



Promoting the Master Plan on ASEAN Connectivity (MPAC) 2025 with Other Sub-Regional and Inter-Regional Frameworks

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What can we promote?

How do we promote?



The Master Plan on ASEAN Connectivity 2025 has 5 Strategic Areas and 15 Initiatives

A Sustainable Infrastructure

Initiatives

- Establishment of infrastructure pipeline
- Framework and strategies on infrastructure productivity
- Development of sustainable urbanisation strategies

Intended Outcomes in 2025

- Increase public and private infrastructure investment across the ASEAN Member States
- Enhance infrastructure productivity in ASEAN through better delivery
- Increase the deployment of smart urbanisation models across ASEAN

B Digital Innovation

- Enhance MSMEs adoption of digital technologies
- Expansion of digital financial services
- Establishment of open data network
- Development of digital data governance framework

- Increase the adoption of technology by MSMEs
- Support access to financial services through digital technologies
- Enhance the impact of open data across ASEAN
- Improve data-management practices and more cross border data across ASEAN Member States

C Seamless Logistics

- Development of logistics database
- Enhance supply chain efficiencies by addressing chokepoints

- Lower supply-chain costs in each ASEAN Member State
- Improve competitiveness of ASEAN Member State

D Regulatory Excellence

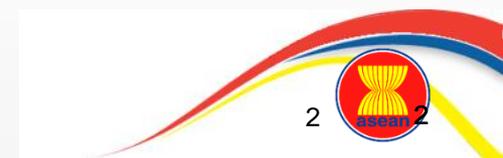
- Harmonise or mutually recognise product, conformance, and technical standards in key sectors
- Enhance transparency and streamline non-tariff measures

- Lower the cost of doing business in ASEAN
- Attract more investment into ASEAN

E People Mobility

- Enhance tourism digital platform
- Ease ASEAN travel by facilitating visa processes
- Establish new vocational training programmes and common qualifications, in accordance with national circumstances of ASEAN Member States
- Support higher education across ASEAN Member States

- Support ease of travel throughout ASEAN
- Increase intra-ASEAN mobility of university students
- Reduce the gaps between vocational skills demand and supply across ASEAN



Five trends critical to ASEAN Connectivity

Description

1 The rise of the ASEAN consuming class

- “Consuming class” in ASEAN forecast to double by 2030 to **163m** households
- Dramatic consumption shift could provide an important impetus for growth of intra-ASEAN trade, tourism, healthcare and agriculture

2 Industry 4.0 and deployment of disruptive technologies

- ASEAN economies (with significant manufacturing components) has the potential to capture productivity gains worth USD 216 billion to **USD 637 billion** a year by 2025 (McKinsey & Co).
- Only 13 percent of companies surveyed said their companies had begun an industry 4.0 transformation

3 Skills Challenge

- ASEAN has the **third-largest** labour force in the world, behind only China and India
- The median age of workers is young in comparison to most other parts of the world
- But gaps in human capital – today, **11 percent** of ASEAN’s population have no education, and roughly **60 percent** have primary education or lower

4 Rise of the middleweights

- An additional **90 million** people are forecast to move to cities in ASEAN by 2030
- Many of the fastest-growing cities will be smaller “middleweight” cities (*rather than the capital cities*), which have a population of between 200,000 and 2 million people
- New skills will be needed plus sharing of “know-how” on sustainable cities

5 The infrastructure opportunity

- **\$3.3 trillion** in investment will be required in transport, water, power and telecommunications in ASEAN between now and 2030
- New funding vehicles are emerging that could support infrastructure development – Asian Infrastructure Investment Bank (*AIIB*), Partnership for Quality Infrastructure, etc.

Progress in implementing the MPAC 2025

1 Strengthening Implementation Arrangements

- National Coordinators, National Focal Points, Lead Implementing Body for Sustainable Infrastructure have been put in place
- Lead Implementing Body for Sustainable Infrastructure met for the first time in March 2018 and a second meeting is planned for August 2018
- ACCC cooperation mechanisms with Dialogue Partners and other external parties

2 Translating MPAC 2025 Initiatives into Projects

- Detailing of initiatives builds clarity on the alignment and synergies with relevant ASEAN sectoral plans and support resource mobilisation
- MPAC 2025 Forum - participatory process for creating detailed actions, preparing projects and developing resource plans owned by stakeholders

3 Monitoring and Evaluation

- Monitoring and evaluation to track MPAC 2025 implementation being developed
- Indicators being identified at 3 levels (outcome, output and input) to provide a holistic measurement of implementation
- MPAC 2025 Monitoring, Review and Evaluation Meeting to be held on 5 September 2018 in Singapore

4 Engagement

- MPAC 2025 videos have been launched and placed on various social media channels
- Annual ASEAN Connectivity Symposium

MPAC 2025 Progress: May 2018

■ Implementation phase 1
 ■ Planning phase
 ■ Not yet started

Overview of progress

		Status	Progress
ASEAN Connectivity 2025 initiatives			
Sustainable infrastructure 	Establish a rolling priority pipeline list of potential ASEAN infrastructure projects and sources of funds		World Bank has been engaged with funding from Australia. The project has commenced. Inception workshop conducted and country visits undertaken..
	Establish an ASEAN platform to measure and improve infrastructure productivity		Project proposal development stage.
	Launch sustainable urbanisation strategies in ASEAN cities		AlphaBeta has been engaged, with funding from Australia, to undertake the study to advance sustainable urbanisation in ASEAN. Forum to be held in July 2018.
Digital innovation 	Enhance the MSME technology platform		ERIA and Mitsubishi Research Institute have been engaged to assess MSMEs participation in the digital economy. Survey and consultations currently ongoing.
	Develop the ASEAN digital financial inclusion framework		Still in discussion
	Establish an ASEAN open data dictionary		Exploring potential funding with Dialogue Partners
	Establish an ASEAN digital data governance framework		TELSOM is implementing this initiative. Survey on AMS' law and regulations on digital data governance being conducted.
Seamless logistics 	Strengthen ASEAN competitiveness through enhanced trade routes and logistics		Project proposal development stage.
	Enhance supply chain efficiency through addressing key chokepoints		Project proposal development stage.. Funding support being sought.
Regulatory excellence 	Complete harmonisation of stds, mutual recognition, and technical regs		ACCSQ is currently discussing the prioritisation of three product groupings and its criteria.
	Increase transparency and strengthen evaluation to reduce trade distorting non-tariff measures		SEOM has been undertaking work on NTMs database and quantification.
People mobility 	Enhance ASEAN travel by making finding information easier		Project proposal developed and funding being sought from China.
	Ease ASEAN travel by facilitating visa processes		Project concept endorsed but encounter challenges in securing funding.
	Establish new vocational training programmes and common qualifications across AMS		Project proposal developed and funding being sought from ROK
	Support higher education exchange across ASEAN Member States		Project concept being consulted with relevant stakeholders



**The MPAC 2025 is a multi-year, project-centric,
cross-pillar and cross-sectoral initiative**



Implementing MPAC 2025 Initiative

1 Development of MPAC 2025 Projects

- Develop details of the MPAC 2025 initiatives that can be packaged into specific projects
- Leverage on partnership and synergies with other initiatives



2 Socialisation of MPAC 2025 at the national level

- Introducing MPAC 2025 to stakeholders in the respective ASEAN Member States
- Communicating impacts (if stakeholders don't see it or feel it, they won't believe it and provide support)
- Stakeholders feedback



3 Capacity building measures

- MPAC 2025 should be complemented by appropriate national measures
- Forge partnership and establish capacity building priorities in implementing MPAC 2025

MPAC 2025 and other connectivity initiatives

NON-EXHAUSTIVE

Connectivity Initiatives

Beyond ASEAN region

Mekong +,..

APEC Connectivity

ASEM Connectivity

Belt Road Initiative

Indo-Pacific

APT Connectivity

Master Plan on ASEAN Connectivity 2025

EAS on ASEAN Connectivity

ASEAN

Within ASEAN region

GMS

IMT-GT

BIMP-EAGA

National and Sub-National Undertakings



Challenges of Cooperation between Frameworks

- Different frameworks have different mandates, programming approaches, timeframes and concepts of the end goals / outcomes
- There is a lack of granularity or details of the different frameworks or connectivity initiatives
- There is a disparity in resources between organisations involved

Opportunities for Cooperation between Frameworks

- Map priorities of different connectivity frameworks
- Identify specific areas of cooperation and develop projects for implementation
- Foster dialogues, exchange of good practices, capacity building activities, research / policy studies
- Create synergies through:
 - bringing together resources in the same project (that could be a single action or a group of coordinated actions) in view of achieving greater impact and efficiency
 - successive projects that build on each other; or
 - parallel projects that complement each other.



Connecting the Connectivities Connecting the Unconnected

