



OECD SOUTHEAST ASIA REGIONAL PROGRAMME'S SUPPORT FOR ASEAN

OECD SOUTHEAST ASIA REGIONAL PROGRAMME'S SUPPORT FOR ASEAN

The OECD, through the Southeast Asia Regional Programme (SEARP), works closely with ASEAN in implementing the ASEAN Economic Community Blueprint 2025, as ASEAN's "institution of strategic collaboration". Our co-operation is conducted on three levels

1

Engagement through the ASEAN process

2

Involvement in SEARP's high level meetings

3

Participation in the work-streams of SEARP

1. ENGAGEMENT THROUGH THE ASEAN PROCESS

SEARP, since its launch in 2014, has supported the ASEAN Secretariat and its chairs in delivering a number of deliverables each year. All the deliverables were presented to the ASEAN Economic Ministers Meeting (AEM) and the Senior Economic Officials Meeting (SEOM). The outputs were appreciated by the Economic Ministers and referred in the Ministerial Statement as well as in the Chairman's Statement of the ASEAN summit.

2014

During Myanmar's Chairmanship, SEARP developed with SEOM the ASEAN Principles for Public Private Partnership (PPP) Frameworks with expertise from the RPN on Sustainable Infrastructure. Follow up work focuses on supporting the ASEAN Coordination Committee on Connectivity and implementations of Master Plan of ASEAN Connectivity (MPAC 2025).

2015

SEARP supported the ASEAN chair, Malaysia, by providing inputs to the ASEAN Strategic Action Plan for Small and Medium-sized Enterprises Development 2016-2015 (SAPSMED)- building on the work of the RPN on SMEs, closely conducted with the ASEAN Coordination Committee on MSMEs.

2016

SEARP supported Lao PDR's chairmanship to implement the AEC Blueprint on a broad range of policy areas covered by the Programme. Support includes the launch of the OECD Project for ASEAN SMEs (COPAS); and the drafting of:

- ASEAN Work Plan for Enhancing GVC Participation
- ASEAN Institutional Framework on Access to Finance MSME
- Report and Work Programme on Starting a Business in ASEAN
- ASEAN Guidelines for SEZ Development and Collaboration

2017

SEARP supported the Philippines' Chairmanship and worked on the Policy Handbook on Women Entrepreneurship in ASEAN, ASEAN Principles on Good Business Registration Practice, High-level SEARP related meetings on regulatory practice and SMEs, and Inclusive Business in ASEAN.

2018

SEARP is collaborating with the Singapore's ASEAN Chairmanship in several policy areas such as e-commerce, smart cities and digitalisation.

2. INVOLVEMENT IN SEARP'S HIGH LEVEL MEETINGS OF REPRESENTATIVES FROM ASEAN

Secretary-General of ASEAN H.E. Mr. Lim Jock Hoi attended and participated as key speaker at the first Ministerial Meeting of the OECD Southeast Asia Regional Programme in March 2018 in Tokyo, Japan.

Dr. Ahmad Zafarullah, Assistant Director for ASEAN Integration Monitoring Directorate, participated in the OECD Southeast Asia Regional Forum and contributed to the discussion at the third Steering Group Meeting of SEARP in August 2017 in Bangkok, Thailand.

Secretary-General of ASEAN, H.E. Le Luong Minh opened the launching event of the RPN on SMEs programme to support ASEAN SMEs in August 2016 in Vientiane, Lao PDR.

Deputy-Secretary General of ASEAN, H.E. Dr. AKP Mochtan gave his opening remarks at the OECD Southeast Asia Regional Forum in June 2016 in Hanoi, Viet Nam.

Ms. Yap Lai Peng, Head of Division, Market Integration Directorate of ASEAN presented the AEC Blueprint 2025 and its policy priorities at the second Steering Group Meeting of SEARP in June 2016 in Hanoi, Viet Nam.

Deputy-Secretary General of ASEAN, Dr. Lim Hong Hin gave his opening remarks at the OECD Southeast Asia Regional Forum 2015 in Jakarta, Indonesia, and also participated in the Inter-session Meeting of SEARP in December 2015 in Paris.

The Ministers expressed appreciation to the ASEAN Regional Integration Support from the EU (EU-ARISE) and the Organisation for Economic Co-operation and Development (OECD) for their support to the development of some of these priority deliverables.

**48th ASEAN Economic Minister's (AEM) Meeting's Statement
3 August 2016, Vientiane, Lao PDR**



⌚ Ministers and high-level representatives from Southeast Asia at the First Ministerial Meeting of the OECD Southeast Asian Regional Programme, in Tokyo on 8-9 March 2018.

3. PARTICIPATION IN THE WORK-STREAMS OF SEARP

SMEs

- The OECD's Southeast Asia Regional Programme (SEARP) has supported the *ASEAN Co-ordinating Committee for MSMEs (ACCMSME)* since 2014, through its RPN on SMEs. These RPN meetings provide a forum for ASEAN member states to share experience and advice in the field of SME policy, accompanied by analytical inputs and advice share by the OECD secretariat and member-country officials. These meetings contributed to the development of the ASEAN SAPSMED 2016-25, which was launched on the margins of the ASEAN Summit in November 2015.
- The RPN on SMEs supports the implementation of the *SAPSMED 2016-25* through the five-year *Canada-OECD Project for ASEAN SMEs (COPAS)*. This project aims to enhance SME development policies in ASEAN, leveraging a number of SEARP workstreams as well as expertise from other OECD directorates and bodies.
- The RPN meets twice a year, back-to-back with the semi-annual ACCMSME meeting.
- In partnership with ASEAN and ERIA, SEARP launched a pilot *ASEAN SME Policy Index* in 2014. The report maps SME policies across ASEAN member countries and convergence towards the ASEAN Strategic Plan for SME Development (2010-2015). A *new edition of ASEAN SME Policy Index* will be released in 2018.



⌚ Ninth Regional Policy Network Meeting on SMEs, held in Luang Prabang, Lao PDR, in April 2018

TAX

- RPN on Tax aims to address current key issues such as enhancing and modernising tax systems by countering base erosion and profit shifting (BEPS) and increasing transparency and information exchanges for tax purposes. It also encourages the involvement of countries in the region in the development of a statistical database for policy reform, published annually through the Revenue Statistics in Asian Countries series.
- Brunei Darussalam, Indonesia, Malaysia, Singapore, Thailand and Viet Nam, participate on an equal footing in the BEPS Inclusive Framework.
- Indonesia, Malaysia and Singapore, among 78 countries and jurisdictions, signed for the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI)*.
- OECD offers variety of seminars in the region through Multilateral Tax Centres in Korea and China, or in collaboration with regional organisations and countries.
- Indonesia, Malaysia, the Philippines and Singapore participate in the Revenue Statistics in Asian Countries in 2017

⌚ Train the Trainers Seminar in Manila on 22-24 November 2017

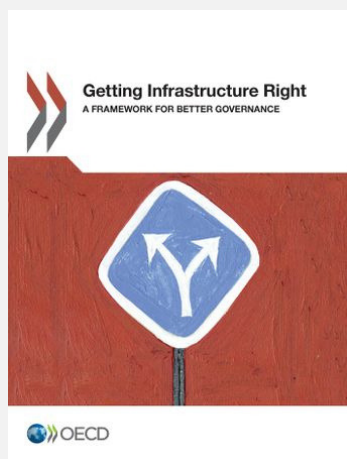


- The RPN on Investment (RPNI) serves as a platform to discuss and exchange experiences among ASEAN and OECD countries in the areas of investment policy reform and business climate improvements.
- It draws on OECD Investment Policy Reviews (IPRs), conducted in partnership with the ASEAN Secretariat, of Viet Nam (2009), Indonesia (2010), Malaysia (2013), Myanmar (2014), Philippines (2016), Lao PDR (2017) and the forthcoming IPRs of Cambodia and Viet Nam (second review). An IPR of Thailand will start very shortly as well as second reviews of Indonesia and Myanmar.
- The latest RPNI discussed the recent IPR for Southeast Asia, which provides a thematic and comparative analysis of investment policy developments at the regional level.
- One area of focus of RPNI discussions is on experience sharing in implementing reforms and on how investment climate improvements can contribute to narrowing the development gap within ASEAN.
- Future RPNs will build on the success of IPRs and focus on different key activities: 1) implementation of reforms at regional level; 2) creation of a regional database of foreign investment-related regulations; 3) Assessment of implementation of IPR recommendations; and 4) implementation of COPAS on the investment perspective.



📍 Philippine's Secretary of Trade and Industry Adrien Cristobal, with OECD DSG Douglas Frantz, at the launch of IPR of Philippines in April 2016, Paris, France

- The RPN supports ASEAN in implementing *the Master Plan for ASEAN Connectivity (MPAC)*. It further serves as a fora for sharing lessons learned and best practices among OECD and ASEAN policy makers and experts on sustainable infrastructure development and connectivity.
- In line with the MPAC 2010, RPN supported a report and website on *risk mitigation instruments for private infrastructure investment; capacity development workshops on value for money; reviews of the PPP frameworks* in Indonesia, Philippines, Thailand and Viet Nam; guiding principles to *ensure value for money in PPPs*, as well as a *Good Practice Guide on Using High Quality Transaction Advisors*.
- The RPN will continue its support to ASEAN in implementing MPAC 2025. The potential projects that would help achieve the MPAC 2025's objectives include 1) country specific infrastructure governance reports; 2) development of regional policy guidelines for prioritising public investment; and 3) building an ASEAN Infrastructure Governance Index following the ASEAN SME Policy Index model.
- It also aims to enhance co-operation with ASEAN through the ASEAN Connectivity Coordinating Committee (ACCC).



- RPN on Education and Skills aims to foster knowledge exchange in support of national growth and regional integration by encouraging a whole-of-government approach to the formation and implementation of skills policies. It builds on the platform of the *OECD's Employment and Skills Strategies in Southeast Asia (ESSSA)* initiative, which has been networking ministries of skills and labour from ASEAN member countries since 2008.
- The network has annually met since 2015. *The first meeting on "Better Connecting the Education and Skills System to the World of Work"* was held in October 2015 and organised in collaboration with Cambodia's Ministry of Labour and Vocational Training and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).
- *Second meeting on "The role of the private sector in skills development and employment"* took place in October 2016 and was hosted by the Philippines' Department of Labour and Employment (DOLE).
- *Third meeting on "Building Talent for the Next Production Revolution"* was held in Hanoi, Viet Nam in October 2017, in collaboration with Viet Nam's Ministry of Labour Invalids and Social Affairs, GIZ and ADB.
- *Fourth meeting* will take place at Lao PDR in 2018, in continued partnership with GIZ and the ADB.



📍 Delegates at the 2017 RPN on Education and Skills, Viet Nam.

- Established in 2014, the ASEAN-OECD Good Regulatory Practice Network (GRPN) aims to support ASEAN Member countries in building and strengthening capacity for the implementation of good regulatory practice to ensure high-quality regulation and regulatory coherence in the region.
- OECD is supporting ASEAN Economic Integration through a variety of workshops, seminars and events highlighting the importance of regulatory coherence, namely the ASEAN-OECD Centres of Government meeting and GRP Conference, ASEAN Civil Service Conference, and the Southeast Asia Forum on Regulatory Reform Responses to Economic Challenges.
- The OECD is proud to be identified as a knowledge partner in the AEC Blueprint 2025 in supporting ASEAN member states in their regulatory reform initiatives and have contributed to the development of the ASEAN Regional Principles on Business Registration.
- OECD Reviews of Regulatory Reforms in Indonesia, Malaysia, and Viet Nam provided an assessment of GRP, with a focus on specific thematic issues including improving coordination, connectivity, and administrative simplification. It aims help governments develop and improve plans on regulatory reform in Southeast Asian countries.
- A comprehensive stocktaking of GRP in all ASEAN member countries, to be launched in October 2018, highlights efforts taken to advance GRP in various areas, including cutting red tape, regulatory oversight, regulatory impact assessment, stakeholder engagement, ex-post evaluation, e-government and appeals.



📍 Third Regional Policy Network Meeting on Good Regulatory Practice, held in Iloilo City, Philippines, in 14-16 March 2017.

- The Trade Initiative aims to build a *closer dialogue on trade issues between Southeast Asia and OECD*. It also aims to build confidence and promote the gradual integration of ASEAN into OECD trade works. Much of the OECD's Trade Committee's work is highly relevant to the efforts by ASEAN to improve market connectivity; particularly in relation to on-going work on *trade facilitation, services trade and participation in global value chains*.
- In addition to presenting at a number of trade-related workshops, conferences, and high-level meetings in the region, the OECD has also supported AEC goals through capacity building trade policy seminars, including :
 - *Workshop on trade facilitation in Cambodia in May 2015 and Indonesia in January 2017*
 - *Seminar on Making GVC work for ASEAN, in Viet Nam in June 2016*
- The OECD will contribute to the *ASEAN Coordinating Committee on Services* in production of ASEAN services related statistics by expanding the coverage of the *OECD Services Trade Restrictiveness Index (STRI)*. All ASEAN economies are covered by the OECD Trade Facilitation Indicators (TFIs).



🕒 OECD-ERIA Seminar on Making GVCs work for ASEAN in June 2016, Hanoi, Viet Nam.

- The Innovation Initiative serves as a platform to discuss and exchange experiences among ASEAN and OECD countries on policies for innovation, including the now burgeoning digital transformation. There is much scope for mutual learning and peer dialogue, as well as the sharing of best practices.
- The Initiative benefits from in-depth analysis currently underway for the COPAS project. The work on *enhancing SME productivity* is engaging several ASEAN countries in new micro-data analysis of productivity and business dynamics, while the work on *digital infrastructure* is examining bottlenecks to access and use of digital services by SMEs in ASEAN and identifying good practices and policy directions for harnessing digital transformation.
- The Initiative is further informed by the inclusion of several Southeast Asian countries in the biennial *OECD Science, Technology and Innovation Outlook*, databases such as *OECD-WTO Trade in Value Added (TiVA)*, and in country-specific review processes, with the 2016 *OECD Review of Innovation Policy for Malaysia* the most recent example.



SCAN TO
READ THIS
REPORT



- The Southeast Asia Gender Initiative aims to build on the existing OECD-wide Gender Initiative, which focuses on strengthening gender equality in education, employment and entrepreneurship (the "three Es"). The OECD Gender Recommendation sets out a number of measures that governments should consider to address gender inequalities in education, employment and entrepreneurship (OECD, 2013).
- In 2017, the OECD in partnership with ASEAN, through SEARP and with support from Canada, launched a new report on *Strengthening Women's Entrepreneurship in ASEAN* at the margins of the ASEAN Economic Minister Meeting in September 2017 in Philippines. The report provides a comprehensive and up-to-date analysis of women's participation in the labour market in Southeast Asia, with a focus on entrepreneurship.

🕒 OECD Secretary-General Angel Gurría presents the Strengthening Women's Entrepreneurship in ASEAN report at the 2017 OECD Southeast Asia Regional Forum in Bangkok



- The Economic Outlook for Southeast Asia, China and India is an *annual publication* on economic growth, development and regional integration process. It is released at the *ASEAN Business and Investment Summit (ABIS)* which is held on the side-lines of the ASEAN Summit. The *Outlook Consultation Group (OCG) meetings* are held in three-phases every year, Co-Chaired by Switzerland and Viet Nam from 2018.
- The 2018 edition was launched at the ABIS in the Philippines. As in the past years, this edition is comprised of four main parts. The first part presents the regional economic monitor, depicting the near-term and medium-term economic outlook. The second part discusses the developments in regional integration, the third part addresses the special thematic focus specific to each edition, which in this 2018 edition is dedicated to digitalisation. The fourth part presents the structural policy country notes of each ASEAN member country, China and India.

🕒 Launch of the 2018 OECD Economic Outlook for Southeast Asia, China and India at the ASEAN Business and Investment in Manila, Philippines

