. This will be done in close consultation with relevant ADB resident missions, BIMP-EAGA and IMT-GT national secretariats of the member countries, and the ASEAN Secretariat.

20. The TA will finance about 115 person-months of consultant services—53 international and 62 domestic. Consultants will also be engaged for short-term studies. The consultants will be hired as individuals and will be engaged by ADB according to its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of consultants. The consultants' outline terms of reference are in Appendix 3. ADB will be actively involved in the implementation of the TA, including the holding of workshops facilitated by the TA, and ADB staff will serve as resource persons in the workshops when appropriate. The TA will be implemented over a period of about 18 months, from November 2006.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$250,000 to be financed on a grant basis by the Government of the People's Republic of China; and (ii) ADB providing the balance not exceeding the equivalent of \$750,000 on a grant basis for Enhancement of Subregional Cooperation in BIMP-EAGA and IMT-GT and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Regional cooperation strengthened in Southeast Asia subregion through greater regional integration</p>	<p>Regional connectivity, intraregional trade and tourism, and cross-border investments increased in the subregions, compared with the previous 5 years</p>	<ul style="list-style-type: none"> • Annual progress reports to the MM and to the SOM in BIMP-EAGA and IMT-GT • Contents of joint ministerial statements and joint summit declarations of BIMP-EAGA and IMT-GT • Statistical databases for the subregions 	<p>Assumptions</p> <ul style="list-style-type: none"> • DMC governments are politically committed to regional cooperation • Regional economies are stable and growing <p>Risk</p> <ul style="list-style-type: none"> • Critical private sector response and partnerships may not be adequate
<p>Outcome Implementation of BIMP-EAGA and IMT-GT road maps accelerated within a results-oriented framework</p>	<ul style="list-style-type: none"> • Plans of action and work programs that are clear and consistent with the MfDR framework are developed • Achievement gaps minimized between plans and work programs and actual performance 	<ul style="list-style-type: none"> • Annual plans of action and work programs produced by BIMP-EAGA and IMT-GT institutional structures • Progress reports to the SOM and MM 	<p>Assumption</p> <ul style="list-style-type: none"> • Governments are willing to undertake policy and regulatory reforms to address identified constraints on regional cooperation in trade in goods and services and foreign investment <p>Risk</p> <ul style="list-style-type: none"> • Certain stakeholders, including member governments, working or technical groups, and the private sector may find it difficult to give up certain projects even if these are found to be incompatible with the enhancement of regional cooperation in the subregion
<p>Outputs 1. Road map of IMT-GT finalized; road map-based action plans and work programs of BIMP-EAGA and IMT-GT that are focused on a clear and manageable set of priorities and results are developed</p>	<ul style="list-style-type: none"> • Intended effects and results clearly stated in BIMP-EAGA and IMT-GT plans and work programs • Logical and clearly prioritized actions that can be monitored included in work programs, including identified projects with viable financing mechanisms 	<ul style="list-style-type: none"> • IMT-GT road map • Annual plans and work programs produced by the BIMP-EAGA and IMT-GT institutions, including the working and technical groups 	<p>Risk</p> <ul style="list-style-type: none"> • Some working and technical groups may find it more difficult than others to move toward results-based planning and management, given the varying levels of institutional and human resource constraints
<p>2. Formal and quantitative framework developed for evaluating and monitoring results for BIMP-EAGA and IMT-GT</p>	<ul style="list-style-type: none"> • Clear, relatively simple, and mostly quantifiable set of indicators of regional cooperation initiatives and measures developed at the project, sector, and subregional or 	<ul style="list-style-type: none"> • Analytical studies used as inputs • Database developed for monitoring indicators • Consultants' reports 	<p>Risk</p> <ul style="list-style-type: none"> • Data required for a comprehensive monitoring framework and indicators may not always be available in a consistent manner across all sectors and countries

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
	macroeconomic levels (or both) <ul style="list-style-type: none"> • Framework and indicators established within 12 months from start of TA, followed by implementation and annual monitoring 		
3. Institutional capacities strengthened for greater effectiveness in road map implementation, including secretariat support for IMT-GT	<ul style="list-style-type: none"> • Effective secretariat established for IMT-GT • Capacity building program developed for BIMP-EAGA institutions 	<ul style="list-style-type: none"> • Terms of reference for the IMT-GT secretariat • Reports and activities of the IMT-GT secretariat • Consultants' reports 	Risk <ul style="list-style-type: none"> • RETA funds may not be adequate to address all identified capacity- and institutional-strengthening needs, particularly those of local governments
4. Capacity provided for rapid reviews and studies, including sector and strategy analyses of emerging and unforeseeable subregional developments and issues in BIMP-EAGA and IMT-GT	<ul style="list-style-type: none"> • Issue-specific and results-oriented recommendations promptly provided to respond to unforeseen or emergent issues related to subregional cooperation • Actions and practical measures based on the recommendations are taken 	<ul style="list-style-type: none"> • Records of proceedings of working and technical groups of BIMP-EAGA and IMT-GT, and forums that take place at least annually • Official communications from requesting parties • Consultants' reports 	Risk <ul style="list-style-type: none"> • Funds under this RETA may not be adequate for the purpose relative to the number and magnitude of the needs that may emerge
5. Resource mobilization promoted by improving public-private partnership in investments and helping facilitate coordination with other donor agencies and development partners	<ul style="list-style-type: none"> • Sectors and projects with greatest potential for private sector investment and major constraints on such investment identified, and approaches to financing them proposed • Coordination facilitated among development partners and other donor agencies 	<ul style="list-style-type: none"> • Reports on proceedings and results of meetings with development partners and the private sector after each meeting • Reports on proceedings and results of workshops • Back-to-office reports of missions • RCSP • CPS 	Assumption <ul style="list-style-type: none"> • DMCs are committed to reforming policies needed to attract potential private investors
6. Stakeholder participation increased in information exchange and lesson sharing, and information more effectively disseminated from the two cooperation initiatives	<ul style="list-style-type: none"> • Information shared by wide range of stakeholders in subregional cooperation, including civil society and the private sector • Information dissemination mechanisms improved 	<ul style="list-style-type: none"> • Reports on proceedings and results of cross-border workshops • Timeliness and utility of information materials produced and disseminated by institutional structures of BIMP-EAGA and IMT-GT 	

Activities with Milestones	Inputs
<p>1.1 Establish criteria and processes for reviewing and prioritizing initiatives, projects, and activities in the road maps of the two subregional cooperation institutions that are customized to their relative capacities and consistent with inputs for the monitoring and evaluation framework developed in 2.1 below, existing sector strategies, and the general Management for Development Results (MfDR) framework.</p> <p>1.2 Conduct extensive consultations with relevant stakeholders in BIMP-EAGA and IMT-GT to reorient the current work programs and plans of action to the criteria established in 1.1 above; and to build consensus on the monitoring and evaluation framework, the results-oriented approach to planning, and the identification, development, and implementation of priority projects..</p> <p>1.3 Facilitate the preparation of processes for monitoring, evaluating, and updating BIMP-EAGA and IMT-GT plans of action.</p> <p>1.4 Assist in implementing the process of monitoring progress under the road maps and plans of actions developed by the subregional cooperation institutions.</p>	<p>International Consultant: 53 person-months, \$530,000 Domestic consultants: 62 person-months, \$186,000</p> <p>Financing for subregional workshops, \$90,000 Equipment, \$10,000</p>
<p>2.1 Design and establish a formal quantitative evaluation framework for subregional cooperation initiatives under BIMP-EAGA and IMT-GT that covers project, sectoral, and subregional indicators. This includes reviewing and explicitly stating the key objectives of the relevant cooperation initiative (BIMP-EAGA or IMT-GT) against which actual or prospective results of various initiatives will be evaluated.</p> <p>2.2 Obtain endorsement of the framework and its implementation system at the SOM and MM meetings.</p> <p>2.3 Implement the framework, including building the required database of information specific to BIMP-EAGA or IMT-GT and related to, for example, trade, tourism, and investment; and take measures to make the database and impact evaluation sustainable over time.</p>	
<p>3.1 Establish an effective mechanism to provide support, technical, and advisory assistance to IMT-GT, including identifying optimal resource use to maximize coordination and monitoring of activities and information across different institutional components of IMT-GT.</p> <p>3.2 Build on the completed needs assessment study to propose a capacity-building program for BIMP-EAGA, including interventions focused on strengthening the role of local governments and local institutions and training and skills-upgrading programs that local governments and local institutions should undergo; and identify local institutions that can provide or implement capacity-building activities, or both.</p>	
<p>4.1 Consult periodically with stakeholders in regional cooperation in member countries, including sector-level business groups and the private sector, about emerging and critical subregional issues that need to be addressed immediately.</p> <p>4.2 Establish mechanisms and allocate funds for short-term experts to be engaged to provide policy-driven analyses and prepare timely recommendations on each identified issue.</p>	
<p>5.1 Set in motion the process of identifying major sectors with the greatest potential and opportunities for private investor participation, including consultation with private investors and business practitioners, government officials, and other development partners, to assess major constraints on the investment environment and on mobilizing private financing for identified projects.</p> <p>5.2 Mobilize joint business councils and other private sector participants to identify private business leaders who can help refine and advocate identified sectoral projects for private participation and facilitate financing mechanisms for identified projects.</p>	

Activities with Milestones	Inputs
<p>5.3 Organize road shows and workshops that will allow improved information flows and closer interaction between member countries' governments, development partners, and the private sector.</p> <p>5.4 Gather regular feedback from the regional and international private sector on awareness and interest in the subregion, and the projects' responsiveness to private sector demand and interest.</p> <p>5.5 Hold coordination meetings with member country governments and major development partners on matters relating to promoting subregional cooperation. Explore areas of coordination and complementarities with other cooperation initiatives in the region and subregion, such as ASEAN, BIMSTEC, and GMS.</p>	
<p>6.1 Identify relevant stakeholders on emerging issues and priority projects and solicit their participatory consultation in workshops and other dialogues to promote information sharing and cross-border lesson sharing (held in conjunction with those in 4.1 and 4.2 above).</p> <p>6.2 Interact with stakeholders in member countries to review and identify gaps in existing capabilities for effective information dissemination and communication, and assist in developing a strategy and mechanisms for eliminating these gaps.</p>	

ASEAN = Association of Southeast Asian Nations; BIMP-EAGA = Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area; BIMSTEC = Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation; CPS = country partnership strategy; DMC = developing member country; GMS = Greater Mekong Subregion; IMT-GT = Indonesia-Malaysia-Thailand Growth Triangle; MfDR = Management for Development Results; MM = ministerial meeting; RCSP = regional cooperation strategy and program; RETA = regional technical assistance; SOM = senior officials' meeting; TA = technical assistance.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
Asian Development Bank (ADB) and People's Republic of China Poverty Reduction and Regional Cooperation Fund Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	530.0
ii. Domestic Consultants	186.0
b. International and Local Travel	44.0
2. Training, Seminars, and Conferences	90.0
3. Miscellaneous Administration and Support Costs, including ADB Staff Travel (as resource persons), Reports and Information Materials ^b	50.0
4. Contingencies	90.0
5. Equipment ^c	10.0
Total	1,000.0

^a Financed by ADB's technical assistance funding program (\$750,000) and the Government of the People's Republic of China (\$250,000) and administered by ADB.

^b Including the costs of providing supplementary secretariat support requested by the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT).

^c In the form of basic office equipment (for example, computers and printers) to be procured according to ADB's *Guidelines for Procurement*. The equipment will be turned over to the BIMP-EAGA or IMT-GT secretariats or, if used at ADB, to ADB as ADB property after the technical assistance.

Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A team of individual consultants will be hired to provide advice and technical assistance (TA). A total of 53 person-months of international consulting services and 62 person-months of domestic consulting services will be required. The indicative person-month allocation and terms of reference are set out below.

A. Regional Cooperation Expert (2 international, 32 person-months)

2. The regional cooperation experts will focus primarily on supporting the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) or the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). In each case, the expert's responsibilities will include the following:

- (i) providing inputs and assisting in refining and implementing the process of preparing, reviewing, monitoring, evaluating, and updating results-oriented action plans and work programs of the subregional working groups consistent with a results-focused monitoring framework, to facilitate the implementation of the subregional development road maps;
- (ii) coordinating and monitoring action plans and work programs of subregional working groups; tracking the follow-through on implementation outcomes of subregional cooperation meetings; facilitating information sharing and dissemination related to program and project implementation and outcomes with all relevant stakeholders, including the private sector;
- (iii) assisting in developing and implementing a results monitoring and evaluation framework; helping manage an effective database to facilitate the monitoring and evaluation of results of subregional cooperation initiatives;
- (iv) assisting in developing recommendations for funding priority projects and outlining ways to promote public-public and public-private sector partnership in infrastructure development, trade facilitation, and investment promotion in the subregions;
- (v) assisting in preparing the preliminary financing and investment needs of specific projects and examining possible financing options (local, national, and external);
- (vi) assisting in mapping the assistance programs of international and bilateral development agencies and identifying opportunities and support activities to promote greater participation of international public and private sector development partners in the implementation of the road maps and flagship projects;
- (vii) providing advice on institutionalizing the active and effective participation of local governments in strengthening cooperation development and in accelerating the implementation of the road maps and actions plans;

- (viii) preparing resource papers for subregional meetings, conferences, workshops, and seminars and participating in consultations and monitoring missions to the subregions; and
- (ix) backstopping the conduct of problem-specific and issue-focused studies for the subregion.

B. Private Sector Development Expert (1 international, 6 person-months, intermittent)

3. The responsibilities of the private sector development expert will include the following:

- (i) identifying opportunities and support activities to promote private sector participation in BIMP-EAGA and IMT-GT programs, including preliminary identification of the major sectors and specific projects in which there is the greatest potential and opportunities for private investor participation;
- (ii) consulting with private investors and business practitioners, government officials, and other development partners to identify major constraints in the subregional investment environment, particularly those impeding the generation of private financing for the selected projects and possible approaches to addressing the constraints; proposing approaches that will resolve the constraints in the context of the specific projects selected;
- (iii) developing a system for obtaining information on private sector entities with an interest in specific flagship programs, and compiling and organizing the information into a database; and
- (iv) coordinating closely with ADB's Private Sector Operations Division (PSOD) to gain an understanding of PSOD's operations and products, explain ADB's potential role in financing private sector projects, and refer potential projects to PSOD staff.

C. Resource Persons/Issue Experts (4 international, 12 person-months combined, intermittent)

5. The responsibilities of the resource persons and issue experts will include the following:

- (i) preparing quick, pragmatic, and results-focused studies to address emerging issues and problems in consultation with countries or raised by them during TA implementation;
- (ii) preparing recommended actions to address the issues and problems quickly and practically;
- (iii) facilitating the discussion, endorsement, and adoption of the studies'

results and recommendations by the countries; and

- (iv) documenting and synthesizing the findings for useful and easy reference.

D. Capacity-Building Specialist (1 international, 3 person-months, intermittent)

6. The responsibilities of the capacity-building specialist will include the following:

- (i) reviewing existing documents and reference materials including those describing the development of institutional structures and mechanisms for achieving subregional cooperation objectives; and
- (ii) assessing the capacities of local governments to become mainstream players and leaders in coordinating and implementing programs and projects. This will include an analysis of (a) current roles and functions of local governments in the subregional cooperation initiatives; (b) relationships between local governments and national governments, as well as other key institutions (that is, working groups, national secretariats, the central coordinating secretariats, the private sector, development partners); (c) strengths and weaknesses, including competencies and job demands, of local governments in light of subregional cooperation; and (d) past and current efforts to remedy weaknesses through capacity-building interventions, if any.

E. Monitoring and Evaluation Specialist (1 domestic, 4 person-months)

7. The responsibilities of the monitoring and evaluation specialist will include the following:

- (i) developing a formal monitoring and evaluation framework for BIMP-EAGA and IMT-GT;
- (ii) reviewing the work plans of the institutional constituents of BIMP-EAGA and IMT-GT, and making recommendations on the possible reprioritization of the initiatives and projects, in line with particular sectoral responsibilities; and
- (iii) helping develop a database for results monitoring and evaluation.

F. Communications Specialist (1 domestic, 4 person-months)

8. The responsibilities of the communication specialist will include the following:

- (i) assessing the current information dissemination and communications strategy of BIMP-EAGA and IMT-GT;
- (ii) preparing and implementing a communications strategy for both subregions, using various communications media targeting the

international audience of development partners, including official development agencies, nongovernment organizations, and private sector investors; and

- (iii) assisting in preparing (a) communications materials, (b) templates for economic development reporting and social marketing, and (c) standard one-line key messages.

G. Regional Cooperation Analysts (3 domestic, 54 person-months)

9. The responsibilities of the regional cooperation analysts will include the following:

- (i) providing analytical support in preparing briefing papers and status reports on subregional activities, including monitoring the progress and status of the implementation of the development road maps and priority subregional projects;
- (ii) assisting in coordinating the various institutional structures of both subregions, particularly with the central and national secretariats, the business councils, and relevant development partners, including multilateral and bilateral organizations, nongovernment organizations, and private sector organizations;
- (iii) assisting in developing and then maintaining the information database on the results and outcomes evaluation, and in building and maintaining a database on the history, achievements, activities, and socioeconomic and other statistics of the relevant subregional cooperation initiative, for wide dissemination;
- (iv) helping organize secretariat support for IMT-GT, including preparing draft correspondence, identifying conference venues, and providing overall logistical support;
- (v) providing systematic and adequate documentation on the procedures and logistics of organizing working groups and other activities, for easy future reference by counterpart national secretariats;
- (vi) helping in overall TA administration;
- (vii) ensuring the smooth flow of documents and communications for the activities of the relevant subregional cooperation initiatives at the Country Coordination and Regional Cooperation Division, Southeast Asia Department; and
- (viii) participating in ADB missions as required.