

*Evaluation of EC co-operation with ASEAN*

Final Report

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*Full reports of the evaluation can be obtained from the evaluation unit website:  
[http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/index\\_en.htm](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm)*

***The opinions expressed in this document represent the authors' points of view, which are not necessarily shared by the European Commission or by the authorities of the countries concerned.***

# Evaluation of European Commission's Cooperation with ASEAN

## Regional Level Evaluation

### Final Report

The report consists of 2 volumes:

**Volume I: FINAL REPORT**

**Volume II: ANNEXES**

#### **VOLUME I: DRAFT FINAL REPORT**

1. Introduction
2. Development Co-operation Context
3. EC strategy and the logic of EC support
4. Findings
5. Conclusions
6. Recommendations
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## **EXECUTIVE SUMMARY**

### ***I. Objectives of the evaluation***

The overall purpose of this evaluation is to ensure accountability for the use of allocated resources as well as to promote a lesson-learning culture in EC development cooperation. The main specific objectives of the evaluation were:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with Vietnam;
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

### ***II. Methodology***

This evaluation was conducted simultaneously with evaluations of the EC's country level cooperation strategies in Thailand, Malaysia, Lao PDR, and Vietnam, and so it paid special attention to the coordination of country-level assistance with ASEAN-level assistance, as well as Asia regional and global programmes.

During the Structuring Stage of the evaluation, the EC's intervention logic and most important areas of cooperation were identified. Preliminary evaluation questions (EQs), judgement criteria (JCs) and related indicators were specified based on the intervention logic, then discussed with members of the Reference Group and the Evaluation Managers, and re-drafted accordingly. Preliminary evaluation questions (EQs), judgement criteria (JCs) and related indicators were specified based on the intervention logic (see Annex 5 of Volume 2), and then discussed with members of the Reference Group and the Evaluation Managers. The resulting re-drafted EQs and JCs provided a clear direction to the evaluation, allowing for a focused investigation into the most important areas of cooperation.

During the Desk Stage, in addition to Results Oriented Monitoring Reports, project documents, Mid-Term Reviews and Final Evaluations, over 70 thematic documents including meeting reports and official statements were consulted (see Annex 2 of Volume 2).

During the Field Phase, the Evaluation team conducted over 100 interviews with persons concerned with EC cooperation, in the form of relevant EC Delegation staff in Jakarta and Bangkok, ASEAN Secretariat officials, experts from projects providing technical assistance and capacity building to the ASEAN Secretariat. In the course of undertaking country strategy evaluation field missions, project site visits / interviews with officials involved in projects: COGEN (Malaysia), Standards (Lao PDR), ECAP (Malaysia), EAEF (Indonesia, Malaysia), Asia Pro Eco (Malaysia), Asia Urbs (Lao PDR). There was a site visit to the Asia Centre for Energy in Jakarta and a telephone interview with the Asia Centre Biodiversity in Manila. Both in person and by telephone, interviews were conducted with officials involved in higher education and research projects, including the ASEAN University Network, Asia Link, Erasmus Mundus.

At the Synthesis Phase, the Team Leader attended the 17th ASEAN-EC Joint Cooperation Committee meeting on 5-6 February, 2009 in Phnom Penh, where he presented the preliminary conclusions and recommendations. This permitted consultations with a wide range of stakeholders, in particular ASEAN Member State government representatives and ASEC-officials.

### ***III. Regional context***

Founded in 1967 in Bangkok by Indonesia, Malaysia, Philippines, Singapore, and Thailand, later joined by Brunei (1984), Vietnam (1995), Lao PDR and Myanmar (1997, and Cambodia (1999).

We review the ASEAN development context in Section 2 below and given greater detail about specific aspects in Annex 3 of Volume 2.

A consultative, consensual organization, ASEAN is organized around meetings and discussions (e.g. the most important is the Annual Ministerial Meeting of Foreign Ministers (AMM)). ASEAN's greatest achievement is that, through a set of institutionalized consultations and meetings among heads of state and senior officials in the region, ASEAN has succeeded in speaking with one voice in foreign affairs. In this way, it has succeeded in forming formal relations with the EU, the U.S., Japan, China, and other major global actors.

However, ASEAN also has an explicitly economic, social, and cultural agenda. In 1992, an agreement establishing the ASEAN Free Trade Area (AFTA) was signed, and, implemented in 2002,. Yet, the AFTA agreement also calls for the elimination of non-tariff barriers, and over the past decade, ASEAN states have agreed to take a wide range of further measures (e.g. customs reform, liberalisation of trade, etc) for integrating the regional economy.. The implementation of these measures is making progress, but progress is slow. Reasons are the great disparity in levels of economic development between ASEAN members, and the fact that, as a traditional consultative and consensual organization founded on the principle of non-interference, ASEAN lacks enforcement powers. In addition the ASEAN Secretariat is, all agree, badly understaffed relative to the demands placed upon it.

In recent years, ASEAN has begun to come to grips with the institutional and governance challenges that it faces. While reaffirming the core principles of ASEAN, the Charter signed in 2007 calls for strengthening the Secretariat and putting in place more formal mechanisms for dispute resolution and dealing with human rights issues, as well as stipulating criteria for admission of new members. Yet, the end-goals of ASEAN integration -- establishment of the ASEAN Community, consisting of three pillars, namely the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community, have been accelerated to 2015. .

#### ***IV. EC engagement***

The general trend over the last two decades of EC-ASEAN relations has been the steady broadening of areas of engagement. EC COM (2003) 399/4 "A new partnership with Southeast Asia" noted that a more active engagement was needed and identified a wide range of potential areas of cooperation. The range reflects the fact that, with ASEAN member states' growing stature, and with closer EU-ASEAN relations, the EC's concerns expanded from purely economic issues, especially regional integration, to other, sometimes sensitive areas, such as the social sectors, the environment, and human rights. In recent years, the issue of regional security in the light of 9/11 have been added to these. This overall trend towards engagement on a broader range of issues, and the regional nature of the programme, give rise to three challenges.

The first challenge is how to deal with all the relevant issues while continuing to exploit the EC's core comparative advantage in the area of regional economic integration.

A second challenge lies in the fact that most cooperation in the region is, not surprising, at the bilateral level. The 2003 Communication states that most development assistance will continue to be bilateral, citing the advantages that this offers in terms of policy dialogue and reform of the social sectors. Regional approaches are called for in specific cases: when there are economies of scale, when there are opportunities for developing standard policy packages that can be applied in more than one country, or in support of regional-level dialogue. A "two way value-added test" is applied before a regional cooperation project is initiated:

- To see where projects at ASEAN level would have significant added value compared to bilateral cooperation with individual Southeast Asian countries;
- To identify priority areas from an ASEAN point of view where the EU can provide particular added value (notably the EC's expertise in regional economic integration processes)

Finally, the Communication also calls for specific provisions to favour the participation of the less prosperous countries of the region.

The third challenge is that, not only must ASEAN strategy be coordinated with bilateral country programmes (and vice versa), it must be coordinated with Asia-wide horizontal programmes (e.g., Asia-Link, Asia-Invest, Asia Pro-Eco) and with global thematic programmes.

EC cooperation with ASEAN amounted to approximately 97.2 €m in terms of directly related commitments between 2000 and 2007, and an estimated 37.2 €m of commitments for the following period 2008-2010.<sup>1</sup> At this stage, there are no reliable figures available, to compare EC support to ASEAN to that of other donors.<sup>2</sup>

### ***V. Overall assessment***

In our review, we have found that EC assistance to ASEAN contributed significantly to progress made in regional economic integration. Much of this impact was achieved via EC support for the ASEAN Secretariat (ASEC); support which increased ASEC's institutional capacity to promote and manage regional integration process. However, the lack of institutional memory at ASEC due to high staff turnover, the lack of project databases, and the workload placed upon senior and mid-ranking staff were constraints over the assessment period. The ultimate impact of the EC's support to the ASEC must be placed in the context of the overall integration process, in which ASEAN Member States, not weak capacity at ASEC, are the main constraint to more rapid progress.

EU cooperation in the field of energy and biodiversity conservation successfully introduced European best practices of sustainable economic development to the ASEAN region, mostly by networking, capacity-building, knowledge-creation. However, concrete measurable impacts and outcomes have been so small as to be of mostly symbolic value only. EC programmes in higher education and research succeeded in promoting mobility, exchanges, and research networks, created space for policy discussions between higher education / research policy makers, and formed capacity. These impacts are probably sustainable. However, they are limited to the small number of persons and institutions directly concerned.

While contributing indirectly to poverty reduction through promoting regional integration and by complementing bilateral programmes, the EC's ASEAN-level programme has had little direct impact on poverty or on closing gaps within the region. Yet, the indirect effects have been significant and the programme has met EC strategic goals.

The cooperation programme was in line with the strategic goals of both the EC and ASEAN. It has built upon and solidified a positive view of Europe among decision- and policy-makers in the region. ASEAN is open for a broader engagement with the EC, in areas apart from economic integration in which Europe is perceived to have a wealth of concrete experience to share.

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<sup>1</sup> Further details on these commitments are provided in Volume 1, Section 3.3. These figures are based on the data obtained both from the EC database CRIS saisie, as well as additional information gathered through interviews, the desk review, and field visit. Nevertheless, the figure constitutes only an approximation.

<sup>2</sup> This lacunae of reliable comparative figures is in part due to the lack of clear and shared definition of ODA to ASEAN. Various donors include different levels of cooperation in their statistics, ranging from specific support only to the ASEAN Secretariat, to regional cooperation programmes, to all bilateral cooperation with ASEAN member countries.

While some interventions, like support for the ASEAN Secretariat, score extremely high marks for relevance, efficiency, and effectiveness, a theme that has run throughout the evaluation is the need for better coordination between different levels and types of intervention, which would have improved the effectiveness and efficiency of the EC's engagement. Better coordination can contribute particularly to addressing themes-match between ASEAN commitments and national implementation.

**The overall picture that emerges, therefore, is of a programme that was of reasonable quality, consistent with EC strategic objectives, and in line with regional priorities; but whose impacts were limited and often indirect in nature.**

The accompanying Table provides an overview of EC ASEAN-level cooperation projects implemented over the period 1997-2007. Note that, despite the limited foundation in the pre-RSP years, a substantial number of interventions at the ASEAN level were designed and implemented prior to the first 2005-2006 RSP.

## ***VI. Conclusions and Recommendations***

The evaluation has given rise to **five global conclusions** (sector specific conclusions are given in the main text). In decreasing order of priority, these are:

<b>#</b>	<b>Conclusions</b>	<b>Ref.</b>
1	The EC (and Europe more generally) is regarded by ASEAN and national officials as an important source of concrete experiences which may be studied to better design and implement ASEAN integration.	Vol. 1, page 27
2	EC support through multiple channels has significantly contributed to regional economic integration and has helped to foster closer EC-ASEAN trade relations. However, there has been a lack of effective coordination between support to ASEC and other programmes, whether country-level activities developed at the regional level or country-level activities carried out under bilateral cooperation programmes.	Vol. 1, page 27
3	The APRIS capacity building project for the ASEAN secretariat significantly improved the Secretariat's ability to promote policy dialogue and deal with routine matters. However, APRIS was not in a position to bring about far-reaching dramatic changes in the course of regional integration, as major bottlenecks to break-through ASEAN reforms lay in numerous country level political stumbling blocks.	Vol. 1, page 27
4	While poor countries have benefitted from EC capacity building and technical assistance at a number of levels, including participation in policy dialogue supported by EC interventions, there is no hard evidence that EC assistance at the ASEAN level has contributed to closing gaps within the region.	Vol. 1, page 28
5	Energy and environment programmes have been successful in forming networks, building capacity, and creating knowledge. However, tangible impacts on sustainability, if measured, for example, in greenhouse gas emissions averted or number of clean-energy facilities in place and operating, have been very limited.	Vol. 1, page 28

These global conclusions are linked, in turn, to **five recommendations** (sector-specific recommendations are given in the main text, as is more specific detail on possible first steps and progress already being made):

#	Recommendations	Ref.
1	The EC should expand its view of ASEAN-level policy dialogues and technical assistance / capacity building to encompass a broader range and a more heterodox group of subjects.	Vol. 1, page 30
2	The EC should redouble efforts already underway to improve the coordination of the pillars of support – bilateral projects and technical assistance, country-based ASEAN projects, and support to the ASEC, to ensure that synergies are achieved.	Vol. 1, page 30
3	The EC should use its privileged position as a trusted supranational partner of ASEAN and its access to MS decision makers to advocate for the promised increase in human resources at ASEC.	Vol. 1, page 31
4	The EC should position its bilateral projects and technical assistance (TA) in the poor ASEAN MSs to identify barriers to enhanced competitiveness and to promote the successful transition of vulnerable sectors to the new integrated environment. At ASEC level, the EC could advocate for more generous funding of the IAI programme, and consider offering matching grants or co-financing for projects which promise to close gaps.	Vol. 1, page 31
5	The main instrument of improving broad EU visibility must be EC Delegations, which should redouble their efforts to reach out to populations at large in their respective countries. The EC should build on the fact that policy elites and opinion leaders clearly have a positive view of the EU across a broad front.	Vol. 1, page 31

### ***VII. Acknowledgements***

The ASEC in Jakarta was extraordinarily flexible and responsive in working with the evaluation team. We have also benefited from the hospitality of the EC Delegation in Jakarta, as well as Delegations in Bangkok, Kuala Lumpur, Vientiane, and Hanoi. We thank the many national and international partners and stakeholders in the countries concerned who were generous with their times. The Reference Group of this evaluation was constructive and supportive. Finally, we thank the Joint Evaluation Unit of the EC, and in particular the Evaluation Managers, for effective chairing of the Reference Group and management of the process as a whole.

## ACRONYMS

<b>List of Acronyms</b>	
ABC	ASEAN-Brussels Committee
ABC	ASEAN Biodiversity Centre
ACD	ASEAN Cosmetic Directive
ACE	ASEAN Centre for Energy
ACU	Agreements and Compliance Unit
ACVG	ASEAN Customs Valuation Guide
ACW	ASEAN Committee on Women
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AECF	Asia-Europe Co-operation Framework
AEM	ASEAN Economic Ministers
AEMM	ASEAN-EEC Ministerial Meeting
AFTA	ASEAN Free Trade Area
AHTN	ASEAN Harmonised Tariff Nomenclature
AI	Amnesty International
AIA	ASEAN Investment Agreement
AMM	Annual Ministerial Meeting
AMRDPE	ASEAN Ministers on Rural Development and Poverty Eradication
APAEC	ASEAN Plan of Action for Energy Cooperation
APEC	Asia-Pacific Cooperation Forum
APRIS	ASEAN Programme for Regional Integration Support
ARCBC	ASEAN Regional Centre for Biodiversity Conservation
ARCBC	ASEAN Regional Centre for Biodiversity Conservation
ARF	ASEAN Regional Forum
ASC	ASEAN Security Community
ASCC	ASEAN Socio-Cultural Community
ASCOE	ASEAN Committee on Education
ASE3	ASEAN-European Engineering Exchange Programme
ASEAN	Association of Southeast Asian Countries
ASEC	ASEAN Secretariat
ASEF	ASIA-Europe Foundation
ASEM	Asia Europe Meeting
ASEM	Asia-Europe Meeting
ASW	ASEAN Single Window System
ATF	Asia Trust Fund
AUN	ASEAN University Network
AUNIP	AUN Intellectual Property Network
AUNP	ASEAN-EU University Network Programme
AVIST	ASEAN Virtual Institute of Science and Technology
BIMP-EAGA	East West Corridor, Greater Mekong Sub-region, Brunei Darussalam-Indonesia-Malaysia-Philippines - East ASEAN Growth Area
CBD	Convention on Biological Diversity
CCF	Country Co-operation Framework
CEPII	French research institute
CEPT	Common Effective Preferential Tariff
CLMV countries	Cambodia, Lao PDR, Myanmar and Vietnam
COGEN	The European Association for the Promotion of Cogeneration
COST	ASEAN's Committee on Science and Technology
CRIS	Common Relex Information System
CSP	Country Strategy Paper

<b>List of Acronyms</b>	
DCI	Development Cooperation Instrument
DfID	Department for International Development
DG	Directorate General of the EC
DNA	Designated National Authorities
DSM	ASEAN Enhanced Dispute Settlement Mechanism
DSW	German Foundation for World Population
EAEF	EC-ASEAN Energy Facility
EAEF	Energy Manager Accreditation Scheme for the ASEAN region
EAEF	EC-ASEAN Energy Facility
EAI	Enterprise for ASEAN Initiative
EAP	UNEP Environment Assessment Programme
EC	European Commission
ECAP	EC-ASEAN Intellectual Property Rights Cooperation Programme
ECHO	EC Humanitarian Aid Office
ECW	Erasmus Mundus
EEC	European Economic Community
EIB	European Investment Bank
EQ	Evaluation Question
EU	European Union
EUM	EU-Malaysia Chamber of Commerce and Industry
FDI	Foreign Direct Investment
FLEGT	Forest Law Enforcement, Governance and Trade
FSDP	Full Scale Demonstration Project
FTA	Free Trade Agreement
FWPs	European Commission's Framework Programmes
GDP	Gross Domestic Product
GMO	Genetically Modified Organism
GNI	Gross National Income
Green IPP	Name of a web-based renewable energy database
GSP	Generalized System of Preferences
GSP	EU General System of Preferences
GTZ	Gesellschaft für technische Zusammenarbeit, German Technical Cooperation
HE	Higher Education
HEI	Higher Education Institute
HIV/Aids	Human immunodeficiency virus
IAI	Initiative for ASEAN Integration
ICT	Information and Communications Technology
IDPAS	EU support for the Institutional Development Program for the ASEAN-Secretariat
IFIs	International financial institutions
IMF	International Monetary Fund
IPAP	Investment Promotion Action Plan
IPR	Intellectual Property Rights
ISO	International Standards Organisation
ITC	International Trade Centre
JAEP	Japan-ASEAN Exchange Programme
JAGEF	Japan-ASEAN General Exchange Fund
JC	Judgement Criteria
JCC	Joint Cooperation Committee
JICA	Japan International Cooperation Agency
JSG	ASEAN-EEC Joint Study Group
Lao PDR	Lao People's Democratic Republic
MBIPV	Malaysia: Building Integrated Photovoltaic Technology Application Project
MDG	Millennium Development Goals

<b>List of Acronyms</b>	
MTEF	Medium-Term Expenditure Framework
NBRU	National Biodiversity Reference Unit
NGO	Non-governmental Organisation
NIP	National Indicative Programme
NSA	Non State Actors
NTB	Non-Tariff Barriers
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPP	Outline Perspective Plan
PAP	AUNP Project Partnership Programme
PCA	Partnership and Cooperation Agreements
PCA	Post-Clearance Audit
PCT	Patent Cooperation Treaty
PEATWISE	A project aimed to develop a post-graduate programme for peatland management practices
PMC	Post-Ministerial Meeting
PPP	Pursuing Power Parity
PRAG	Practical Guide to Contract Procedures for EC External Actions
PTM	Pusat Tenaga Malaysia (Malaysian Energy Centre)
READI	Regional EC-ASEAN Dialogue Instrument
RG	Reference Group
RIP	Regional Indicative Programme
ROM	Result-Oriented Monitoring
RSP	Regional Strategy Paper
RSP	Regional Strategy Programme
SAARC	South Asian Association for Regional Cooperation
SARS	Severe Acute Respiratory Syndrome
SCANN	Special Coordination Committee
SCP	Sustainable Consumption and Production
SEARCCCT	Southeast Asia Regional Centre for Counter-Terrorism
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
SOMTI	Senior Officials Meeting on Trade and Investment
SOPRANO	Software for Property Rights Administration in National Offices
SPS	Sanitary and phyto-sanitary standards
SWOT	Strengths, Weaknesses, Opportunities, Threats
TA	Technical Assistance
TAC	Treaty of Amity and Co-operation
TEIN	Trans Eurasia Information Network
TETRAWAMA	A project managed by a consortium of German Dutch and Malaysian partners, aimed at producing teaching materials for waste management practices in developing countries
TFAP	Trade Facilitation Action Plan
TIFA	ASEAN-United States Trade and Investment Framework Agreement
ToR	Terms of Reference
TREATI	Trans-Regional EU-ASEAN Trade Initiative
TUHH	European lead partner
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund

<b>List of Acronyms</b>	
UNIMAS	University Malaysia Sarawak
USAID	US Agency for International Development
USD	United States Dollar
VAP	Vientiane Action Programme
WB	World Bank
WHO	World Health Organisation
WTO	World Trade Organisation
WWF	World Wide Life Fund

# 1 INTRODUCTION

## 1.1 Framework of the evaluation

The evaluation of the Commission's co-operation with ASEAN is part of the 2007 evaluation programme as approved by External Relations and Development Commissioners and aiming at ensuring accountability for the management of the allocated funds as well as the promoting of a lesson-learning culture throughout the organisation.

In the context of the programmes of the Relex Family of Directorates-General<sup>3</sup> and of greater concentration of external co-operation and increasing emphasis on result-oriented approaches, particular attention needs to be paid to the provision of the reliable evaluation of impact.

The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with ASEAN;
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

## 1.2 Evaluation process

The evaluation followed a detailed methodological design, based on the evaluation guidelines set forth by the Joint Evaluation Unit. As the Launch Note and Inception Report describe in greater length, the evaluation process was divided into a number of phases, each of which entailed the implementation of a number of pertinent methodological steps, and culminated in a report. The Desk Report provided a synthesis of the progress made and information gathered prior to the field mission, this draft Final Report integrates information gathered in the field.

During the Structuring Stage, the principle foci of the evaluation were set. This was achieved through a review of pertinent policy documents, the elaboration of the context of EC cooperation in the country, a short exploratory field visit, a look at relevant funding flows, and the careful reconstruction of the EC intervention logic. Preliminary evaluation questions (EQs), judgement criteria (JCs) and potential related indicators were drafted based on the intervention logic, and then thoroughly discussed with members of the Reference Group and the Evaluation Managers. The resulting redrafted EQs and JCs provide a clear direction to the evaluation, allowing for a focussed investigation into the most important areas of cooperation.

The core of the methodological approach employed is the rigorous hierarchy of EQs, JCs, and indicators:

- EQs were designed to achieve the objectives of the evaluation (see Section 1.1 above) in accordance with the EC's intervention logic as established by the review of strategic documents.
- Each EQ was answered based on the assessment of several Judgement Criteria. There was no attempt to explicitly weight or rank JCs, but taken as a whole, they provided a sound basis for answering the EQ.
- Each JC was assessed based on a number of indicators identified. Again, there was no explicit weighting of indicators, but taken as a whole, they provide a reasonable basis for assessing each JC. In a few cases where the Evaluation Team felt that the indicator was providing little useful information, it noted this.

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<sup>3</sup> Directorates General of External Relations, (RELEX), Development (DEV), Enlargement (ELARG), Trade (TRADE) and the EuropeAid Co-operation Office (AIDCO)

The relationship between, indicators, JCs, and EQs is made explicit in the Information Matrix presented in Annex 4, Volume 2. This Annex presents the entire evidence base on which EQs were answered, together with information on the sources used to measure the indicators.

During the Desk Phase, efforts were made to gather as much documentary evidence and information as possible, to provide preliminary assessments of the JCs and preliminary answers to the EQs. A detailed literature review was carried out, taking into account all related policy documents, implementation and evaluation reports, mid-term reviews, Results-Oriented Monitoring (ROM) reports and a variety of further sources. Missing documentation was identified and noted and gaps were filled where possible.

Further to the literature review, a number of interviews were carried out with key informants at EC headquarters in Brussels. These interviews have provided valuable information on the EQs, and have helped to identify and at time already fill gaps in the data available up to this point. They have also been useful in identifying contacts for further interviews during the field phase.

Following the Desk Phase, the Evaluation Team undertook a field mission to Jakarta, from 20-31 October. This field mission involved interviews with EC Delegation officials, officials at the ASEAN Secretariat, project officers of the capacity building and technical assistance projects of other donors located in the ASEAN Secretariat, Indonesian national officials, and project staff at ASEAN projects located in Indonesia. Interviews with relevant national officials and ASEAN project staff in Malaysia, Lao PDR, Thailand, Malaysia and Vietnam were carried out during separate field missions that took place in the context of nearly contemporaneous Country Strategy Evaluations in those countries. Officials at the Bangkok Delegation were also interviewed during a visit of the Team Leader that was associated with the Lao PDR evaluation.

#### Box 1: An overview of Data Sources

- A broad range of primary and secondary document sources was consulted (see Annex 2).
- The field mission took place from 20 to 31 October, the Schedule organized by ASEC and EC Delegation Jakarta.
- Interviews: 5 at EC Delegation Jakarta, 3 at EC Delegation Bangkok, 20 ASEC officials, 9 experts / projects providing TA to ASEC.
- Interviews with MoFA officials responsible for ASEAN relations in Lao PDR, Malaysia, Indonesia, Thailand and Vietnam; Ministry officials responsible for regional trade integration in Lao PDR, Malaysia, Eurocham Indonesia, Malaysia and Vietnam and bilateral chambers in Thailand as part of other (parallel) Country Strategy Evaluations.
- Project site visits / interviews with officials involved in projects: COGEN (Malaysia), Standards (Lao PDR), ECAP (Malaysia), EAEF (Indonesia, Malaysia), Asia Pro Eco (Malaysia), Asia Urbs (Lao PDR). Asia Centre Energy, Asia Centre Biodiversity
- Interviews with academics involved in AUN, Asia Link, Erasmus Mundus.
- Data availability was, in general, not a major constraint. One exception was data on actual disbursements of funds, which proved difficult to find. In many programmes in the area of higher education and research, as well, precise numbers of students, staff, and researchers benefiting were often unavailable, although as the Information Matrix in Annex 6 demonstrates, a fairly substantial quantitative picture was obtained for a number of programmes.

The overall aim of the field visits was to analyse the validity of the hypotheses made at the end of the Desk Phase and to fill information gaps that had been identified. At the beginning and end of the field visits, the Team Leader carried out a briefing at the EC Delegation in Jakarta.

Shortly after the field mission, there was a debriefing of the Reference Group in Brussels, at which preliminary answers to EQs (i.e., findings) were presented. On the basis of discussions at this meeting, a draft final report was prepared. Based on the answers to the EQs, this draft final report proposed two sets of conclusions and recommendations. *Global* conclusions are typically grounded in findings related to more than one EQ and relate to overall issues in EC cooperation with ASEAN. Each global conclusion gives rise to a global recommendation. *Specific* conclusions typically arise from the answer to a single, or sometimes two, EQs and are more sector-specific than global conclusions. Each specific conclusion gives rise to a specific recommendation. On the basis of detailed comments received, this revised version of the Draft Final Report is submitted for consideration.

On 5-6 February, 2009 the Team Leader attended the 17th ASEAN-EC Joint Cooperation Committee meeting in Phnom Penh, where he presented the preliminary conclusions and recommendations. This permitted consultations with a wide range of stakeholders, in particular ASEAN Member State government representatives and ASEC-officials.

### **Limitations and lessons learned**

The results of the evaluation are limited by a number of factors. Statistical information regarding actual disbursements, as opposed to commitments, was difficult to obtain, even in the case of projects which had been completed. ROM monitoring reports do not cover the entire period. The process of integrating information from Country Strategy Evaluations into the ASEAN evaluation (and vice versa) worked reasonably well. Going forward, Evaluation teams in CSEs would be well advised to give due attention to regional-level interventions, including a trip to the Delegation responsible at the regional level, time and budget permitting. Taken as a whole, the evaluation team feels that the evidence described above in this section on methodology, provides a reasonably firm basis on which to arrive at findings and conclusions. The team also benefited from the close involvement of the Reference Group, as well as from the Joint Committee meeting in Phnom Penh, which permitted feedback from high-level ASEAN MS representatives.

With hindsight, a lesson learned was that team days should have been reallocated towards the Desk Phase. This would have resulted in a more efficient field mission and in less need to play “catch-up” during the post-field synthesis phase (i.e., the drafting of the Final Report).

## 2 DEVELOPMENT CO-OPERATION CONTEXT

### 2.1 Overview

ASEAN, described in greater detail in Annex 3 of Volume 2, has often been described as the most successful regional cooperation scheme outside Europe, second only to the EU. Indeed it has become the model for regionalism in many other parts of the world.<sup>4</sup> The accompanying text box identified milestones in ASEAN's over forty-year history.

**Founded** in August 1967 in Bangkok by Indonesia, Malaysia, Philippines, Singapore and Thailand

**Later joined by** Brunei (1984), Vietnam (1995), Laos and Myanmar (1997) and Cambodia (1999)

#### Organisational structure

- Meetings of the Heads of Government (formally every 3 years supplemented by 'informal meetings')
- Annual Ministerial Meeting (AMM) of the Foreign Ministers: de facto the most important ASEAN meeting
- Frequent meetings of other ministers, senior officials etc. (400+ meetings per year)
- ASEAN Secretariat in Jakarta (founded 1976): can advise the ASEAN governments but does not have any decision making power

#### Foreign Relations

##### Annual Meetings

- ASEAN Post-Ministerial Meetings (PMC), gradually developed since the early 1970s → ASEAN + Australia, Canada, China, EU, India, Japan, New Zealand, Russia, South Korea, United States
- ASEAN Regional Forum (ARF), founded 1993 (first official meeting 1994) → ASEAN + Dialogue Partners + Mongolia, North Korea
- ASEAN Plus Three, founded 1999 → ASEAN + China, Japan, South Korea
- Frequent inter-regional meetings with EU and Latin American states etc.

#### Milestones of Co-operation and Important Agreements

- 1967 Bangkok Declaration → Founding Document stresses the need for economic, political and cultural co-operation and exchange
- 1976 Treaty of Amity and Co-operation (TAC) → guidelines for the management of intra-regional relations, including mechanism of conflict resolution; in reality more symbolic than binding. Has also been signed by China, Australia, France and other extra-regional powers
- Late 1980s/early 1990s ASEAN successfully and significantly contributed to the resolving of the Cambodia conflict
- 1992 Agreement on establishment of ASEAN Free Trade Area (AFTA) to be implemented by 2010 -> first stage came into effect on January 2002
- 2001 Hanoi declaration on narrowing development gap for closer ASEAN integration; ASEAN Declaration on Joint Action to Counter Terrorism
- 2002 ASEAN-China agreement on Spratly Islands  
Agreement on establishing an ASEAN-China Free Trade Area by 2010  
ASEAN-US Joint Declaration for Cooperation to Fight Terrorism
- 2003 Accord on establishment of an ASEAN Economic Community (AEC), de facto a Southeast Asian Common market, by 2020 (Declaration of ASEAN Accord II)
- 2007 Signing of the ASEAN Charter

<sup>4</sup> See for example, Donald E. Weatherbee, *International Relations in Southeast Asia: The Struggle for Autonomy*, Lanham, MD: Rowman & Littlefield, 2005, p. 88.

Over the past four decades ASEAN has successfully institutionalised a network of regular meetings among the member states that has enabled the governments of Southeast Asia to liaise on problems or challenges faced by the region. One of the most remarkable successes of ASEAN has been the ability of its member states to harmonise their foreign policies and often speak with one voice in international affairs. This in turn allowed ASEAN to establish formal relations with the leading regional and global powers such as the United States, the EU, China and Japan within the framework of annual conference series and forums like the ASEAN Post Ministerial Conferences (PMC) and the ASEAN Regional Forum (ARF).

In November 2007 ASEAN leaders signed the ASEAN Charter<sup>5</sup> which confers on the grouping a legal identity and transforms it from a loose regional grouping into a rule-based entity. The Charter spells out the guiding principles of ASEAN as well as calling for the setting up of an ASEAN human rights body and strengthening of the Jakarta-based ASEAN Secretariat. It also stipulates criteria for admission of new members and methods of dispute settlements, among other things.<sup>6</sup> At the same time, the Charter reaffirms ASEAN's core-principle of non-interference into each other's domestic affairs. It also reaffirms ASEAN's traditional decision-making procedures based on consultations and consensus.<sup>7</sup>

**Table 1 ASEAN: Selected Key Indicators**

Country	Total land area	Total population	Population density	Annual population growth	Gross domestic product at current prices	Gross domestic product per capita at current prices	
	km <sup>2</sup>	Thousand	persons per km <sup>2</sup>	percent	US\$ million	US\$	US\$ PPP
	2006	2006	2006	2006	2006	2006	2006
Brunei Darussalam	5,765	383	66	3.5	11,551.0	30,159.2	25,215.6
Cambodia	181,035	14,167	78	2.1	7,256.5	512.2	3,365.3
Indonesia	1,890,754	222,192	118	1.5	364,400.1	1,640.0	4,353.9
Lao PDR	236,800	5,747	24	2.2	3,521.8	612.8	2,509.3
Malaysia	330,252	26,640	81	2.0	156,924.2	5,890.5	12,471.7
Myanmar	676,577	57,289	85	2.3	11,950.3	208.6	2,060.1
The Philippines	300,000	87,099	290	2.1	118,083.0	1,355.7	5,370.3
Singapore	704	4,484	6,369	3.3	132,273.4	29,499.6	32,975.5
Thailand	513,120	62,829	122	0.7	206,645.1	3,289.0	9,625.0
Viet Nam	329,315	84,156	256	1.2	60,965.2	724.4	3,403.5
<b>ASEAN</b>	<b>4,464,322</b>	<b>564,986</b>	<b>127</b>	<b>1.6</b>	<b>1,073,570.5</b>	<b>1,900.2</b>	<b>5,303.1</b>

Source: ASEAN Statistics, <http://www.aseansec.org/13100.htm>

5 Charter of the Association of Southeast Asian Nations, <http://www.aseansec.org/21069.pdf>

6 ASEAN Charter signed under the shadow of Myanmar, BERNAMA. Kuala Lumpur: Nov 20, 2007.

7 For a discussion see Haacke, Jürgen, ASEAN's Diplomatic and Security Culture. Origins, development and prospects, London and New York: RoutledgeCurzon, 2003.

## 2.2 Overview of EU-ASEAN relations

One of ASEAN's main objectives has been "to maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes" as stated in the Bangkok Declaration, the grouping's founding document.<sup>8</sup> In April 1972, ASEAN launched a Special Coordination Committee (SCANN) to conduct an institutionalised dialogue with the European Community. This way, the EC became ASEAN's first "Dialogue Partner." A few months later, this initiative led to the establishment of the ASEAN-Brussels Committee (ABC), comprising ASEAN ambassadors accredited to the EC. The ABC - which was the first ASEAN Committee in a third country - marked the beginning of formalised ASEAN-EC/EU relations. In 1974 a Joint ASEAN-EC Study Group was established as an alternative to the commercial co-operation agreements that had been negotiated bilaterally between the EC and the Commonwealth countries. The foreign ministers of both the EU and ASEAN have met for political dialogue every second year since 1978.

The signing of the ASEAN-EC Cooperation Agreement in Kuala Lumpur in 1980 marked an important step in the cooperation process between the two organisations. Of particular importance was the statement in the agreement that "such cooperation will be between equal partners", without disclaiming that it will "take into account the level of development of the member countries of ASEAN and the emergence of ASEAN as a viable and cohesive grouping, which has contributed to the stability and peace in Southeast Asia." This new effort was particularly motivated by the urgency of working jointly at the international level to deal with major economic issues. Protocols for the accession of Laos and Cambodia to the Agreement were signed in July 2000 but the EU has indicated that it cannot agree to negotiate an extension of this agreement to Myanmar (Burma) as long as the situation as regards democracy and human rights in that country does not improve significantly. Myanmar (Burma) may participate in EC-ASEAN co-operation actions provided they are in line with the Council Common Position on restrictive measures against this country.<sup>9</sup>

A first-ever EU-ASEAN Summit took place on 22 November 2007 in Singapore to celebrate 30 years of formal relations between the EU and ASEAN.

Closely connected with – but formally independent from the EU-ASEAN dialogue is the Asia-Europe Meeting (ASEM), "Europe's main multilateral channel for communication with Asia."<sup>10</sup> Although the endeavour involves more than just EU- and ASEAN-members, the process has been dominated by these two organisations. Singapore was its main initiator (strongly supported by France), and Thailand the first host. The first meeting was held in Bangkok in March 1996, followed by summits in London (1998), Seoul (2000), Copenhagen (2002), Hanoi (2004), Helsinki (2006) and Beijing (2008) ASEM "aims to strengthen the relationship and increase mutual understanding between the two regions, in a spirit of mutual respect and equal partnership."<sup>11</sup> Additionally, non-governmental actors within the EU and ASEAN have strengthened their relations amongst each other on the so-called 'track-two' level. Among the most important non-state cooperation mechanisms is the Asia-Europe Foundation (ASEF), a Singapore-inspired think tank that aims to boost intellectual, cultural and economic interaction between the two regions.

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8 The ASEAN Declaration (also referred to as Bangkok Declaration), <http://www.aseansec.org/1212.htm>

9 [http://ec.europa.eu/external\\_relations/asean/intro/index.htm](http://ec.europa.eu/external_relations/asean/intro/index.htm)

10 EC, Regional Programming for Asia, Strategy Document 2007-2013, p. 10.

11 [http://ec.europa.eu/external\\_relations/asean/intro/index.htm](http://ec.europa.eu/external_relations/asean/intro/index.htm)

### 3 EC STRATEGY AND THE LOGIC OF EC SUPPORT

#### 3.1 Global EC development policy strategic objectives and priorities

Article 177 of the Amsterdam Treaty (entry into force 1 May 1999) defines the EU development policy priorities, as follows:

- Sustainable economic and social development in favour of developing countries, with a particular emphasis on the most disadvantaged countries.
- Progressive and harmonious integration of developing countries in the world economy.
- Fighting poverty in developing countries.

The European Consensus on Development signed 20 December 2005 and intended to guide both Community and Member State development cooperation, sets out common objectives and principles for development cooperation. It reaffirms EU commitment to poverty eradication, ownership, partnership, delivering more and better aid and promoting policy coherence for development. The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals (MDG).<sup>12</sup>

##### ***3.1.1 ALA regulations (1996-2006)***

The main legal basis for cooperation with ASEAN over the evaluation period was EC Regulation 92/432, the “Asia-Latin America” or ALA regulation.<sup>13</sup> This covered financial and technical assistance and economic cooperation. ALA included partnerships with states, regions (e.g. Asia regional programmes), decentralized authorities, regional organizations (e.g. ASEAN), public agencies, local or traditional communities, private institutes and operators, including cooperatives and non-governmental organizations. Whereas reducing poverty did not become official EC development policy until 2000, the ALA regulation highlighted that aid should target primarily the poorest sections of the population and the poorest countries in the two regions. The Regulation specified a long list of priority sectors, from drugs to the environment to rural development to democracy and human rights. The main interventions specified are economic cooperation and technical and financial assistance, both the take the form of grants. The Regulation specified that economic cooperation should be in the mutual interest of the EU and the partner country or organization. No similar requirement was stated for financial and technical assistance.

##### ***3.1.2 DCI regulations (2007-2013)***

The regulation establishing the DCI was adopted on 18 December 2006. The geographic part of it replaces the ALA programme for developing countries in Asia. The instrument is valid for the period from 2007 to 2013.

The overall goal of the instrument is the eradication of poverty in partner countries and regions in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs), as well as the promotion of democracy, good governance and respect for human rights and for the rule of law.

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12 The European Consensus on Development, 20.12.2005, p. 4

13 <http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=CELEX:31992R0443:EN:HTML>

### ***3.1.3 Regional strategic objectives and priorities***

There are three types of multi-country programmes in Asia<sup>14</sup>:

- Asia-wide horizontal programmes
- Asia Europe Meeting (ASEM)
- Regional programmes for ASEAN and SAARC

We consider ASEAN below and do not discuss SAARC programme, which is not relevant in the current context.

It is important, by way of introduction, to understand the rationale behind multi-country programmes. The best statement of this is to be found in the 2003 Communication on relations with ASEAN which is valid for other multi-country programmes, as well:

Most of EC development assistance shall be implemented through bilateral channels. Regional approaches will, however, be chosen when economies of scale are evident, where the development of country-neutral toolboxes makes sense or in support of dialogue conducted at a regional level. Regional programmes will have to include specific provisions to favour the participation of the less prosperous countries of the region.

## **3.2 EC Strategic Objectives and Priorities in ASEAN**

### ***3.2.1 EC-ASEAN Trade and Cooperation Agreement and the 2003 ASEAN Communication***

The links between ASEAN and the then European Economic Community (EEC) were first institutionalised in March 1980 with the signing of the EC-ASEAN Cooperation Agreement at the Second ASEAN-EEC Ministerial Meeting (AEMM) in Kuala Lumpur. Under the Agreement, objectives for commercial, economic and technical cooperation were established and a Joint Cooperation Committee (JCC) was formed as a mechanism to monitor ASEAN-EEC cooperation. Technical assistance was one of the three areas emphasised, the other two being commercial cooperation and economic cooperation.

The 1994 Communication "Towards a New Asia Strategy" (COM(94) 314) sought to achieve a more comprehensive and balanced framework for cooperation. However, COM(96) 314 "Creating a new dynamic in ASEAN-EU relations"<sup>15</sup> warned (p. 10) of a "regrettable static application" of the Cooperation Agreement and called for "a greater degree of achievement" (ibid.). It called for re-orienting economic cooperation to stress schemes contributing to regional integration and to define priority fields (industrial cooperation, SMEs and creating links between the EC, Member States, and ASEAN). In the area of development cooperation, it noted that some ASEAN countries were still very poor and called for social development cooperation targeting rural development, primary education, and women. Child labour and health were other social areas given special attention. Outside the social sector, the Communication identified environment, educational and cultural links, crime prevention, and science and technology as areas that were of particular promise for cooperation.

In recognition that, while renegotiation of the Agreement was not feasible, EC-ASEAN relations needed to be revitalised, the Commission issued COM (2003) 399/4 "A new partnership with Southeast Asia." The ASEAN Communication identified six key priorities:

- Supporting regional stability and the fight against terrorism;
- Human rights, democratic principles, and good governance;
- Mainstreaming justice and home affairs issues;

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14 Countries eligible for assistance under the ALA regulation are Afghanistan Bangladesh, Bhutan, Burma / Myanmar, Cambodia, China, East Timor, India, Indonesia, Laos, Malaysia, Maldives, Mongolia, Nepal, North Korea, Pakistan, Philippines, Sri Lanka, Thailand, Viet Nam

15 <http://aei.pitt.edu/6271/>

- Injecting a new dynamism into regional trade and investment relations;
- Continuing to support the development of less prosperous countries;
- Intensifying dialogue and cooperation in specific policy areas.

However, and worthy of note, it did not identify an overall long-term objective, such as reducing poverty or promoting regional integration, beyond the closer EU-ASEAN partnership called for in the title of the Communication itself. The Communication also called for a new visibility strategy implicating the EC, the ASEAN Secretariat, governments, and EC delegations in the region.

The legal basis for EC cooperation with ASEAN remains the Cooperation Agreement of 1980. In view of its limited scope and repeated efforts to expand cooperation, however, the de facto foundation for cooperation is the 2003 ASEAN Communication. (see Table 2 in Annex 3, Volume 2, for a summary of areas and specific foci identified in that document)

### ***3.2.2 RSP and Indicative Programme 2005-2006***

Strategy for ASEAN is developed, not in stand-alone programming exercises, but rather as part of Asia regional strategic programming. Thus, the relevant documents are Asia regional strategy programmes (RSPs) and Indicative Plans; which contain ASEAN-specific sections.

With the strategic foundation of the 2003 Communication in hand and based on an analysis of lessons learned, the EC's Asia RSP 2005-2006 (prepared 2004), the first for the region, called for an ASEAN focus on policy dialogue in areas of mutual interest where the EC could support ASEAN's goal of regional integration (and other key sectors). The lessons learned to date were summarised as follows:

- Some of programmes supported in the past were too ambitious given the pace of progress and degree of integration in ASEAN, leading in turn to a lack of ownership.
- Considered as a regional institution, ASEAN is less developed than the EU and, in particular, the ASEAN Secretariat lacks the depth of the European Commission. The fact that ASEAN is a consensus-based grouping increases the transaction costs of negotiating programmes and changing direction in implementation.

The RSP 2005-2006 identified a single priority – support for ASEAN integration and region-to-region dialogue. Two instruments for dialogue were proposed: Trans-regional EU-ASEAN Trade Initiative or TREATI, devoted to trade issues; and Regional EC-ASEAN Dialogue Instrument or READI, devoted to all other policy areas. Four action areas for cooperation were identified: support for the ASEAN Secretariat (continuation of an ongoing programme of capacity building), statistical cooperation, the fight against terrorism and drugs (in the event, transposed into a border management project), and a “New Partnership” visibility programme. Strategic objectives in each area are summarised in Table 3 (Annex 3).

### ***3.2.3 RSP 2007-2013 and Multi-annual Indicative Programme 2007- 2010***

The Asia RSP 2007-13 contained three priority areas: support to regional integration, policy- and know-how based cooperation, and support to uprooted people. Cooperation with ASEAN fell entirely under the first of these. Three of the broad outlines of EC-ASEAN cooperation were maintained in the RSP 2007-2013:

- Institutional support (i.e. support to the ASEAN Secretariat) and support to region-to-region dialogues (having been proposed as stand-alone activities in 2005-2006, the 2007-2013 RSP put support to support to TREATI and READI under the cooperation umbrella).

- Statistical cooperation
- Cooperation and policy reform in the field of security, again framed in terms of improving border management.

Specific objectives identified (ASEAN Regional Integration Agenda European Commission Assistance, p. 6) were

- Continue to support ASEAN economic integration process
- Possible support in capacity building for the EU-ASEAN Free Trade Agreement (FTA) negotiations
- Implement statistical and border management programmes carried over from the RSP 2005-2006
- Start addressing global policy issues through policy- and know how based cooperation in areas identified in the Asia-wide regional strategy:
  - Environment, energy and climate change
  - Higher education and research
  - Cross-border cooperation in animal and human health
  - Trade and business cooperation

As is evident from the description of implementation in the next section, there is a considerable amount of strategic continuity between the 2005-2006 and 2007-2013 RSPs. An exception is that the “New Partnership” information and communications strategy was no longer featured in the 2007-2013 RSP, but a new element of institutional support and region-to-region dialogue is raising the visibility of the EC contribution to ASEAN.

The March 2007 Nuremberg Declaration on an Enhanced EU-ASEAN Partnership<sup>16</sup>, citing the 30th anniversary of ASEAN-EC dialogue, the fortieth anniversary of ASEAN, and the fiftieth anniversary of the Treaty of Rome, re-committed the partners to dialogue and cooperation across a broad front and at the highest level.

### 3.3 Implementation and resources

Table 2 provides an overview of EC ASEAN-level cooperation projects implemented over the period 1997-2007. Note that, despite the limited foundation in the pre-RSP years, a substantial number of interventions at the ASEAN level were designed and implemented prior to the first 2005-2006 RSP. These included capacity building at the ASEAN Secretariat, energy and bio-conservation, as well as a number of trade-related programmes (standards, quality and conformity assessment, intellectual property rights). The total budget amount for projects between the assessment period was nearly € 100 Million. These are commitments, not actual disbursements, but even project final evaluations consulted do not always contain information on the amount disbursed.

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16 [http://ec.europa.eu/external\\_relations/asean/intro/2007\\_16\\_nuremberg\\_declar.pdf](http://ec.europa.eu/external_relations/asean/intro/2007_16_nuremberg_declar.pdf)

**Table 2 EC-ASEAN projects, ca. 1997-2007**

Project	Start – End	Amount	Objectives
ASEAN-EU University Network Programme	2002-2006	€ 7,000,000	Facilitate EU-ASEAN cooperation in higher education / Strengthen capacity of universities in SE Asia
EU-ASEAN COGEN Programme (COGEN I, II, and III)		€ 14,400,000	Accelerate through pilot projects implementation of European cogeneration technologies within industrial sectors in ASEAN region
EC-ASEAN Energy Facility	March 2002 – February 2007	€ 21,500,000	Stimulate regional energy projects and initiatives proposed by energy industry from ASEAN and EU
ASEAN Regional Centre for Biodiversity Conservation	1999-2004	€ 9,424, 000	Promote establishment of regional network between EU and Asia and within ASEAN
ASEAN Centre for Biodiversity	2006-2009	€ 6,000,000	Encourage and enable ASEAN Member States to achieve a significant reduction of biodiversity loss by 2010
ASEAN Programme for Regional Integration Support (APRIS 1)	February 2003 – September 2006	€ 4,500,000	Strengthen EU-ASEAN relations as a whole and complement ongoing EC-ASEAN dialogue / Institution building at ASEAN Secretariat
APRIS 2	November 2006 – November 2009	€ 6,200,000	Same; subsumes Standards and support to regional integration under TREATI and READI as well as activities to raise EU visibility. Components: <ul style="list-style-type: none"> <li>- Standards and SPS</li> <li>- Customs and Trade Facilitation</li> <li>- Investment</li> <li>- Capacity building <ul style="list-style-type: none"> <li>o Improved legal capacity at ASEAN Secretariat</li> <li>o Training of ASEAN Secretariat and ASEAN Member Country officials on Working Groups / Committees</li> </ul> </li> </ul>
EC-ASEAN Intellectual Property Rights Programme (ECAP I and II)	1993-2000 (ECAP I) 2002-2007 (ECAP II)	€ 9,000,000	Enhance investment and trade by contributing to upgrade the ASEAN IPR systems in line with international standards and practices
EC-ASEAN Regional Economic Cooperation Programme on Standards, Quality, and Conformity Assessment	February 1998 – December 2005	€ 10,700,000	Achieve further economic cooperation by adoption by ASEAN of internationally compatible technical regulations and standards; conformity assessment procedures, quality structures and practices.
Civil Aviation Programme	2002-2006	€ 8,500,000	Enhance aviation safety and secure sustainable development of the highest safety standards in Asia; facilitate links between European and Asian companies; provide for development of civil aviation industry to cope with rising demand in Asia.

Source: RSP and NIP 2005-2006; RSP 2007-2013 and MYIP 2007-2010; *ASEAN Regional Integration Agenda European Commission Assistance*

The accompanying Table 3 shows projects foreseen in the 2007-13 programming exercise that are scheduled to commence activities in 2008 and beyond. To underscore the point made above about strategic continuity:

- APRIS 2 is serving a bridging function, as a number of stand-alone interventions such as Standards (as well as support to TREATI and READI) are being handled by APRIS 2 through 2009, by which time, they will have reverted to stand-alone status.
- Two of the four major interventions foreseen under the 2005-2006 RSP (statistical cooperation and border management) are being implemented under the 2007-2010 multi-year indicative programme.

**Table 3 EC-ASEAN projects, 2008-2010**

Project	Start – End	Amount	Objectives
EC-ASEAN Statistical Cooperation	To start in 2008	€ 6 million	Promote regional integration by improving harmonisation (support of ASEAN Secretariat) and availability of reliable and consistent data (support of National Statistical Offices)
EC-ASEAN Migration and Border Management	To start in 2009	€ 4,700,00	Support development of harmonised and integrated border management systems for migration
EC-ASEAN Intellectual Property Rights Programme (ECAP) III	To start in 2009	€ 5,000,000 million	Support ASEAN Action Plan on IPRs; institutionalisation and enforcement of IPRs.
Civil Aviation Programme Phase 2	To start in 2009	€ 5,000,000	Support development of single aviation market while enhancing safety standards
Enhancing EU-ASEAN economic partnership	To start in 2009	€ 2,500,000	Facilitate participation of ASEAN countries in the EU-ASEAN Free Trade Agreement (FTA)
EC-ASEAN Sectoral READI activity	To start in 2010	€ 4,000,000	Support harmonisation of policies and regulations in non-trade related sectors by strengthening capacities of ASEAN Secretariat and ASEAN Member States
Support to ASEAN Economic Integration	To start in 2010	€ 10,000,000	Not yet finalised

Source: RSP and NIP 2005-2006; RSP 2007-2013 and MYIP 2007-2010; *ASEAN Regional Integration Agenda European Commission Assistance*

### 3.4 Other Development partners' support

It is not possible to compare the EC's support for ASEAN with the interventions of other donors on a like for like basis. International support for ASEAN is a combination of ODA for individual member countries and cooperation with ASEAN as an organisation in the areas of trade facilitation, support for Southeast Asia's regional integration agenda, and a broad range of socio-economic issues. The following is a list of main activities of some of ASEAN's most important cooperation partners.

**Australia:** The 2007 Plan of Action in ASEAN-Australia relations singles out key areas for engagement over the period 2008-2013 in the spheres of political and security, economic, socio-cultural and development cooperation. It identifies key areas in which Australia and ASEAN are working together in support of ASEAN integration, including narrowing the development gap, in order to establish an ASEAN Community by 2015.<sup>17</sup>

**Canada:** Over the years, Canada has extended development cooperation to ASEAN in the areas of forestry, human resources development, fisheries, energy, agriculture, transportation and communication.<sup>18</sup>

**Japan:** In addition to being one of ASEAN's most important economic partners, Japan is a major contributor to development cooperation activities. Japan has provided technical assistance to ASEAN through several programmes, such as the Japan-ASEAN Exchange Programme (JAEP) and the Japan-ASEAN General Exchange Fund (JAGEF). Development cooperation covers wide-range of areas, including support for the Initiative for ASEAN Integration (IAI), human resources development (HRD), information and communications technology (ICT), youth, Mekong Basin Development and others. Japan has supported projects under the IAI Work Plan and other regional and sub-regional development areas such as the East-West Corridor, Greater Mekong Sub-region, Brunei Darussalam-Indonesia-Malaysia-Philippines - East ASEAN Growth Area (BIMP-EAGA) and others to promote economic and social development of the regions.

<sup>17</sup> ASEAN-Australia Joint Press Statement on the Adoption of the Plan of Action to Implement the Joint Declaration on ASEAN-Australia Comprehensive Partnership, Singapore, 21 November 2007, <http://www.aseansec.org/21150.htm>

<sup>18</sup> ASEAN-CANADA DIALOGUE, <http://www.aseansec.org/5590.htm>

ASEAN and Japan have placed emphasis on people-to-people and cultural exchanges, particularly among the youths and intellectuals, with a view to fostering a sense of togetherness, mutual trust, respect and understanding of each other's traditions and values. Japan provides its support to the Ship for Southeast Asian Youth Programme and the ASEAN-Japan Youth Friendship Programme. The exchange programmes also include the exchanges of academics, researchers and students.<sup>19</sup>

**United States:** Among a broad range of agendas, the Joint Vision Statement on the ASEAN-US Enhanced Partnership, focuses on support for the integration of ASEAN, leading to an ASEAN Community through, inter alia, the implementation of the Vientiane Action Programme (VAP) and appropriate successor plans; promotion of closer cooperation on combating transnational crimes, including inter alia, security, proliferation of weapons of mass destruction, illicit drug trafficking, trafficking in persons, and enhancing maritime and border security. It expresses readiness to build on the ASEAN-United States Joint Declaration for Cooperation to Combat International Terrorism signed in Bandar Seri Begawan in 2002 to develop joint activities; to strengthen economic cooperation by, inter alia, continuing to implement the Enterprise for ASEAN Initiative (EAI) which serves as a mechanism to enhance trade and investment flows between ASEAN and the United States, and in this regard, to work together to conclude a region-wide ASEAN-United States Trade and Investment Framework Agreement (TIFA). It calls for collaboration in the implementation of the Vientiane Action Programme (VAP) and its successor programmes or plans so that ASEAN may accelerate its regional integration, recognizing the importance of the Initiative for ASEAN Integration (IAI) and other sub-regional growth areas which would bridge the development gaps within ASEAN, and stresses the importance of cooperation to promote sustainable development.<sup>20</sup>

**ADB:** The Asian Development Bank (ADB) provides support for several sub-regional cooperation schemes within ASEAN, e.g. Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA); the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and the Greater Mekong Subregion (GMS).<sup>21</sup>

### 3.5 EC Overall Intervention Logic

In order to provide a general framework for designing EQs, the evaluation team prepared an effects diagram (see Annex 5) illustrating the overall strategic logic of the EC's partnership with ASEAN. Given the large number of interventions, these have been grouped into three broad areas:

- ASEAN-EU relations
- ASEAN integration
- Energy, the environment, and civil aviation

The raw material summarised by the diagram consists of interventions underway or proposed in the 2005-06 RSP, including pre-RSP projects and projects being implemented in 2007 and beyond. Because it is the best synthesis of the situation, we have often relied on the document "ASEAN Regional Integration Agenda European Commission Assistance". It is striking that although the 2003 Communication, which we take as the strategic basis for EC interventions, set forth six "strategic priorities" it never identified a global objective, save in its title – "a new

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<sup>19</sup> ASEAN-Japan Dialogue Relations, <http://www.aseansec.org/5740.htm>

<sup>20</sup> Joint Vision Statement on the ASEAN-US Enhanced Partnership, <http://www.aseansec.org/17871.htm>

<sup>21</sup> ADB, <http://www.adb.org/RegionalCooperation/default.asp>

partnership” -- hearkening back to the 2001 Asia Communication’s reference to “enhanced partnerships.” Possible objectives such as reducing poverty or furthering economic integration, whether of countries into the region or the region into the global economy, are not identified as explicit strategic objectives. Most of the six identified key priorities were not (at least directly) addressed by any concrete project activities over the evaluation period; for example, security issues are only now being explicitly pursued, via the EC-ASEAN migration and border management programme.

This is not to say that the strategy as made explicit in available documents is not consistent with poverty reduction. To illustrate this, we have also provided, at the end of Annex 5, a summary or “meta-“ logical impact diagram which ties major interventions to poverty reduction in a logically consistent fashion. However, this cannot be explicitly “sourced” in the Communications or RSP/NIPs.

## 4 FINDINGS

This section presents findings for all EQs. For each EQ, we give a brief assessment in a text box, then a somewhat longer assessment in the paragraphs following. For full-length EQ answers, plus the assessment of Judgment Criteria informing the answers, and for information on the indicators which informed the assessments of the Judgment Criteria, see Annex 4, the “information matrix.” It is at the level of indicators that citations to source documents and field interviews are to be found.

### 4.1 EQ1 -- TO WHAT EXTENT HAS EC ASSISTANCE TO ASEAN CONTRIBUTED TO TANGIBLE PROGRESS TOWARDS REGIONAL TRADE AND ECONOMIC INTEGRATION?

*EC assistance to ASEAN during the assessment period has resulted in high-level outputs with regard to the support of regional economic integration and trade initiatives, and there has been tangible progress towards regional trade and economic integration. Progress towards the implementation of the ASEAN Free Trade Area, customs harmonization, standards harmonization, IP legislation, registration and awareness etc. would have been reduced without the EC support.*

The EC's contribution to ASEAN integration through technical assistance (TA) and capacity building has followed a dual track: support to the ASEAN Secretariat (ASEC) through the APRIS project and support to ASEAN MSs through regional programmes such as the EC-ASEAN Economic Cooperation Programme on Standards, Quality and Conformity Assessment (2003-2005), Asia ProEco, AsiaInvest and the Asia Trust Fund. All regional programmes have stated the fostering of ASEAN integration as one of their overall objectives. EC assistance has provided capacity building, expertise and TA in areas central to integration.

Based on interviews with ASEC officers as well as implementing agencies/beneficiaries in ASEAN MSs (interviews were conducted in Malaysia, Lao PDR, Thailand, and Vietnam) the EC's assistance through both APRIS and regional programmes made a significant contribution to the regional integration process. The value attached is evidence that beneficiaries regarded impacts as tangible. Although, in assessing each of the Judgment Criteria, we noted difficulties in ascribing impacts to the EC and the EC alone; an overall consideration of the evidence suggests that EC support made a contribution. This applies especially to the areas of standards and sanitary and phytosanitary standards SPS, harmonisation and simplification of customs procedures, intellectual property rights or IPRs and strengthened dialogue on trade and integration.

ASEAN MSs took a strong interest in harmonizing and EC interventions made an important contribution to standards harmonization. However, the actual process of implementation at the national level was fraught with difficulty. This challenge is not confined to standards. One of the striking characteristics of the regional integration process in Southeast Asia is the gap between the ambitious political vision for economic integration as prominently spelled out in the ASEAN Economic Community Blueprint and the ASEAN Charter and the pace at which goals are actually being achieved. Regional integration and harmonization in the field of tariffs, standards, IP, foreign investment regimes etc. has been advancing slowly. The basic conditions for creating common regimes or even for harmonizing national legislative frameworks and enforcement practices among ASEAN countries are not yet in place, the result of disparities in technical and institutional capacities, levels of economic development, and political priorities. As openly discussed not only at ASEC, but within the governments of ASEAN Member States themselves,

sluggish implementation in the member states, not insufficient ASEC capacity, is the main constraint to more rapid progress in regional economic integration.

Due to the soft, non-binding nature of almost all ASEAN agreements, there still is no effective and streamlined process in place at ASEAN headquarters for the resolution of disputes. Existing conflict resolution mechanisms have not been employed. No cases have been raised to the Agreements and Compliance Unit (ACU) or the ASEAN Enhanced Dispute Settlement Mechanism (DSM). To date, disputes among ASEAN MS have either been addressed and resolved through political channels or taken to the WTO)

Overall, APRIS has been the EC's most valuable and successful contribution to the strengthening of regional integration, mainly through dialogue and training and the provision of technical assistance (see the answer to EQ 2 below). The project contributed to a large number of policy recommendations (project results) that were approved and/or incorporated, starting with the considerable contribution to the Vientiane Action Plan (VAP). Numerous reports and work plans produced with the support of APRIS have been adopted by ASEAN.

#### **4.2 EQ2 -- TO WHAT EXTENT HAS EC SUPPORT TO THE ASEAN SECRETARIAT RESULTED IN SUSTAINABLE INCREASES IN THAT INSTITUTION'S CAPACITY TO SUPPORT ASEAN INTEGRATION, AND THE CAPACITY TO COORDINATE INTERNATIONAL ASSISTANCE?**

*EC support for the secretariat has increased ASEC's institutional capacity with regard to the facilitation of the regional integration process. However, limiting factors - that EC interventions have not able to ease - are a lack of institutional memory due to high staff turnover particularly at the level of technical officers and lack of project databases. Moreover, the ultimate impact of the EC's successful support to the ASEC must be placed in the context of the overall integration process, in which sluggish implementation in ASEAN Member States, not weak capacity at ASEC, are the main constraint to more rapid progress.*

Support for the ASEAN Secretariat as a key factor in the process of ASEAN integration has been an EC priority and APRIS was conceived as the EC's main instrument to implement APRIS, was designed around two main components: (1) Studies (policy papers, work plans, cost-benefit analysis and (2) Institutional Capacity Building. More specifically APRIS was tasked with contributing to the ASEAN Secretariat's work on a "Roadmap for the Integration of ASEAN" (also known as the Vientiane Action Plan or VAP) and related programmes, all in the light of lessons drawn from the EU's own integration experience of relevance to the ASEAN. The project was primarily delivered through long- and short-term Technical Assistance and short-term contracted interventions (usually studies and capacity building). There has also been support for research, management systems development (e.g., a projects database) and information dissemination (workshops, seminars etc). Implementation started in September 2003 with an implementation period of three years.

APRIS was successful in:

- contributing to the economic integration of ASEAN in terms of strategy and policy formulation and overall planning, notably its contribution to the VAP;
- the implementation of specific technical assistance and actions in most VAP Programme Areas and Measures (e.g. Customs Reform and Modernisation, IPR etc);
- improving the capacity of the ASEAN Secretariat to undertake its tasks through supporting its ISO certification and various training activities;

- increasing access to relevant experience and know-how from the EU in selected areas.

While it is clear from project documentation and interviews that neither APRIS nor other EC interventions want to ‘sell’ European models, EC interventions meet ASEC’s explicitly expressed interest in familiarizing itself with structures, processes and agencies of the European integration process. EC interventions met ASEC’s explicitly expressed interest in familiarizing itself with structures, processes and agencies of the European integration process. The EC was able to offer specific experience and, by, exploiting its comparative advantage in the area of economic integration, added value. The close integration of APRIS consultancy and technical studies into the ASEAN Secretariat work agenda is adequate evidence of the relevance of the work to the ASEAN Secretariat’s needs.

ASEAN coordination mechanisms have improved and ASEAN information dissemination (a key component of coordination) was strengthened as the result of APRIS. While progress is evident, ASEC’s ability to coordinate assistance efficiently and effectively is hampered by under-staffing and increasing workloads. So far ASEC has not taken the initiative to coordinate international assistance in a formal way, for example based on a donor-matrix. While there has been some discussion of the ASEC playing a coordination role in the context of the aid effectiveness agenda and the Paris Declaration, no formal steps in this direction have been taken.

The clear relevance of APRIS work to the ASEAN work programme, as well as the high marks given to capacity building, bode well for sustainability. A main challenge to sustainability is the lack of institutional memory due to high staff turn-over. When officers leave, their expertise goes with them. APRIS has also, in addition to building capacity, served a gap-filling function in areas such as meeting organization and reporting. While this expedites Secretariat work, it contributes little to building capacity or achieving sustainability.

This EQ specifically addresses the capacity of the APRIS Secretariat. However, the ultimate impact of that strengthening should be nuanced by the point made above, that the main constraints to ASEAN economic integration lie not in ASEC, but in the Member States, often due to political reluctance to implement commitments.

#### **4.3 EQ3 -- TO WHAT EXTENT HAVE EC TRADE-RELATED ASSISTANCE AND DIALOGUE CONTRIBUTED TO INCREASING AND IMPROVING ASEAN-EU TRADE AND INVESTMENT RELATIONS?**

*EU-ASEAN trade and investment relations generally improved during the assessment period, even if the data do not reveal a clear and persistent trend. Looked at from the ASEAN point of view, there has been a noticeable increase in the importance of the EU as a trade partner. EU FDI in ASEAN has been strong, although investment promotion was never an explicit focus of EC-ASEAN cooperation, and trends are driven more by the business cycle and portfolio diversification. We are unable to answer “to what extent” the good state of EU-ASEAN trade and investment relations is attributable to the EC-ASEAN cooperation programme. However, interviews across the spectrum of actors suggest that it played some encouraging role.*

Experience in other Country Strategy Evaluations (e.g. China) has underscored the near-impossibility of ascribing causality to EC interventions in trade relations. Trade is driven by global economic forces and by national economic imperatives. Multiple agents – bilateral agencies, WTO, international financial institutions, private firms, national policy makers, and NGOs. – pursue their separate policy agenda. Isolating a single impact that can be assigned to a single actor is impossible. We thus find ourselves in the position of identifying various levels of

cooperation outcomes (for example, in answering EQs 1 and 2) but struggle to identify clear impacts.

EU-ASEAN trade and investment relations have generally improved during the assessment period, but the data are characterised by considerable inter-year variation and do not reveal a clear and persistent trend. However, looked at from the ASEAN point of view, there has been a noticeable increase in the importance of the EU as a trade partner. Based on the latest information, a broad range of products is traded, although we have been unable to demonstrate that breadth increased over the assessment period. The number of trade disputes does not reveal a clear trend, but disagreements tend to be settled through political dialogue and consultations before they reach the stage of becoming an officially registered

Although we are unable to demonstrate an impact of EC-ASEAN cooperation on inter-regional trade relations in quantitative terms, there appears to have been a more diffuse, but strong qualitative impact. Representatives of European commercial interests (mostly Eurochams in the region), as well as trade counsellors at EC Delegations, present a generally upbeat view and, while not identifying EC ASEAN-level support as a decisive factor, are supportive of it. It is likely that the EC's new strategic approach to ASEAN (dating back to the 2003 Communication) and the manifold cooperation programmes in the trade and economic areas implemented since the beginning of the decade, as well as the intensification of political dialogues, have contributed to the enhancement of bilateral economic relations. In answering EQs 1 and 2, we found that the EC cooperation programme had strengthened regional economic integration and encouraged ASEAN's integration into the world trade system. A better integrated ASEAN in terms of EQs 1 and 2 is, by definition, a stronger trade and economic partner in the sense of EQ 3.

#### **4.4 EQ4 -- WHAT HAS BEEN THE IMPACT OF EC ASEAN-LEVEL COOPERATION AND DIALOGUE ON EC VISIBILITY AT ASEAN HEADQUARTERS AND IN THE REGION?**

*At the ASEC itself, support has resulted in high visibility of the EC / EU and a high regard for Europe as a source of experience to be shared. The EC's concentration on its area of comparative advantage, trade integration, has supported this, although there is now an expressed desire to benefit from EU experience in a broader range of areas. At the country level, knowledge of the EU is limited and does not seem to extend far beyond elites and direct project beneficiaries.*

The "basics" of visibility appear to be in place. Thus, for example, the ASEAN website and documents acknowledge and disseminate information on EC support. EC support for ASEAN-Secretariat in the form of technical assistance has been acknowledged in documentation disseminated by the Secretariat.

All EC-ASEAN projects (particularly the standards programme, ECAP, and APRIS) contributed to an increase in knowledge regarding Europe and the shaping of positive opinions towards the EU and EC among project participants. However, increased visibility does not seem to go much beyond the groups of stakeholders who are directly involved in project implementation. The impact of EC-ASEAN programmes was very limited in terms of the dissemination of information about the EC/EU to the broader audiences.

A study of perceptions of the EU suggests that the population of several ASEAN countries continue to have a very limited and idiosyncratic notion of what the EU really is. Asked what they thought of when they thought of the EU, many replied "the Euro" or mentioned one of the three largest EU countries. The same study found that treatment of Europe in the media is limited and that low popular interest and limited media coverage were reinforcing each other. A

different study found that opinion leaders from the public and private sectors in ASEAN countries were more focused on Asia or ASEAN than on the outside world.

At the top level, however, awareness of the EU is high. The EU became particularly important as a reference point when ASEAN embarked on major institutional reforms after the Asian financial crisis of 1997-99. For example, the Bali Concord II of 2003 envisions an ASEAN Community to be implemented until 2020 consisting of "three pillars" which give explicit reference to the European integration process: an ASEAN Economic Community, an ASEAN Security Community, and an ASEAN Cultural and Social Community. Following the European debate on the EU Constitution, ASEAN members equally discussed reforming and strengthening the organisation's institutional framework. This process resulted in the drafting of the ASEAN Charter, signed in November 2007, which gives ASEAN a legal personality. EC support at all levels has contributed to attaining a level of trust and partnership with ASEAN, a partnership enhanced by the fact that both are multilateral organisations. EC visibility had also increased as a result of the ongoing negotiations for an EU-ASEAN Free Trade Agreement (FTA).

The EC has the comparative advantage relative to other donors at the ASEC in terms of APRIS' and the regional projects' ability to draw on the experiences and lessons learned through the European integration process. More generally, both ASEC and national officials view the EU as a source of inspiration, not only in regional economic integration, but in areas as diverse as closing gaps, promoting civil society, humanitarian relief, and science and technology. Despite occasional frustrations (the EU's focus on Burma / Myanmar; the tendency to view EU-ASEAN relations as a bundle of bilateral relationships rather than an integrated relationship between two regional bodies, irritation with the relatively low level of European representational regional meetings), the EU is viewed as a valuable partner and one with a great deal to offer. While Europe is not seen to be a provider of models to be imitated, it is seen as a reference point, a source of concrete experiences to be examined. However, this view is more widespread among ASEC officials than in the ASEAN member states, particularly in Malaysia and Thailand where governments generally tend to take a sceptical view on the suitability of European models for ASEAN.

#### **4.5 EQ5 -- TO WHAT EXTENT HAS THE EC ENGAGEMENT WITH ENERGY AND BIO-CONSERVATION THROUGH THE ASEAN PROGRAMME SUCCESSFULLY PROMOTED EUROPEAN BEST PRACTICE RELATED TO SUSTAINABLE ECONOMIC DEVELOPMENT?**

*EU cooperation in the field of energy and biodiversity conservation has been successful in introducing European best practices of sustainable economic development to the ASEAN region. They have done so in a number of mostly indirect ways. The main benefits of the programmes flow from the networking, capacity-building, as well as knowledge-creation functions of the programmes. However, concrete measurable impacts and outcomes have been thin and, where they have occurred, so small as to be of symbolic value only.*

Environmental concerns have played and will continue to play both a direct and indirect role in the EC's strategy for the region. For this reason, the EC's involvement with energy and the environment was broad and multi-dimensional.

Three programmes were the main focus for direct interventions in the energy / environment sector: COGEN III (2002-2004) and the European ASEAN Energy Facility (2001-2008). In the area of biodiversity conservation, the EC focused its efforts and resources in the ASEAN Regional Centre for Biodiversity Conservation (ARCBC). Asia-wide programmes were such as Asia Urbs and Asia Pro Eco were also used to pursue environmental objectives.

We answered this EQ on the basis of three Judgment Criteria, one dealing with increasing the

sustainability of economic growth in the region, the second having to do with the transfer of European technology, and the third with the promotion of biodiversity conservation. On balance, our assessments confirm that programmes in both energy and biodiversity have promoted European best practices of sustainable economic development. We are much more sanguine about the first and last Judgment Criteria than we are regarding the one in the middle. Although the evaluations suggest that the programmes and their attendant projects in either field have not necessarily been unmitigated successes, the European Commission's engagement in the environment has brought about a wide range of useful outputs and outcomes. We consider energy and biodiversity in turn.

In energy, while EU programmes have had relatively modest impacts on sustainability in direct terms, they contributed significantly in indirect terms. The bulk of benefits are to be found not in physical measures such as pollution abated or areas protected, but in the less tangible organisational, institutional and ideational impacts. In practice, this means that the programmes have promoted sustainable economic development by providing the institutional infrastructure (including both organisational and human resource capacities), contributed to knowledge-creation and promoted a receptive ideational climate for exploring sustainable economic growth. Evidence from evaluations and the fieldwork of COGEN and EAEP presented below are positive as regards capacity building, institution strengthening, and the formation of networks. At the same time, while conceptualisation and relevance of projects in the two programmes was consistently on target, management issues prevented energy programmes from achieving their full potential. In particular, the demand-driven, bottom-up design of ASEAN-level and regional programmes brought about thematic and regional imbalances. Evidence also suggests that ASEAN and regional programmes would have profited from more thematic coordination at the national levels as well as coordination between bi-lateral and EU activities.

In the programmes aimed at the conservation of biodiversity, tangible impacts and benefits have proven even more elusive than in energy -- even as intangible benefits seem assured. The aim of the ARCBC was to create a coherent institutional framework covering the entire ASEAN region for biodiversity conservation research and policy-making efforts. Overall, evidence suggests that networking, knowledge-creation / knowledge-management and capacity building / training efforts have been the most visible and obvious benefits of the EC engagement. These capacity-building and information-sharing measures have provided ASEAN policy actors with a common language to discuss biodiversity issues: as a result, of which, the quality and sophistication of policy debate about biodiversity conservation has improved. Moreover, evidence suggests that the organisational networks generated by the programme have acted as conduits for capacity-building, information exchange and learning among a wide range of actors from the public, private and tertiary sectors. Research and database construction sponsored by the different programmes have further strengthened the knowledge-base for biodiversity conservation policy-making. Most importantly, the ARCBC programme has resulted in the creation of permanent institution devoted to the conservation of biodiversity, the ASEAN Biodiversity Centre (ABC). This institution will build on the institutional and knowledge foundations laid by the ARCBC.

#### **4.6 EQ6 -- TO WHAT EXTENT HAVE EC-ASEAN LINKAGES IN THE AREA OF HIGHER LEARNING AND RESEARCH SPONSORED THROUGH THE ASEAN PROGRAMME PRODUCED FORESEEN IMPACTS, AND ARE THESE IMPACTS SUSTAINABLE WITHOUT EC FINANCING?**

*EC programmes in higher education and research have generally succeeded in promoting mobility, exchanges, and research networks as foreseen. They have also created space for policy discussions between higher education / research policy makers and formed capacity. In view of the unstoppable globalisation of research and higher learning, these impacts are probably sustainable. However, impacts are limited to the small number of persons and institutions directly concerned. It would be stretching the evidence to assert that EC programmes have created widespread visibility, awareness, or mutual understanding. That having been said, small programmes applied consistently over many years may cumulatively achieve significant impacts.*

Although higher education is key area of cooperation between the EC and ASEAN countries, the EC has neither formulated nor does it pursue substantive goals in the higher education sector. Rather, European interventions are designed to provide a stable institutional framework for higher education interactions between the two regions. In pursuing these broad goals, the EC has relied on a wide range of programmatic tools at the ASEAN level, the pan-Asian level and the global level. While earlier programmes focused on institutional capacity-building (i.e. the ASEAN University Network Programme or AsiaLink), more recent policy interventions have concentrated on creating a framework for researcher and student mobility as well as research collaboration. The aim here was to construct a framework of incentives for faculty/researcher and student mobility that would generate pressure for ASEAN higher education institutions to develop appropriate capacities to take advantage of these programmes.

During the assessment period, the higher education policy interventions of the EC generally fulfilled their stated goals in terms of movement / mobility / participation in networks. However, the numbers of beneficiaries of any European programmes in ASEAN countries has been small (from all indications, precise data are impossible to obtain for some programmes). Outputs and outcomes of these programmes have, with few exceptions, been of high quality and have proved sustainable. Contributing to this is the overall globalization of higher education and research, with higher education and research institutions worldwide acknowledging the need for deepened partnerships to address problems that are increasingly recognized to be global (e.g. climate change) or universal (e.g. urban traffic congestion). It must be admitted though, that for a range of reasons, EC programmes have promoted much more mobility of faculty and researchers from the ASEAN region to European institutions than in the opposite direction.

Higher education policy-makers see the most valuable contributions of the EC's cooperation programmes as being

- the awakening of an awareness of internationalization among ASEAN higher education policy actors, and
- the generation of appropriate institutional capacities (i.e. networks, specific higher education management skills, curriculum development, etc.) in the ASEAN region.

However, these impacts are limited to the relatively small community of immediate project beneficiaries and have not yet diffused into the wider higher education policy domains of ASEAN countries, let alone into the broader community. It would be stretching the evidence to discern, in the EC's cooperation in this region, a tangible impact in terms of broad-based awareness of the EU, improved mutual understanding, etc. That having been said, these small programmes, consistently implemented over many years, may have a not-insignificant long-term impact, and the direct costs are low.

#### **4.7 EQ7 -- TO WHAT EXTENT HAS EC COOPERATION AT THE ASEAN LEVEL BEEN DESIGNED AND TARGETED IN SUCH A WAY AS TO CONTRIBUTE TO REDUCING POVERTY IN THE REGION AND NARROWING THE GAP BETWEEN RICH AND POOR COUNTRIES?**

*Reducing disparities between member states is an important ASEAN goal, and by aligning with the ASEAN agenda, the EC has contributed to achieving that goal. Specific contributions from the EC cooperation programme include improving the participation of officials from poorer countries in regional dialogue, supporting the ASEAN Secretariat in its work on regional integration, directly and indirectly supporting the Initiative for ASEAN Integration (IAI), and building capacity through country-level activities. To say that the EC programme was explicitly designed and targeted so as to achieve the reduction of gaps would be interpreting the evidence rather generously. However, by complementing bilateral assistance and promoting economic growth through regional integration, the ASEAN-level programmes contribute to poverty reduction.*

We take the “poor countries,” for purposes of this EQ, as Cambodia, Lao PDR, Myanmar, and Vietnam (the so-called CLMV countries), keeping in mind that EC cooperation with the penultimate of these is constrained by political barriers.

The EC’s COM (2003) 399 final (“A new partnership with South East Asia”) specifies that cooperation programmes higher than the country level, i.e. at sub-regional or regional level, must contain specific measures to favour the participation of the less prosperous countries in the region. This is in line with ASEAN’s own agenda, as since the enlargement of ASEAN to bring together all the ten-states in Southeast Asia, bridging the development gaps in order to avoid a ‘two-tier’ ASEAN has been a key goal in ASEAN community building process. This has further been reinforced in ASEAN’s 3-pillared approach to building an ASEAN Community, with the adoption of the ASEAN Security Community (ASC), ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC). The strategies to close the development gaps have been largely integrated in the Initiative for ASEAN Integration (IAI) launched in 2001—which has also been a key component in the roadmap of the AEC.

We find, first, that EC support has enabled officials and experts from the poorer countries to participate and effectively engage in ASEAN activities and dialogues. To judge by interviews with officials met during the field phase of the Lao PDR and Vietnam Country Strategy Evaluations, the amount of capacity building that has been achieved in this way is very significant. EC support to the ASEC through APRIS, which provides support for these activities, should also be taken into account. Thus, even the “gap filling” that we criticised in answering EQ 2 provides, indirectly at least, some capacity building in the region by introducing officials from poorer countries to various policy fora. We found unfortunately, no statistical data on the participation of officials, so we are heavily reliant on these field interviews in Lao PDR and Vietnam, as well as at ASEAN Secretariat. Moreover, it needs to be kept in mind that APRIS 1 provided very little direct support to ASEAN MSs, which limited its impact on building capacity in the CMLV countries.

ASEAN-level TA provided through APRIS has been relevant to reducing gaps within the region and to the needs of the poorest countries. Support to the IAI (both direct financial support and support via APRIS) contributed directly to reducing disparities between countries, but IAI is really a very small initiative when compared to needs.

A survey of projects and programmes clearly indicates that ASEAN-level activities (and Asia-wide and global in the case of education) contributed significantly to capacity building in the poorer countries. However, some cautionary notes can be struck. First, as discussed under EQ 6, the number of persons involved in ASEAN-level higher education exchange has been small.

ASEAN-level activities do not seem to specifically target the needs of the less competitive sectors in the CMLV countries, which are those placed at greatest disadvantage under conditions of economic opening. Programming documents do not establish explicit links between EC support at the ASEAN level and poverty reduction. EC regional programmes with a specific focus on integration discuss poverty as part of the respective context/background sections but explicit indicators related to poverty are do not usually find their way into monitoring. Furthermore, positive and/or negative impacts of economic integration on poverty reduction are not expressly addressed by EC strategic documents (the CSP 2002-2006 and 2007-2013 hint at this aspect, however). However, the ASEAN-regional programme is designed to be complementary to bilateral assistance, which is closely tied to poverty reduction, and aims is to support ASEAN integration, which should reduce poverty by accelerating economic growth across the region.

**4.8 EQ8 -- TO WHAT EXTENT WAS THE EC MIX OF INSTRUMENTS (ASIA REGIONAL, ASEAN, BILATERAL, THEMATIC), APPROACHES (FIDUCIARY FUNDS, PROJECT APPROACH, MACRO-LEVEL PROGRAMMES, SWAP) AND/OR CHANNELS OF DISBURSEMENT (GOVERNMENT, PRIVATE SECTOR, NSAS, MULTILATERAL ORGANISATIONS) BEEN APPROPRIATE TO THE NATIONAL CONTEXT AND EU STRATEGIC POLICY AIMS?**

*No doubts have emerged regarding the appropriateness of the EC's overall engagement with respect to EC strategic priorities. A wide range of instruments was deployed, in accordance with a well-articulated strategy that incorporated lessons learned. There has been evolution over time, although some delays in implementation were incurred at the ASEAN level as a result of financing delays. Some interventions, like APRIS, score extremely high marks for relevance, efficiency, and effectiveness. However, better coordination between country-level and ASEC-level ASEAN programmes, and between ASEAN-level cooperation and bilateral cooperation, would have resulted in synergies and improved the overall effectiveness of the EC cooperation programme.*

The EC's 2003 Communication "A new partnership with Southeast Asia (COM (2003) 399 final) stated

Most of EC development assistance shall be implemented through bilateral channels. Regional approaches will, however, be chosen when economies of scale are evidence, where the development of country-neutral toolboxes makes sense, or in support of dialogue conducted at regional level.

In this EQ, we consider mostly whether the EC effectively combined ASEAN-level (i.e., sub-regional) approaches with approaches at other levels, e.g. Asia-wide (regional) and bilateral – country-level).

The EC's strategic programming documents are of high quality and explicitly recognised the comparative advantages and disadvantages, and value added, of different types of instruments. EC-ASEAN dialogue, in particular through the ASEM framework, was highly effective in adapting to national context and EC strategic policy aims. The ASEAN cooperation programme was slow to adjust because of financing gaps, however, new concerns, such as illegal logging, cross-border animal health, and sustainable consumption have been brought into the programme.

Regarding the strengthening of regional economic integration, effectiveness and efficiency have suffered from a lack of synergies and coordination between EC support for ASEC, and bilateral, as well as regional, programmes on the country level, EC support for the ASEC (via APRIS) without specific and linked support to the ASEAN MSs, whether through the national components of regional programmes or bilateral support, had less overall impact than it would have had there been better coordination, not so much at the strategic level as at the level of implementation. At the same time regional projects such as ECAP were primarily directed at ASEAN MSs with insufficient emphasis on the objective of strengthening ASEAN integration, despite the fact all regional programmes stated the fostering of ASEAN integration as one of their overall objectives (see also EQ1). In other words, while EC support for the ASEC did not sufficiently engage the ASEAN MSs, regional programmes (while being successful in the implementation of individual national projects) failed to produce synergies among them to strengthen regional integration. Better coordination with APRIS would have addressed this inefficiency. A similar observation applies to trade-related technical assistance implemented bilaterally; this could have been more closely aligned with regional priorities and the ASEAN commitments that countries had undertaken.

No issues have emerged at any point in this evaluation about the coherence of EC cooperation with EC strategic aims.

The best performer in terms of relevance and adaptation to context and the capacities of the partner has been the APRIS project, discussed in detail in answering EQ 2. It has served as a rapid-response force for addressing ASEAN Secretariat needs for technical inputs and training in the context of regional economic integration. It has also, as discussed above, served a gap-filling function related to ASEC's inadequate human resource capacity, limiting perhaps its effectiveness but undoubtedly proving its relevance.

#### **4.9 EQ9 -- TO WHAT EXTENT HAS THE EC COORDINATED AND COOPERATED WITH EU MEMBER STATES AND INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs) INTENDING TO IMPROVE THE COMPLEMENTARITY OF THEIR INTERVENTIONS?**

*Coordination at the regional level presents special challenges, in addition to which, it is multidimensional, involving as it does different donors intervening at different levels. The EC has engaged in basic coordination to the extent of informal discussions, information sharing, etc. It has attempted to avoid overlap and has successfully exploited comparative advantage (despite the need for better coordination between ASEAN and bilateral-level programmes noted elsewhere). However, there is no evidence that the EC and other major donors have coordinated policy positions regarding ASEAN, nor have they engaged in joint programming. Information-sharing has not resulted in a formal division of labour in support to the ASEC. There is little evidence of coordination with the IFIs.*

The RSP 2007-2013 (p. 9) stated that the coordination process with donors is more complicated at sub-regional level than at national level. In addition to coordination issues at the ASEAN level (say, ensuring that the EC, Japan, the U.S., AusAid, and MSs do not overlap or come into conflict in their support to the ASEAN Secretariat) there are intra-EC coordination issues between levels of assistance (ensuring that ASEAN-level assistance from the EC is consistent with its own bilateral cooperation programmes and vice versa), and inter-donor issues (ensuring that EC cooperation with ASEAN is consistent with other donor's cooperation at the country level).

The EC engaged in "exchanges of views" with other donors and its strategic planning documents incorporate basic concerns regarding other actors. The coordination of activities with other donors (USAid, AusAid, GTZ, JICA and InWEnt) has taken place informally. Formal coordination meetings held monthly and chaired by the EC Delegation in Jakarta commenced recently.

The EC Delegation in Jakarta has also convened meetings of EC cooperation officials from the region for the purpose of coordinating bilateral and regional programmes. This is an area related to which ASEC and project officials interviewed expressed special concern and where they saw considerable payoff to improvement.

Through EC support to ASEC, a database of past technical assistance projects, policy papers, etc. was developed. As of the time of the field mission, this had not yet been implemented by ASEC, a source of some concern given its potential to improve the effectiveness of all donors' support to ASEC. There is no evidence that donors have placed pressure on ASEC in a coordinated fashion to address human resource issues, or that they have coordinated a position on the slow pace at which ASEAN-level policy commitments are being implemented at the level of ASEAN MSs.

Coordination between the EC and International Financial Institutions (IFI) is limited and there seem to be missed opportunities. For example, in the case of the Asia Trust Fund, the absence of

cooperation between the EC and WTO and UNCTAD in the design and implementation of ATF projects - despite the call for such cooperation made when the facility was established - is rather surprising as many project activities could have benefited from such cooperation, according to the final evaluation of the ATF Malaysia component

There is no evidence of coordinated EC policy dialogue prior to its policy dialogue with ASEAN. However, in general, EC strategy has taken the issue of complementarity seriously. We know of no instances of joint programming apart from the ASEM Trust Fund, administered by the World Bank.

Not anticipated in framing the EQ but clearly germane is the contribution of the EC to achieving coherence and complementarity with regard to the international assistance programmes of the better-off ASEAN member states. In the Joint Co-Chairmen's Statement of the 16th EU-ASEAN Ministerial Meeting, Nuremberg, ministers welcomed the trilateral cooperation which combines the development assistance of individual ASEAN member countries and the EC, to the benefit of the CLMV countries (Cambodia, Laos, Myanmar and Vietnam).

## 5 CONCLUSIONS

### 5.1 Global

Global conclusions are given in decreasing order of priority.

#### **Conclusion cG1: (from EQs 1, 2, 4, 5, and 6)**

The EC (and Europe more generally) is regarded by ASEAN and national officials as an important source of concrete experiences which may be studied to better design and implement ASEAN integration.

This is not only because of its experience in regional economic integration, but also in areas such as closing gaps, environmental sustainability, higher education, civil society, and – to a lesser extent - human rights. EC support at all levels has contributed to attaining a level of trust and partnership with ASEAN, a partnership enhanced by the fact that both are supranational organisations.

#### **Conclusion cG2: (from EQs 1, 2, 3, 5, 6, and 8)**

EC support through multiple channels has significantly contributed to regional economic integration and has helped to foster closer EC-ASEAN trade relations. However, there has been a lack of effective coordination between support to ASEC and other programmes, whether country-level activities developed at the regional level or country-level activities carried out under bilateral cooperation programmes.

Although it is in the course of being addressed, poor coordination was the cause for this. The fact that bilateral cooperation under NIPs reflects government priorities, and ASEAN MSs are proving slow to implement ASEAN commitments, is to blame for the second. The need for better coordination between levels of EC support was also evidence in the higher education and research and energy / environment sectors.

#### **Conclusion cG3 (from EQs 1 and 2)**

The APRIS capacity building project for the ASEAN secretariat significantly improved the Secretariat's ability to promote policy dialogue and deal with routine matters. However, APRIS was not in a position to bring about far-reaching dramatic changes in the course of regional integration, as major bottlenecks to break-through ASEAN reforms lay in numerous country level political stumbling blocks.

ASEAN continues to be a collegial, consensus-driven organisation with little real enforcement power. While ASEAN MSs have committed to a significant expansion of resources at ASEC, the fact that a significant amount of APRIS support amounted to providing secretariat support to the Secretariat over the assessment is a source of concern.

#### **Conclusion cG4: (from EQs 1 and 7)**

While poor countries have benefitted from EC capacity building and technical assistance at a number of levels, including participation in policy dialogue supported by EC interventions, there is no hard evidence that EC assistance at the ASEAN level has contributed to closing gaps within the region.

IAI, the main ASEAN initiative, is too small to achieve this aim.. At the country level, uncompetitive sectors, which are likely to suffer from integration, have not been effectively targeted by EC assistance for ASEAN. There is no evidence for a direct impact of regional-level cooperation on poverty reduction. However, by promoting regional integration, EC assistance has contributed to economic growth and can safely be assumed to have had an indirect impact on poverty reduction.

### **Conclusion cG5 (from EQs 4, 5, 6, and 8)**

Stakeholders who have been involved in cooperation with the EC have a highly favourable view of Europe. In general, however, the visibility and knowledge of European programmes outside of direct beneficiaries and the circle of relatively high-level policy makers is low.

Asia-wide and thematic programmes that, it was hoped, would improve visibility by forging partnerships with non-state actors, were only partly successful in achieving this.

## **5.2 Specific**

### **Conclusion cS1 (from EQ 1)**

Absent EC support through the ASEAN-level cooperation programme, there would have been less progress on implementation of the ASEAN Free Trade area, customs harmonization, standards harmonization, IP legislation, registration and awareness etc. However, both EC support for the ASEC and regional programmes implemented at the country level must be placed in the political context.

This political context is that (i) ASEAN MSs do not necessarily place integration at the top of the list and (ii) ASEAN is a consensus-driven organisation with no effective enforcement power. EC bilateral cooperation programmes, as they are aligned with government priorities, cannot effectively mainstream regional integration unless this happens to be a political priority.

### **Conclusion cS2 (from EQ 2)**

EC support has greatly increased ASEC capacity to support regional integration through such functions as providing policy advice, backstopping working groups, supporting policy dialogue, etc.

EC support to ASEC's functions in this area was crucial although, as we have noted above, the main bottleneck to regional integration is at the level of implementation in the ASEAN MSs, not at the level of ASEC capacity to formulate strategy and policy. ASEAN coordination mechanisms have been improved and ASEAN information dissemination (a key component of coordination) has been strengthened by EC support. While APRIS work has been clearly relevant to the ASEAN work programme, a challenge both to near-term impact and long-term sustainability is lack of institutional memory due to high staff turn-over. Moreover, a significant amount of EC support amounts to providing administrative support services to the Secretariat, which does little to promote sustainability. Note, however, that ASEAN MSs have committed to a significant increase in resources available at ASEC.

### **Conclusion cS3 (from EQ 3)**

Experience in Country Strategy Evaluations (e.g. China, Malaysia, Lao PDR, Thailand, Vietnam) has underscored the near-impossibility of ascribing causality to EC interventions in trade relations. However, there is some evidence that regional projects have paved the way for better EU market access of Southeast Asian companies or generally improved bilateral trade and investment relations.

For example, ECAP II provided a valuable - albeit indirect - contribution to economic relations as IP regimes in ASEAN MSs comply now better to the EC and global standard and this should benefit trade and investment relations between the EU and ASEAN.

#### **Conclusion cS4 (from EQ 4)**

All EC-ASEAN projects (particularly the standards programme, ECAP, and APRIS) contributed to an increase in knowledge and the shaping of positive opinions towards the EU among project participants. Higher education and research programmes examined in EQ 6 also contributed to promoting EU visibility, although, again, only among a limited number of people.

In general; increased visibility does not seem to go much beyond policy elites and the groups of stakeholders who are directly involved in project implementation. The impact of EC-ASEAN programmes was very limited in terms of the dissemination of information about the EC/EU to broader audiences and the general public. Among high officials, however, the EC is regarded as an inspiration for regional integration, as well as in specific areas such as shrinking gaps, pursuing environmental sustainability, civil society, human rights, and higher education

#### **Conclusion cS5 (from EQ 5)**

Energy and environment programmes have been successful in forming networks, building capacity, and creating knowledge. However, tangible impacts on sustainability, if measured, for example, in greenhouse gas emissions averted or number of clean-energy facilities in place and operating, have been very limited.

Sustainable, long-term institution building (e.g., ACE and ACB) has been a strong point, and the foundation for future concrete collaborations has been laid. A weak point has been that, as programmes have been demand-driven, there has been little impact on national policy priorities.

#### **Conclusion cS6 (from EQ 6)**

ASEAN-level, as well as Asia regional and global programmes to promote student / staff / faculty mobility and research collaboration worked well and have achieved their specific goals of encouraging mobility and collaboration. However, the programmes affect only a tiny proportion of students/ staff/ faculty in higher education institutions and research organizations in each of the ASEAN countries, so the immediate impact on mutual awareness and understanding is limited.

The programmes are best understood as homeopathic in nature: administered in tiny doses in order to achieve impact in the long-term. Knowledge about European higher education and research opportunities is limited despite high interest and high regard for European institutions. The flow of faculty, students, and researchers is overwhelmingly from ASEAN to Europe, not in the other direction.

### **Conclusion cS7 (from EQ 7)**

While EC ASEAN-level support has contributed to poverty reduction, it is not clear that it has contributed much towards closing gaps, which persist due to radically different resource endowments and initial conditions.

EC support for participation in ASEAN policy dialogues has increased capacity of poor countries to deal with regional economic integration. EC support provided via ASEAN programmes (or made possible via EC support for ASEC) has been a valuable source of knowledge and capacity building related to regional economic integration, with potential for reducing intra-country disparities in the region. By complementing bilateral assistance and promoting economic growth through regional integration, the ASEAN-level programmes contribute to poverty reduction. APRIS has provided support to the operation of the IAI, the main “gap closing” programme of ASEAN. However, these positive contributions need to be put in perspective. The resources available to IAI are too limited for it to have a significant impact on narrowing gaps. There is no evidence for a direct, as opposed to indirect, impact of EC-ASEAN programmes on poverty reduction, and the theme of “losers from integration” has not been mainstreamed in ASEAN cooperation.

### **Conclusion cS8 (from EQ 8)**

There has been a lack of coordination between EC support for ASEC on the one hand and country-level activities, whether through regional or bilateral programmes. No actual synergies could be clearly identified at the implementation level.

At the ASEC, in EC Delegations in Member States, and in Government agencies concerned with ASEAN integration, there is broad perception that activities in countries need to be better aligned with country commitments to ASEAN integration. EC technical support and capacity building, even when delivered through ASEAN-level programmes, does not always directly address the pressing implementation concerns of the moment, for example, in areas such as standards and harmonization. The need for better coordination at ASEC itself, in the form of improved databases and monitoring of progress towards integration, is one factor which limits the alignment of activities at different levels.

### **Conclusion cS9 (from EQ 9)**

There is no evidence of a formal division of labour between donors providing support at ASEC.

The EC engaged in “exchanges of views” with other donors and its strategic planning documents incorporate basic concerns regarding other actors. This coordination of activities with other donors (USAid, AusAid, GTZ, JICA and InWEnt) has taken place informally and overlap does not appear to be a serious problem. Formal coordination meetings which are to be held monthly and chaired by the EC Delegation in Jakarta have commenced; this is a step in the right direction. There does not appear to have been any attempt to coordinate EC support for ASEC with other initiatives such as the Asia Trust Fund.

## **6 RECOMMENDATIONS**

## 6.1 Global

### Recommendation rG1 (from Conclusion cG1)

The EC should expand its view of ASEAN-level policy dialogues and technical assistance / capacity building to encompass a broader range and a more heterodox group of subjects.

Specific areas of interest include climate change, science and technology, civil society development, the closing of welfare gaps, and humanitarian assistance. This recommendation should also be read in light of the conclusion that the main barriers to regional trade integration are no longer at the strategic policy level, but at the level of implementation, where ASEAN MS-level constraints are the main bottleneck. We note that, from a cooperation perspective, this recommendation is now being partly addressed by the READI project which will be a flexible answer to the ASEAN needs in various areas such as environment, climate change, education, energy, disaster management, and ICT. We also recognise that policy dialogue requires EC expertise, and that capacity constraints need to be taken into account.

### Recommendation rG2 (from Conclusion cG2)

The EC should redouble efforts already underway to improve the coordination of the pillars of support – bilateral projects and technical assistance, country-based ASEAN projects, and support to the ASEC, to ensure that synergies are achieved.

This is less a problem of strategy – country and regional strategy papers (CSPs and RSPs) are broadly consistent; but a problem of implementation; of aligning regional and national indicative programmes (RIPs and NIPs), with the added complication that the latter must align with government priorities that do not necessarily place regional integration at the top of the priority list. Efforts by the Jakarta Delegation to ensure coordination are to be praised and should be strengthened. We note that the alignment between NIP and RIP could be reviewed by the coming mid-term review of the strategic documents. Encouraging the regular reporting of progress towards regional economic integration would place the EC in a better position to target assistance at the proper level to the proper use in order to remove bottlenecks and encourage better implementation. Asia-wide programmes (such as Asia ProEco) could make more use of the ASEAN Secretariat as an instrument of ASEAN-wide coordination in policy formulation and policy implementation.

### Recommendation rG3 (from Conclusion cG3)

The EC should use its privileged position as a trusted supranational partner of ASEAN and its access to MS decision makers to advocate for the promised increase in human resources at ASEC.

It should also closely monitor the efforts of bilateral partners, such as Germany and Australia, to encourage organisational reform. A review, to be carried out in twelve or eighteen months' time, should assess what progress has been made in strengthening ASEC's institutional capacity. With regard to slow implementation of regional integration policies at the level of MSs, the EC should adopt a coordinated approach at various levels.

### **Recommendation rG4 (from Conclusion cG4)**

The EC should position its bilateral projects and technical assistance (TA) in the poor ASEAN MSs to identify barriers to enhanced competitiveness and to promote the successful transition of vulnerable sectors to the new integrated environment. At ASEC level, the EC could advocate for more generous funding of the IAI programme, and consider offering matching grants or co-financing for projects which promise to close gaps.

This would enhance and make more explicit the links between the EC's ASEAN-level programme and poverty reduction, the overarching goal of all poverty reduction. While it is not doubted that regional trade integration, by accelerating economic growth, can reduce poverty, the links programme would be strengthened by a more explicit articulation of its impacts on poverty.

### **Recommendation rG5 (from Conclusion cG5)**

The main instrument of improving broad EU visibility must be EC Delegations, which should redouble their efforts to reach out to populations at large in their respective countries. The EC should build on the fact that policy elites and opinion leaders clearly have a positive view of the EU across a broad front.

Any strategy aiming to achieve broad visibility based on an ASEAN-level strategy is likely to suffer from the fact that ASEAN itself has limited visibility at the country level. However, at the ASEAN level, an effort to reach out more effectively to civil society and private sector / professional organisations (i.e. regional professional organisations and civil society organisations) would be effective. In light of this, and perhaps subject to confirmation via further qualitative research, the EC could base a visibility campaign on the value of its experience not only in economic integration, but in the other areas mentioned above, as well. The explosion of concern regarding climate change, the fact that the EU is on the cutting edge of responses to it, the fact that the ASEAN region is a major emitter of greenhouse gases, and the fact that a number of ASEAN MSs are highly vulnerable to the consequences of climate change all combine to make this an especially fruitful area to pursue.

## **6.2 Specific**

### **Recommendation rS1 (from Conclusion cS1)**

The EC should continue its support to ASEAN regional integration through capacity building and technical assistance activities at the bilateral and at the ASEAN level, the latter both at ASEAN Secretariat and through regional projects implemented in ASEAN MSs. The support should take into account, however, the fact that the main challenge at present is removing bottlenecks at the MS level.

In the poorer MSs this may take the form of capacity building and technical assistance devoted to promoting the transition of less competitive sectors into the new state of the world in which they will no longer enjoy the benefits of protection. The alignment between NIP and RIP is a specific issue that could be reviewed by the coming mid-term review of the strategic documents. In the better off MSs, what is needed may be strengthened policy dialogue on the gains from regional integration. The EC may wish to introduce some reporting mechanism whereby support to regional integration, especially at the ASEC level, will be tied to regular reporting on concrete progress made and milestones being attained. At the very least, such a reporting mechanism could improve the positioning and targeting of EC support, including at the MS level. This

recommendation is already considered by the Jakarta-based donors in setting their common strategy.

### **Recommendation rS2 (from Conclusion cS2)**

The EC should use its leverage, its privileged position of trust within ASEC, and its access to MS policy makers to advocate in favour of the proposed increase in resources available to the ASEC.

Prominent in this exercise in moral suasion might be pointing out the relative workload/staffing situations at the EC in Brussels and the ASEC. Future support to ASEC should aim to be exclusively in technical assistance and capacity building, rather than in “gap filling” via the provision of what amounts to secretarial support services to the Secretariat. EC support to ASEC should also be tied to concrete evidence that assistance is being more effectively coordinated by ASEC. Previous APRIS work to provide a database of projects should be followed up on to ascertain its impact.

### **Recommendation rS3 (from Conclusion cS3)**

The EC should consider commissioning a qualitative research study to track the course of EC-ASEAN trade and economic relations via expert interviews, regional and international press content analysis, etc.

Regular consultations with private sector representative organisations, in Brussels, in Jakarta, and in national capitals, should be undertaken.

### **Recommendation rS4 (from Conclusion cS4)**

The EC's outreach and visibility activities in the region should be mostly at the country level. At the regional level, a particularly fruitful approach may be outreach and the formation of partnerships with regional-level civil society and commercial associations.

Another example, given in discussing EQ 6, might be interface with international offices of universities and with organisations such as the British Council in the area of higher education and research. In achieving visibility, the EC should build on the view broadly expressed by stakeholders interviewed that the EU, while not necessarily a model to be followed, is valued a source of concrete experiences which, studied and considered, can help to inform sustainable development in the ASEAN region, and not just in terms of economic integration. This view, which could be further tested through qualitative research, might form the basis for a multifaceted regional visibility campaign.

### **Recommendation rS5 (from Conclusion cS5)**

ASEAN-level instruments in energy and the environment, like instruments in other areas, require better coordination at country-level interface in order to enhance relevance and targeting.

This should be one of the foci of the improved RIP/NIP coordination discussed under EQ 8. Conceivably, ASEC could play a role in the coordination process, although capacity challenges have to be kept in mind. In order to drive, as well as follow, national policy agenda, bilateral, tailor made energy and environment policy interventions are needed to complement the broad-

brush, demand-driven instruments at ASEAN level. A broader tent, bringing together regional and national stakeholders during the programme formulation phase, would provide programme designers with a clearer idea of what issues and topics are likely to engender country-level impacts consistent with EC and ASEAN strategic goals.

**Recommendation rS6 (from Conclusion cS6)**

EC policy-makers should consider expanding programmes and funding to encourage the flow of students and, in particular, faculty from Europe to ASEAN countries.

This could be done through existing programmes, such as Erasmus Mundus or ASEM-Duo, or through a new programme. Improvement is required in terms of coordination and targeting in order to increase the visibility and penetration of EC higher education and research programmes. This requires better vertical coordination of outreach efforts at different levels (national and regional) and horizontal coordination between the EC and other foreign players with more established institutional linkages (e.g. the British Council, or Alliance Française or Goethe Institute) as well as local higher education institutions' international studies offices. In order to maximize the impact of what are, in effect, small programmes, the EC could support the development of institutional capacity at the level of university administration. In particular, internationalisation offices require assistance in building managerial and coordination capacities.

**Recommendation rS7 (from Conclusion cS7):**

The EC should better coordinate country- and ASEAN-level assistance to specifically address the need for gap-closing and should attempt to increase resources available to IAI.

Better coordination of country-level and ASEAN level assistance would contribute to focusing support more closely on areas in which ASEAN MSs need to catch up with their better-off neighbours. While IAI has the potential to close gaps, the resources available are too low. The EC should use its leverage with the ASEC and with MSs to increase commitments to this programme. It may also consider increasing the level of its direct financial support to IAI in the form of grants or co-financing facilities to better leverage IAI finance.

**Recommendation rS8 (from Conclusion cS8)**

Building on better coordination work from ASEC, which could be achieved in the context of reporting regularly on progress towards regional integration, the EC should make greater efforts to ensure that ASEAN and country-level programme implementation is better aligned.

Specifically, country-level trade related technical assistance should reinforce ASEAN-level commitments on trade, capacity building should address deficiencies that are leading to slow implementation of ASEAN commitments, and bilateral policy dialogue should address areas in which political commitment to implementation of ASEAN-level commitments is proving weak.

**Recommendation rS9 (from Conclusion cS9):**

The EC, having already played a leading role, and since it benefits greatly at ASEC from that fact that it, like ASEAN and unlike other donors, is a supranational organisation, can and should add value by coordinating donor support for ASEC.

While coordination of support to ASEC appears to function reasonably well on an informal basis, and the EC Delegation in Jakarta is taking steps to improve information sharing and coordination, there is no evidence that the donors are wielding their combined influence on the ASEAN Secretariat. The recommendations of this evaluation that measures be put in place to track progress on regional economic integration and progress in addressing human resource and management issues at the ASEC, with donor support to be repositioned accordingly, would be strengthened by enhanced upstream donor coordination.

## 7 OVERALL ASSESSMENT

In our review, we have found that EC assistance to ASEAN contributed significantly to progress made in regional economic integration. Much of this impact was achieved via EC support for the ASEAN Secretariat; support which increased ASEC's institutional capacity to promote and manage regional integration process. However, the lack of institutional memory at ASEC due to high staff turnover, the lack of project databases, and the unreasonable workload placed upon senior and mid-ranking staff were constraints over the assessment period. Moreover, now as previously, the ultimate impact of the EC's support to the ASEC must be placed in the context of the overall integration process, in which ASEAN Member States, not weak capacity at ASEC, are the main constraint to more rapid progress. EU cooperation in the field of energy and biodiversity conservation successfully introduced European best practices of sustainable economic development to the ASEAN region, mostly by networking, capacity-building, knowledge-creation. However, concrete measurable impacts and outcomes have been so small as to be of mostly symbolic value only. EC programmes in higher education and research succeeded in promoting mobility, exchanges, and research networks as foreseen. They have also created space for policy discussions between higher education / research policy makers and formed capacity. In view of the unstoppable globalisation of research and higher learning, these impacts are probably sustainable. However, impacts are limited to the small number of persons and institutions directly concerned.

While contributing indirectly to poverty reduction through promoting regional integration and by complementing bilateral programmes, the EC's ASEAN-level programme has had little direct impact on poverty or on closing gaps within the region. This is not to say that the indirect impact has not been very significant (it has been) or that the programme fails to meet EC strategic goals (it does so).

The cooperation programme was in line with the strategic goals of both the EC and ASEAN. It has built upon and solidified a positive view of Europe among decision- and policy-makers in the region. ASEAN is open for a broader engagement with the EC, in areas apart from economic integration in which Europe is perceived to have a wealth of concrete experience to share. This can only be interpreted as an endorsement from the region for the cooperation programme to date.

A theme that has run throughout the evaluation is the need for better coordination between different levels and types of intervention, which would have improved the effectiveness and efficiency of the EC's engagement. Better coordination can contribute particularly to addressing themes-match between ASEAN commitments and national implementation.

Some interventions, like support for the ASEAN Secretariat, score extremely high marks for relevance, efficiency, and effectiveness. However, a conclusion that emerges in multiple sectors

and from multiple sources of evidence is that better coordination between country-level and ASEC-level ASEAN programmes, and between ASEAN-level cooperation and bilateral cooperation, would have resulted in synergies and improved the overall effectiveness of the EC cooperation programme.