

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programmes 2014 and 2015 part I in favour of the Asia region, to be financed from the general budget of the European Union

Action Document for 'Enhanced Regional EU-ASEAN Dialogue Instrument E-READI'

1. IDENTIFICATION

Title/Number	Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI) CRIS number: DCI/ASIE/2014/37572		
Total cost	Total estimated cost: EUR 20 000 000 Total amount of EU budget contribution: EUR 20 000 000		
Aid method / Management mode and type of financing	Project Approach Direct management procurement of services		
DAC-code	43010	Sector	Multi-sector

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

Building on the success of past EU ASEAN policy dialogues, the Enhanced READI facility will further ASEAN integration, in particular through providing inspiration for its integration policy shaping and specific technical support for developing its capacity.

The program aims at supporting ASEAN regional integration processes with poverty reduction through inclusive and sustainable growth as underlying principles. The Facility will cover the three pillars of ASEAN Community:

- (1) the ASEAN Security and Political pillar, including but not limited to, Human Rights, Maritime Cooperation, Peace and Reconciliation;
- (2) the ASEAN Economic pillar, including but not limited to sciences and technology, Information and Communication Technologies, energy, trade related aspects not covered by other EU-ASEAN projects, and
- (3) the ASEAN Socio-Cultural pillar, including but not limited to, climate change, disaster management, environment, education, working toward achieving sustainable development goals; and also support the reflection on how to narrow the development gaps between ASEAN most developed countries and its newer members (Cambodia, Lao PDR, Myanmar and Vietnam - CLMV).

It will also support the strengthening of the ASEAN coordination system, in particular to ensure adequate information sharing and complementarity between regional, sub-regional (Great Mekong Sub-region) and national level initiatives.

The main activities across the agreed integration areas will include:

- Effective policy dialogue and exchange of experience between EU and ASEAN;

- Capacity building, including on institutional framework and Regional-National level coordination;
- Gap analysis and studies for selected dialogue areas between situation at national level and regional commitment in selected sectors, in particular for CLMV;
- Mapping and involving civil society organisations, public outreach and consultation processes;
- Technical advice on selected integration policies;
- Seminars and study tours to the EU for ASEAN stakeholders;
- Adequate communication of results and ASEAN progress to the public.

2.2. Context

2.2.1. Regional context

2.2.1.1. Economic and social situation and poverty analysis

The Association of Southeast Asian Nations (ASEAN) brings together ten Member States (AMS) including highly developed economies, middle income countries and also three least developed countries. With a land area of about 4.4 million km², prone to natural disaster, ASEAN is home to more than 615 million citizens in 2013 with diverse ethnic, cultural, linguistic and social backgrounds. Sustained economic growth rates of around 5% p.a. since the 1980s are impressive (with short interruptions in the second half of the 1990s and during the financial crisis at the end of the last decade) and brought this region to an estimated Gross Domestic Product (GDP) in 2013 of about US \$2.3 trillion.

Yet the economic benefits have not evenly reached the people and Member States of ASEAN. While the poor population in ASEAN decreased significantly from 1990 (45%) to 2010 (15%) according to ASEAN's Statistical Report 2011 on the Millennium Development Goals there are still more than 90 million people live below the poverty line of US\$ 1.25 per day¹.

The newer ASEAN Member States (AMS) in particular still need to catch up as also evidenced by the Human Development Index (HDI) report 2013². These are Cambodia, Lao PDR, Myanmar and Viet Nam (the 'CLMV' countries) and they are the focus of a specific integration and narrowing the development gap support under the Initiative for ASEAN Integration (IAI). Since the recent political changes and opening up in 2012, Myanmar is expected to accelerate its development markedly in the medium term. Regional –and global- economic integration can contribute to such processes. For example, having been integrated into the world economy through the World Trade Organisation (WTO) and ASEAN, Viet Nam experienced rapid economic growth and improved its Human Development Index. Viet Nam is “catching-up” with Indonesia and the Philippines: its income and the HDI have increased about twice as fast as compared with those two economies in the last 15 years.

2.2.1.2. Regional development policy

40 years after its inception ASEAN injected new momentum into deepening its integration process in particular with the ASEAN Charter of 2007, which calibrated the institutional set

¹ http://www.asean.org/images/2013/resources/statistics/statistical_publication/MDG%202012%20%28REV%29.pdf

² <http://hdr.undp.org/en/2013-report>

up³, and subsequently with the Roadmap for an ASEAN Community 2009-2015, setting out concrete integration measures⁴, and the Master plan for ASEAN Connectivity (MPAC)⁵, an ambitious agenda of measures for enhanced integration. ASEAN's integration approach is comprehensive and going beyond economic matters. It also aims at political-security and socio-cultural integration, equally important to further peace, stability and prosperity.

ASEAN's Political and Security Community (APSC): aims to ensure that the people and Member States of ASEAN live in peace with one another and with the world at large in a just, democratic and harmonious environment. To achieve this, the APSC promotes political development in adherence to the principles of democracy, the rule of law and good governance, and respect for the promotion and protection of human rights and fundamental freedoms as inscribed in the ASEAN Charter.

Recent progress under this pillar includes the establishment of ASEAN's Intergovernmental Commission on Human Rights (AICHR) in 2009 and the adoption of ASEAN's Human Rights Declaration (AHRD) in 2012 as well as the launch of ASEAN's Institute for Peace and Reconciliation (AIPR) also in 2012.

ASEAN's Economic Community (AEC): By facilitating the free flow of goods, services, investments and skilled labour, and free flow of capital; increasing physical, institutional and people-to-people connectivity –MPAC- the AEC aims at bringing down the cost of doing business across borders; narrowing the development gap both within and between AMS by instituting targeted programmes; and finding synergy through engaging in bilateral FTAs and consolidating the ASEAN Plus One FTAs into a Regional Comprehensive Economic Partnership (RCEP). An environment for businesses to flourish will in turn benefit consumers who will have access to a cheaper and wider range of goods and services and enjoy more extensive consumer protection. The newer ASEAN Member States of Cambodia, Lao PDR, Myanmar and Viet Nam stand to also gain through enhanced opportunities for production networks created by an AEC and the productivity enhancing effects of AEC's emphasis on best practices. Across ASEAN there is a view that SMEs have not been able to fully take advantage of integration and this deserves attention in the future.

Progress towards the AEC beyond tariff reductions can be illustrated by the following examples: the pilot implementation of the ASEAN Single Window, the signature of ASEAN's Agreement on Movement of Natural Persons (MNP) and the enforcement of ASEAN's Comprehensive Investment Agreement (ACIA). The post-2015 period will need to focus on implementation at national level.

ASEAN's Socio-Cultural Community (ASCC) aims to contribute to a people oriented ASEAN, i.e. ultimately solidarity and an ASEAN identity. The blueprint provides strategic directions in key areas such as *Human Development* (education, innovation and entrepreneurship, ICT); *Social Protection* (e.g. alleviation of poverty, enhancing disaster resilience and addressing health development); *Social Justice and Rights* (e.g. of vulnerable groups such as women,

³ Amongst others providing ASEAN with legal personality, setting out the mandate of the organs of ASEAN as well as providing decision making and dispute settlement rules. Some new organs were introduced such as the Committee of Permanent Representatives (CPR) and the Human Rights Bodies.

⁴ Which includes the three blueprints for an (i) ASEAN Political Security Community, (ii) ASEAN Economic Community and (iii) ASEAN Socio Cultural Community with lists of concrete priority actions as well as (iv) the Initiative for ASEAN Integration 2009-2015 aiming at narrowing the development gaps.

⁵ Which ASEAN considers a key step towards realising the ASEAN Community by enhancing linkages to bring people, goods, services and capital closer together and which has three dimensions: physical, institutional and people to people connectivity. MPAC identifies projects considered as a priority for the region.

children, the elderly, persons with disabilities and migrant workers); *Environmental Sustainability* (management and conservation of soil, water, mineral, energy, biodiversity, forest including FLEGT, coastal and marine resources).

Recent progress under the ASCC pillar includes adoption of an ASEAN Action Plan on Joint Response to Climate Change; creation of the ASEAN Coordinating Centre for Humanitarian Assistance (AHA Centre) and the setting up of an ASEAN stockpile of relief items for disasters. The drafting of the ASEAN instrument on the protection and promotion of the rights of migrant workers is on-going (target date by end-2014), so is the drafting of an ASEAN Declaration on the Elimination of Violence against Women and Children. Under the ASCC pillar also an ASEAN Curriculum Sourcebook was developed and on Science and Technology (S&T) a yearlong campaign together with the EU was held in 2012 to promote and raise the visibility of S&T cooperation between the two regions.

EU ASEAN cooperation programmes such as READI, ARISE, SHARE, AATIP and ECAP III are supporting some of these important integration initiatives. The *Initiative for ASEAN Integration* complements the three blue prints above by *Narrowing the Development Gap* within the region, through identifying areas where CLMV need specific capacity building support. In addition to its internal integration, ASEAN has set an ambitious agenda for its international role by 2022 in the Bali Concord III Declaration, in particular through reaching common positions on global issues. Finally, ASEAN is also committed to the UN post 2015 development agenda, including on sustainable development goals.

ASEAN has conducted a midterm review of the implementation of the ASEAN Economic Community (AEC) blueprint in 2012, which was complemented by the ASEAN Integration Monitoring report in 2013. Reviews for the implementation of the Socio-Cultural Community (ASCC) blueprint as well as the Initiative for ASEAN Integration were undertaken in 2014. Finally, two High-Level task Forces (HLTF) have been appointed early 2014, the first to shape the vision for ASEAN post-2015 and the second to provide ASEAN leaders with recommendations on how to strengthen ASEAN Secretariat and other ASEAN organs.

While challenges remain, these reviews confirm important achievements. Despite recent improvements like the creation of the Committee of Permanent Representatives (CPR), the ASEAN institutional set up remains relatively weak, with a lean administrative set up notably in ASEAN Secretariat, insufficient funding from the Member States – the same modest amount per member regardless of size and financial capacity, yet at the same time significant financial and capacity building support from external partner.⁶ Monitoring of implementation progress via the scorecard system depends essentially on reporting by the individual Member States without effective verification mechanisms or judicial review. Synchronisation and coordination of the regional integration agendas with national development priorities also requires careful attention. In addition, civil society, NGOs and business organisations – notably those representing SMEs – are not systematically consulted and are not prime drivers of the integration processes, i.e. this remain very much driven top down by the political leadership of the Member States. Sustained efforts beyond 2015 will be needed to reap the full benefit of regional integration.

A key challenge for ASEAN in the years to come is to make it more tangible in an inclusive and sustainable way for its citizens. To achieve effective national implementation of sound regional policies across all AMS is equally important as a strong focus to narrow development gaps

⁶ The issue of limited funding was recently raised in a speech by the PM of Malaysia in view of Malaysia's Chairmanship in 2015.

amongst AMS and within the Member States. This will require new approaches to resource mobilisation.

With the European Union, ASEAN has a dialogue partner which shares the vision of broad based regional integration. The two initiatives, ASEAN and the EU, have significantly broadened and deepened their exchanges of ideas, people and goods since the Nuremberg Declaration of 2007. While both pursue their unique way of integration and at their own pace, sharing of experiences is relevant and critical to generate fresh ideas to advance regional integration and development. In this respect structured dialogues, i.e. small series of activities to kick off meaningful ideas, are catalytic. This is the essence of the ongoing READI tool, a focused yet flexible and demand driven dialogue facility, which also supports the Bandar Seri Begawan Plan of Action 2013-2017 for an Enhanced ASEAN-EU Partnership.

There is a good ownership by sectoral bodies of the ASEAN regional construction; however, there are difficulties in implementing ASEAN measure at the national level due to complex country-level coordination (from transposition into the national legal systems, to reform implementation and communication to stakeholders).

2.2.2. Sector context: policies and challenges

To address the above described issues, ASEAN needs to strengthen its capacity to ensure the full and consistent implementation of its commitment and address as well the new challenges in the region, and globally.

The ASEAN Secretariat, despite its modest size⁷, from its original position of coordinating and assisting the working groups, committees, senior officials and ministerial meetings, has been given a more pro-active role, to draft position papers / proposals for regional policy / regulation, and may also take on a new role as a regulator / arbitrator in various sectors.

For the ASEAN Member States, the challenge is faced back at home to transpose and implement the regional commitments. Limited resources (financial and human) are clearly an issue in CLMV.

During the last 10 years, much attention has been given to the key area of economic integration; however, several other areas are increasingly recognised as important for the integration effort. These include Climate Change, Environment, Transport, Energy, Education and Mutual Recognition of Certificates, Employment and Social Protection, Disaster management). Economic integration and economic growth generate a new dynamism in the region, but they may also generate negative side effects that may require a regional policy response such as increasing demand for energy, acceleration of environmental degradation, acceleration of climate change, etc...

The objective of the initial READI facility was to improve ASEAN key stakeholders (policy makers and practitioners) awareness and/or understanding of potential impacts and consequences of their commitments and build the capacities to shape and implement sustainable policies in selected areas, and whenever relevant drawing on the European integration process and experience.

⁷ ASEAN Secretariat relies on less than 300 professional staff and is very much caught up in preparing and servicing officials meetings (including two summits per year).

This programme builds on first READI Facility which will end in 2015 (except for Human Right support that will last until 2017). The Facility will be broadened and enhanced to cover new policy areas (in a flexible way and reflecting ASEAN's needs and priorities), with more possibilities to involve non-state actors and to carry out background analysis to steer the dialogues. Unlike the initial Facility which did not cover trade-related issues (because they were subject of a dedicated project that is now concluded), the new Facility can also deal with trade policy matters.

Considering the broad area constituted by regional integration policy, the programme will respond flexibly to ASEAN priorities in the three pillars (APSC, AEC and ASCC) as well as on cross-cutting issues such as institutional framework and processes for effective integration management, where an important element will be that the relevant EU integration experience can be brought into the process.

The key strategy for the selection of priority areas will be to focus on areas with the aim of achieving results but at the same time maintaining flexibility so as to continue to explore where the best scope for supporting an ASEAN-led agenda can be pursued.

Areas covered by the on-going READI facility include: Information and Communication Technology, Energy, Science and Technology, Disaster Management, Climate Change, Education, Maritime Cooperation, Human Right, and as cross-cutting areas Engagement with Civil Society and Regional Institutional Capacity Building,

The interest of European Commission Directorates General, EU Member States, and potentially other EU institutions or agencies, such as the European Economic and Social Committee in these areas will be reassessed. Other areas corresponding to emerging needs on the ASEAN side linked to development issues may be identified.

In addition, the project will support ASEAN to carry out the spirit of the ASEAN Charter, which envisages ASEAN as a people-centered organisation, through whenever possible the involvement sectoral stakeholders, including civil society. Finally, specific support will be made available for in-country assistance for CLMV to facilitate new approaches towards narrowing the development gap.

For ease of reference an initial logical framework is attached in Annex 1. It may be updated or adapted in the Overall Work Plan, to which it will be annexed, without this necessarily requiring an amendment to the financing agreement.

2.3. Lessons learnt

Past ASEAN-EU policy dialogues have been supported by several European Commission DGs – such as TRADE, TAXUD, ENTR, SANCO, CLIMA, CNECT, ECHO and RTD. They provided ASEAN with some ideas for shaping its own policies. The new project aims at building on this this experience in all three pillars of the ASEAN community.

The substantial diversity within ASEAN, especially the different levels of advancement in the various sectors requires the creation of a flexible framework under which ASEAN Member States select specific themes and activities to undertake.

In the context of the EU's support for trade integration in specific economic sectors the involvement of representatives of the private sector has proven to be substantial and constructive. This action aims to emulate this experience as well in the other sectors by similarly encouraging the involvement of representatives from Civil Society in general.

Based on the ongoing experience with implementation of READI and ARISE, this action recognises specifically the importance of the role that ASEAN Member States can and must play in the integration process and in the dialogue with the EU.

The coordination between regional, sub-regional and national initiatives could be more effective. An effort shall be made to ensure a more coherent multilevel approach;

READI is made to support EU ASEAN dialogue and initiate meaningful actions for ASEAN in line with EU external action. The READI support team while providing expertise should not substitute for a Commission Directorate General. Clear interest and involvement from both EU and ASEAN needs to be ensured before engaging in a sector;

The READI Mid Term Review that took place from February to April 2014 also shows important elements that need to be taken into consideration:

- The flexibility of the facility is highly praised, as well as its participative approach for defining the work plans; activities are relevant to ASEAN integration agenda; yet its implementation modalities (set up, mandate, etc..) should be better explained to stakeholders;
- READI is a relevant demand-driven tool, but should not be over-ambitious;
- Dialogues between EU and ASEAN are found useful on both sides (exchange of information on best practice, knowledge acquisition, network building) potentially leading to enhanced capacity, strengthen network and policy changes. However result and impact are often difficult to measure, and there would be a need for a more substantial follow up (and resources allocated); opportunity of starting/continuing a policy dialogue needs to be carefully assessed;
- Stand-alone activities should be avoided, as they do not generate sustainable results; dialogue and support would be better addressed through a series of meetings/workshops to ensure a proper follow up and building capacity over time;
- The level of resources of the on-going READI is fine for organising dialogues, but considered too limited for more substantial activities. The team for managing such a facility should also be commensurate to its scope of work. Effective Key experts shall follow a sector along the whole programme implementation period in order to enhance the effectiveness of the action and reach impact.

2.4. Complementary actions

The EU is supporting ASEAN through a number of programmes, mainly focussing on the economic integration. This includes ASEAN Regional Integration Support by the EU (ARISE), 2012 –2016, Capacity Building for ASEAN Monitoring and Statistics (COMPASS) which will build on ASEAN Statistical Capacity Building achievement to strengthen ASEAN Secretariat Capacity for regional statistics and monitoring running from 2014 to 2018, ECAP III, addressing enforcement of Intellectual Property Rights, the ASEAN Air Transport Integration Project (AATIP), supporting the development of the ASEAN single aviation market which will both run until 2016 and EU Support to Higher Education in ASEAN Region (SHARE), supporting cooperation, harmonisation and exchange among higher education institutions in ASEAN.

Beyond this, cooperation in other sectors is mainly covered by the on-going READI Facility (2011-2015: EUR 4 million euro plus EUR 3.3 million with priority for human rights 2014-2017) which has been successful in facilitating policy dialogues, strengthening capacities in specific sectors and in building EU ASEAN networks. READI has supported regular cooperation between EU and ASEAN in the field of ICT, Energy, Research and Technology,

Disaster Management. It has then broadened its support to areas such as education, climate change, maritime cooperation, institutional strengthening, and more recently it has been decided to move and include a substantial support for Human Rights. Implementation of the SHARE programme will start by the end of 2014.

The 2014-2020 ASEAN-EU cooperation programme will comprise three Focal Areas: 1 Support to Economic Integration and Inclusive Growth, 2 Support to climate change adaptation and disaster management and 3 Enhanced Regional EU ASEAN Dialogue Instrument, which the subject of the present action document.

While the on-going READI has now dedicated resources to implement the work plans on Human Rights, there is a high risk of losing a momentum built in the other areas for which funding will be fully consumed by 2015 if a follow up facility is not established by then.

2.5. Donor coordination

ASEAN enjoys good cooperation with dialogue partners and other development partners such as the World Bank and the Asian Development Bank. Large cooperation programmes are provided by the EU, including Germany⁸, but also by other dialogue partners such as Australia, Japan and the US. Canada, New Zealand are also investing in their partnership with ASEAN. Coordination between the main ASEAN donors in Jakarta is excellent. Increasingly south-south and triangular cooperation is shaping too. China, India and South Korea are emerging partners in the cooperation domain.

While the ASEAN-Australia Development Cooperation Phase II (AADCP II) focuses on Economic Integration, the ADVANCE facility supported by USAID provides assistance for both the ASEAN Economic Community and the ASEAN Socio-Cultural Community (including health and disaster management) and includes support at regional and national level. Germany provides capacity building support to the ASEAN Secretariat and has also been the only donors engaging with ASEAN Inter-Parliamentary Assembly (AIPA).

PROGRESS (Partnership for Good Governance, Equitable and Sustainable Development and Security) is the other US-funded programme, designed like READI to cover a wide range of sectors and where potential synergies could be found, beyond the pure EU-ASEAN dialogue.

There are also cooperation initiatives at the sub-regional level, such as the Lower Mekong Initiative. The ADB and the WB offer their expertise to ASEAN in particular in the field of Connectivity (Master Plan on ASEAN Connectivity, MPAC), a subject where also European Financial Institutions, such as AFD, EIB or KfW may enhance their role using the EU's Asia Investment Facility (AIF), a modality of blending grants and loans. The OECD is starting up operations in South East Asia too.

The EU delegation in Jakarta will ensure that regular information is provided to the other delegations in the region and that these are involved whenever activities are taken place in the respective countries. Regular communication will also be established with the concerned EU Directorates General.

At the regional level, donors have requested ASEAN to organise regular dialogue partners' coordination meetings. ASEAN has responded to this demand and has organised annual coordination meetings since 2011 and developed matrices gathering information on dialogue partners supports in the various areas of integration. Overall coordination is good amongst

⁸ Other EU Member States are also coordinating closely with the EU on ASEAN with more limited funding.

partners present in Jakarta. It is more complicated, when donors are operating from elsewhere, for instance at the sub-regional level (Lower Mekong Initiative).

Sector-based coordination takes only place on an exceptional basis (Disaster Management) and is led by donors on Environment and Human Rights. These technical working groups are useful platforms for coordination and the exchange of experiences.

Technical working groups and communication networks, developed during the implementation of READI, will need to be maintained, expanded and further developed in the context of the Enhanced READI.

3. DETAILED DESCRIPTION

3.1. Objectives

The overall objective of the E-READI facility is to support ASEAN integration with poverty alleviation as key underlying principle. It is expected that by achieving its integration goal the citizens of ASEAN Member States will benefit from stronger, more equitable and sustainable economic growth, increased leverage as a union, and enhanced social opportunities.

The facility purpose is to support the implementation of the ASEAN Community blue prints, drawing on European experience and know how through sectoral policy dialogues (at all levels and including democratic institutions and Civil Society) supporting thus the policy development processes in areas of joint interest, and providing capacity building covering the three pillars of the ASEAN Community.

The E-READI facility will operate in particular within the context of the Banda Seri Begawan Plan of Action (hereunder POA) 2013-2017 and subsequent POAs, the ASEAN Roadmap 2009-2015 and subsequent strategic plans (in elaboration), the Bali Concord III, which sets the goals for an ASEAN common platform on global issues by 2022 and, last but not least, the UN post-2015 and the Rio+20 development agenda. These policy documents will inform and inspire the cooperation under the facility programme with poverty reduction through sustainable and inclusive regional integration as key guiding theme.

3.2. Expected results and main activities

Expected results include:

- (1) Effective EU ASEAN policy dialogue, exchange of experience and enhanced EU-ASEAN networks;
- (2) Improved ASEAN capacity to formulate and coordinate its integration actions at national and national level;
- (3) Enhanced consultation with civil society, including private sector;
- (4) Specific ASEAN strategies and work plans in the areas supported.

The Facility will cover the three pillars of ASEAN Community:

- the ASEAN Security and Political pillar, including but not limited to, Human Rights, Maritime Cooperation, Peace and Reconciliation;
- the ASEAN Economic pillar, including but not limited to sciences and technology, ICT, energy, forestry, trade related aspects not covered by other EU-ASEAN projects, and
- the ASEAN Socio-Cultural pillar, including but not limited to, climate change, disaster management, environment, education, working toward achieving sustainable development goals.

E-READI will also support ASEAN efforts in addressing its coordination issues at national level and between national and regional level through exchange of experience with EU Member States and EU institutions. E-READI will also contribute to the strengthening of ASEAN coordination system, in particular to ensure adequate information sharing between regional, sub-regional (Great Mekong Sub-region) and national level.

The main activities across the agreed integration areas will include:

- Effective policy dialogue and exchange of experience between EU and ASEAN;
- Capacity building, including on institutional framework and Regional-National level coordination;
- Gap analysis and studies for selected dialogue areas between situation at national level and regional commitment in selected sectors, in particular for CLMV;
- Mapping and involving civil society organisations, public outreach and consultation processes;
- Technical advice on selected integration policies;
- Seminars and study tours to the EU for ASEAN stakeholders;
- Adequate communication of results and ASEAN progress to the public.

The facility will also support triangular cooperation; in particular it will be open to support ASEAN-helps-ASEAN mechanism whereby ASEAN most developed countries support ASEAN newer members (CLMV).

3.3. Risks and assumptions

The facility will focus on dialogues that aim to achieve realistic results reflecting ASEAN driven demand while drawing on relevant EU experience. In line with this, activities shall be coordinated strategically by the ASEAN Secretariat and guided by ongoing consultations at EU ASEAN Senior Officials Meeting (SOM) level to ensure progressive (consecutive) dialogue processes based on clearly defined Terms of Reference and work plans, including identifiable milestones and measurable indicators for verification of results and which could be followed up by further integration work and cooperation between the EU and ASEAN.

RISK ASSESSMENT	RISK MANAGEMENT
The Development Gap among ASEAN Member States (regulatory, technical and infrastructural) deficiencies prevents achieving results at a higher level	Rules of ASEAN minus X (when not all 10 MS decide to embark in an initiative) might apply; Specific support for CLMV to close the development gap might be deployed
Absorption capacity for knowledge transfer is not similar in chosen areas to allow benefits for all ASEAN Member States	Request as in-kind contribution the allocation of staff at ASEAN Secretariat and AMS level
Wrong/inadequate personnel attends meetings	Clear identification of the ASEAN official participants. Monitoring of the attendance and report to the respective ASEAN SOMs.
High staff turnover	To be addressed at ASEAN SOM level
Perceptions within ASEAN of EU-driven dialogue	Clearly link the project activities to the areas of priority for ASEAN i.e. the Blueprints.
Provisions (travel and time) are available for EU officials to attend meetings	Activities discussed and planned well in advance with the relevant DGs

3.4. Cross-cutting issues

Crosscutting issues like good governance, gender and vulnerable groups' issues, sustainable development and a focus on environment (including forest governance/FLEGT) and climate change, promotion of democracy, human rights and rule of law will feature prominently in the programme dialogues and subsequent activities and be incorporated in the activities of the facility programme.

3.5. Stakeholders

CATEGORY	ORGANIZATIONS	STAKE
Regional bodies	ASEAN Secretariat and relevant Units of the Departments (APSC, AEC, ASCC); Chairpersons and their assistants of the relevant Working Groups; relevant ASEAN Working Groups members	Furthering integration and development; deepening regional harmonisation and co-operation; implementation of regional blue prints and policy commitments
Government ministries	National staff officially involved in the relevant sectors and in charge of the implementation of the regional agenda; ASEAN National Secretariats	Attendance of training courses; Enhancement of regional commitment awareness and technical sectoral issues. Gap analysis. Needs assessments to get ready for regional policy implementation.
Private sector organisation / Civil society	Professional organisations; Chambers of Commerce; Consumers association; private companies & SMEs; CSOs/NGOs, think-tanks, universities, media, etc...	Representative of the players/users/intended beneficiaries of the regional integration; consultation duration policy drafting process would ensure higher quality and sustainability of the policy and better communication to and understanding by stakeholders
Donors agencies and inter-governmental organizations	Donors with interventions in similar sectors: EUMS (Germany, and possibly others), ADB, Australia, Germany, Japan, USAID, World Bank, UN.	Achieving synergies and avoiding duplication of actions

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner: the Association of the East-Asia Nations (ASEAN), referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 96 months from the date of entry into force of the financing agreement or, where none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

4.3.1. Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical Cooperation Services	Services	1 or 2	Q1 2015 Q1 2017
Communication and Visibility services	Services	1	Q1 2016
Audit and Evaluation	Services	3	Q3 2017 Q4 2019

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

In accordance with Article 8(3) of Regulation (EU) No 236/2014 and with regard to the regional nature of this action, the Commission decides that natural and legal persons from the following countries, territories or regions shall be eligible for participating in procurement procedures: Brunei Darussalam, Singapore. The supplies originating there shall be eligible.

4.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
4.3.3. – Procurement (direct management)	19 000	N.A.
4.7. – Evaluation and audit	400	N.A.
4.8. – Communication and visibility	600	N.A.
Contingencies	0	N.A.
Total	20 000	0

4.6. Performance monitoring

Regular monitoring will be a continuous process as part of the Commission's and ASEAN Secretariat responsibilities. Quarterly up-date will be prepared by the expert team to inform the project stakeholders of the progress made and planned activities. Six-monthly interim progress reports will be produced with the assistance of the expert team and will include a breakdown of progress and results on all sub-projects and their components, including those in the implementation of specific activities at the regional and national levels. In addition, reports will be prepared for each training event or workshop clearly indicating the number of people trained as well as an assessment of results obtained.

Indicators of success for the project are defined in the logical framework.

- Documents and written contributions produced by ASEAN;
- Decisions taken in the relevant sectors by ASEAN Ministers, Senior Officials or Committees, preparatory work conducted by ASEAN Working Groups;
- Increase communication and information flow from within ASEAN;
- Increased /strengthened EU ASEAN networks of policy makers and or practitioners;

- Increased consultation with Civil Society Organizations; percentage of targeted CSOs having participated in policy dialogue;
- Sectoral bodies working more effectively thanks to better preparation, moderation and conclusion.

A Programme Steering Committee (PSC) shall be set up to oversee and validate the overall direction of the programme⁹.

An external monitoring team made up of independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external monitoring and results' oriented (ROM) monitoring.

4.7. Evaluation and audit

Evaluations (mid-term, final) will be conducted and contracted by the Commission.

Audit arrangements are integral part of the contractual arrangements with the selected contractors.

Provision is made for both a mid-term and final evaluation and audit carried out by independent consultants recruited directly by the Commission in accordance with EC rules and procedures on specifically established terms of reference.

The EU delegation shall inform the Beneficiary at least one month in advance of the dates foreseen for the external missions. The Beneficiary shall collaborate efficiently and effectively with the monitoring and/or evaluation experts, and *inter alia* provide them with all necessary information and documentation, as well as access to the project premises.

4.8. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

⁹ The PSC is already functioning very well also as a policy dialogue platform under the READI I.