



Appendix 4.I: Prioritised Projects for ASEAN Connectivity

Project Title	Project Description	Type of Intervention/ Sources of Financing	Remarks/Justification
A. Physical Connectivity			
1. Completion of the ASEAN Highway Network (AHN) Missing Links and Upgrade of Transit Transport Routes [LAND TRANSPORT]	<p>The ASEAN Highway Network (AHN) is a flagship land transport infrastructure project which forms the major road (interstate highway) component of the overall trans-ASEAN transportation network. The AHN will help provide access to an enlarged market, reduce transportation and trade cost, establish linkages with regional and global supply chains, and facilitate greater regional economic cooperation and integration. The AHN's current implementation state still shows missing links and 'below Class III' roads within ASEAN's designated Transit Transport Routes (TTRs). The subset of projects below will complete these missing links and prioritise the upgrade of 'below Class III' roads in designated TTRs by 2015.</p> <p>Missing links:</p> <ul style="list-style-type: none"> (i) Myanmar: AH112 (Thaton – Mawlamyine – Lahnya – Khlong Loy, 60 km) (ii) Myanmar: AH123 (Dawei – Maesamepass, 141 km) <p>Upgrading of 'Below Class III' TTRs:</p> <ul style="list-style-type: none"> (i) Lao PDR: AH12 (Vientiane – Luang Prabang, 393 km) (ii) Lao PDR: AH15 (Ban Lao – Namphao, 98 km) (iii) Myanmar: AH1 (Tamu – MDY – Bago – Myawadi, 781 km) (iv) Myanmar: AH2 (Meikthila – Loilem – Kyaington – Tachikeik, 593 km) (v) Myanmar: AH3 (Kyaington – Mongla, 93 km) 	CAPITAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: Multilateral Development Banks (MDBs), Bilaterals, National Budgets, China-ASEAN Investment Cooperation Fund and the US\$15b China-ASEAN credit, Japan	<p>The AHN sections identified for priority implementation here are those that will result in the completion of the missing links in the AHN and will upgrade designated TTRs to the barest minimum road class standards. Focus on implementing this subset of projects appears to be more achievable by 2015, as compared to the completion of all the construction and/or upgrading required for the entire AHN by 2015. Moreover, priority to the completion of the AHN by 2015 is stipulated in the ASEAN Leaders' Statement on ASEAN Connectivity (October 2009) as well as the AEC Blueprint.</p> <p>Completion of the missing links and other infrastructure projects could contribute towards the development of economic corridors which are already in progress in ASEAN.</p>
2. Completion of the Singapore Kunming Rail Link (SKRL) Missing Links [LAND TRANSPORT]	<p>THE Singapore Kunming Rail Link (SKRL) is another flagship project for land transport infrastructure intended to link seven ASEAN Member States and China through Singapore–Malaysia–Thailand–Cambodia–Viet Nam–China (Kunming) and spur lines in Thailand–Myanmar and Thailand–Lao PDR. To complete the mainline SKRL and to demonstrate ASEAN's resolve to complete this rail link, the following links need to be prioritised for construction:</p> <ul style="list-style-type: none"> (i) Thailand: Aranyaprathet – Klongluk, 6 km (ii) Cambodia: Poipet – Sisophon, 48 km (iii) Cambodia and Viet Nam: Phnom Penh – Snuol – Loc Ninh, 254 km (iv) Viet Nam: Loc Ninh – Ho Chi Minh City, 129 km 	CAPITAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: MDBs, Bilaterals, ASEAN Member States' (AMS) assistance to other AMS, National Budgets, Private Sector Participation (PSP), ASEAN Infrastructure Fund (AIF), China-ASEAN Investment Cooperation Fund and the US\$15b China-ASEAN credit	<p>The railway sections prioritised here correspond to the sections that will complete the mainline SKRL. The first three - items (i), (ii) and (iii) - are scheduled for completion by 2015. Item (iv), which is a 129 km connection between Loc Ninh and Ho Chi Minh City, is currently scheduled for completion by 2020. The full benefits of SKRL will only be realised if all the links - (i), (ii), (iii) and (iv) - are completed by 2015.</p>

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<p>3. Establish an ASEAN Broadband Corridor (ABC)</p> <p>[ICT]</p>	<p>The ASEAN Broadband Corridor (ABC) project has two main objectives: (i) to provide the infrastructure backbones to enable ICT services to all communities in ASEAN; and (ii) to put in place the required enabling policies and legislation to attract businesses and investments to the region.</p> <p>The project will focus on development of the “next generation infrastructure” (which refers to both wired and wireless technologies) and set the minimum standards and quality of broadband connectivity in ASEAN. It will also identify and develop the locations in each ASEAN Member State which offer quality broadband connectivity and enabling environment for the seamless usage and ICT applications across ASEAN and enhance the development of ICT and other sectors (e.g. broadband to all schools), and promote the diversity of international connectivity among ASEAN Member States. [2015]</p>	<p>CAPITAL/TECHNICAL ASSISTANCE</p> <p>POSSIBLE SOURCES OF FINANCING: AIF, PSP, Dialogue Partners, Bilaterals, MDBs, National Budgets</p>	<p>As information infrastructure is fundamental to improving economic efficiency through providing access to information and knowledge, it is necessary to establish an ABC. The ABC will be significant as it can boost business and social development throughout the region. It also can allow individuals to build a sense of community and awareness beyond their immediate surroundings.</p>
<p>4. Melaka-Pekan Baru Interconnection (IMT-GT: Indonesia)</p> <p>[ENERGY]</p>	<p>This project involves a 600 MW high voltage direct current (HVDC) interconnection between Peninsular Malaysia and Sumatra, Indonesia consisting of:</p> <ul style="list-style-type: none"> (i) Submarine cable (52 km) through the Straits of Malacca from Telok Gong in Malaysia to the Island of Rupert in Indonesia; (ii) Overhead transmission lines (30 km) crossing the Rupert Island; (iii) Submarine cable (5 km) crossing the Rupert Straits up to Dumai; (iv) 275 kV overhead transmission lines (200 km) from Dumai to Garuda Sakti in Central Sumatra to be built by Indonesia’s state electricity firm - Perusahaan Listrik Negara (PLN); and, (v) Converter stations in Telok Gong and Garuda Sakti including harmonic filters and other necessary transmission facilities. <p>The project will be implemented in two phases. The first phase will consist of a 300 MW single pole configuration and the second phase will add a second 300 MW pole allowing the interconnection to operate on a bipolar configuration. [2012]</p>	<p>CAPITAL ASSISTANCE</p> <p>POSSIBLE SOURCES OF FINANCING: AIF, Asian Development Bank (ADB)</p>	<p>The rationale for the project is based on a win-win deal where each country will share their peaking capacity and the spinning reserve due to (i) the one hour time difference between the two countries; and (ii) the difference in peak hours and load curve pattern (Malaysia has a day peak, while Sumatra has a night peak).</p>

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5. West Kalimantan-Sarawak Interconnection (BIMP-EAGA: Indonesia) [ENERGY]	The project will consist of 120 km high voltage 275kV AC interconnection called the West Kalimantan-Sarawak Interconnection and Bengkayang substation. The line will connect Bengkayang Substation in West Kalimantan to Mambong Substation in Sarawak. PLN will build an 82 km line in West Kalimantan side while the length of line in Sarawak side will be around 38 km. In addition, to allow the power to reach the load centre in West Kalimantan, PLN will build 60 km of 150 kV AC line from Bengkayang substation to Singkawang substation. [2013]	CAPITAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: AIF, ADB	The interconnection will increase the reliability of the West Kalimantan system. The rationale for the project is based on a win-win deal where: (i) West Kalimantan will reduce the oil consumption since most of the existing plants are diesel-based; and (ii) each country will share their peaking capacity and the spinning reserve due to (a) the one hour time difference between the two countries; and (b) the difference in peak hours and load curve pattern (Sarawak has a day peak, while West Kalimantan has a night peak).
6. Study on the Roll-on/roll-off (RoRo) Network and Short-Sea Shipping [MARITIME TRANSPORT]	The project will involve a technical and feasibility study on adopting a roll-on/roll-off (RoRo) network in ASEAN and an assessment of options available for ASEAN Member States to encourage the development of short-sea shipping.	TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: National Budgets, USAID, Asia Foundation	This study will be a first step in exploring one of the options to implement one of the key principles in the Master Plan on ASEAN Connectivity on bridging archipelagic ASEAN with mainland ASEAN.

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B. Institutional Connectivity			
1. Developing and Operationalising Mutual Recognition Arrangements (MRAs) for Prioritised and Selected Industries [FREE FLOW OF GOODS]	This project will assist ASEAN Member States to (i) develop more Mutual Recognition Arrangements (MRAs), in particular, for the priority integration sectors; and (ii) adhere to the general principles and conditions stipulated in the ASEAN Framework Agreement on MRAs and to facilitate the recognition of results of compulsory certification required by a Member State where the certificate is issued by conformity assessment bodies in the territory of another Member State, especially for the prioritised sectors.	TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: National Budgets, Dialogue Partners, ASEAN Economic Integration Support Programme (EU), MDBs	Technical assistance is required to implement this. As of 2010, ASEAN has only developed MRAs for the electrical and electronic sector, and cosmetic sector. More MRAs would need to be developed, in particular, for the priority integration sectors as ASEAN works towards the creation of a single market and production base by 2015.
2. Establishing Common Rules for Standards and Conformity Assessment Procedures [FREE FLOW OF GOODS]	This project will undertake a stock-take of regulatory regimes/legislative framework, an assessment of the feasibility of establishing a set of common rules, and the development of a roadmap to implement these rules across ASEAN as a region.	TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: National Budgets, Dialogue Partners, ASEAN Economic Integration Support Programme (EU), MDBs	In 2005, ASEAN prepared a policy guideline on standards and conformance which provides the guiding principles for harmonising standards, implementing relevant conformity assessment schemes, and their adoption in technical regulations. As ASEAN strives to achieve free flow of goods by 2015, it is imperative for such a study to be undertaken.
3. Operationalise all National Single Windows (NSWs) by 2012 [FREE FLOW OF GOODS/ ASEAN SINGLE WINDOW]	Technical assistance should be provided to help ASEAN Member States, particularly the newer Member States (i.e., CLMV countries), to accelerate the technical, legal, institutional and infrastructural preparations toward the operationalisation of National Single Windows (NSWs) for selected ports.	TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: Dialogue Partners, ADVANCE ASEAN Single Window Project (US), National Budgets, MDBs, Bilaterals	ASEAN Leaders agreed that ASEAN-6 and CLMV countries should implement their NSWs by 2008 and 2012 respectively with the view to shorten the processing time, expedite the clearance of goods, lower transaction costs and also lower barriers to trade for new businesses. To date, not all ASEAN-6 countries have operationalised their respective NSWs.

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<p>4. Options for a Framework Modality towards the Phased Reduction and Elimination of Scheduled Investment Restrictions/ Impediments</p> <p>[FREE FLOW OF INVESTMENTS]</p>	<p>With the objective of attracting and retaining investments in the region, ASEAN has in recent years taken bold steps in creating a more open and facilitative investment environment in the region with the signing of the ASEAN Comprehensive Investment Agreement (ACIA), a comprehensive agreement that builds upon and improves on the two investment agreements signed in 1987 and 1998. ACIA is based upon international best practices and is forward looking.</p> <p>Under ACIA, ASEAN adopted a negative list approach and set a definitive timeline of 2015 to open investment in ASEAN which shall be achieved through progressive liberalisation. In fulfilling the target of 2015, ASEAN needs to develop a framework/modality in which Member States will undertake a phased approach in removing the remaining investment measures that restrict free flow of investments in the region. A technical assistance project needs to be provided to draw up and implement a liberalisation programme taking into account the need for the framework/modality e.g. formula with clear criteria and timeline that would outline the phased reduction and elimination schedule of restrictions for individual Member States until 2015. The technical assistance would also include the formulation of a set of guiding principles and criteria that would guide the proposed phased reduction schemes.</p>	<p>TECHNICAL ASSISTANCE</p> <p>POSSIBLE SOURCES OF FINANCING: Dialogue Partners, ASEAN-Australia Development Cooperation Programme Phase II</p>	<p>Implementation of the Master Plan involves investment in physical and other connectivity projects. The investment environment in ASEAN Member States needs to be enhanced to ensure that FDI flows will be further encouraged to augment other sources of funding. This project will complement ASEAN's efforts under the AEC Blueprint to undertake phased reduction/elimination of investment restrictions by proposing options for a modality for such reductions.</p>
<p>5. Operationalisation of the ASEAN Agreements on Transport Facilitation</p> <p>[TRANSPORT FACILITATION]</p>	<p>This involves the technical assistance and related studies to implement the specific Protocols of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT). This priority project focuses on one of the three ASEAN transport facilitation agreements which ASEAN concluded as early as 1998 so that critical elements to put in place an effective and seamless transit transport system in the ASEAN region can be implemented.</p>	<p>TECHNICAL ASSISTANCE</p> <p>POSSIBLE SOURCES OF FINANCING: National Budgets, Dialogue Partners, MDBs, ASEAN Economic Integration Support Programme (EU), Japan-ASEAN Integration Fund (JAIF).</p>	<p>Three transport facilitation agreements covering inter-state transport, multimodal transport and goods in transit are crucial in fostering cross-border facilitation. Currently, many protocols of these agreements have yet to be finalised, ratified or implemented, thereby delaying the establishment of effective cross-border facilitation and seamless transit transport system in ASEAN, including movement of cross-border passengers and goods under the development of procedures for cross-border management (CIQ).</p>

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C. People-to-People Connectivity			
1. Easing Visa Requirements for ASEAN Nationals [MOVEMENT OF PEOPLE, TOURISM]	This project will facilitate mobility of people and tourists, possibly involving visa exemption for intra-ASEAN travel by ASEAN nationals in all ASEAN Member States. The possibility of implementing progressive visa relaxation for foreign tourists visiting ASEAN by 2015 will also be explored.	POLICY/ IMPLEMENTATION OF AGREEMENTS; TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: National Budgets, Dialogue Partners, MDBs	This addresses basic people-to-people connectivity issues as well as tourism facilitation. It sends a strong signal on ASEAN's resolve to harmonise its procedures as one community.
2. Development of ASEAN Virtual Learning Resource Centres (AVLRC) [CULTURE]	This is a two-part project. The first is a study to identify key factors related to the development of the ASEAN Virtual Learning Resource Centres (AVLRC), including technical issues and web management. The study is important at this stage since there will be several sectors involved in the management of the AVLRC, including culture, education and tourism. Outcomes gathered from this study will form the basis of part 2 of the project, that is, the development of AVLRC.	TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING National Budgets, Dialogue Partners, MDBs	ASEAN has one of the richest cultural heritage in the world with a population of some 590 million people living in an area spanning over 4.43 million km ² . With the advent of ICT, greater interaction could be fostered among the peoples of ASEAN through sharing of information on the people, culture, history, places of interest and economy of each Member State by establishing and hyperlinking Virtual Learning Resources Centres.
3. Develop ICT Skill Standards [ICT]	The project involves developing a Mutual Recognition Arrangement (MRA) for the ICT skill standards in ASEAN and will have two phases: (i) Develop an ICT Certification and Skills Upgrading programme which will focus on adoption of the certification of ICT skill sets, promotion for movement of certified ICT experts and develop a competitive ICT workforce through skills upgrading to meet the demand for ICT resources; and (ii) Establish MRA for skill certification which focuses on the development of ICT skill standards for ASEAN and promotion of the movement of ICT human capital within ASEAN. [2015]	TECHNICAL ASSISTANCE POSSIBLE SOURCES OF FINANCING: AIF, ADB	An MRA for ICT skill certification will be necessary for developing consistency in the ICT skill standards required for different certifications across ASEAN. By doing so, businesses in every ASEAN country can be assured of the quality of ICT manpower and ICT experts can be viewed as legitimate wherever they go in the ASEAN region.



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<p>4.ASEAN Community Building Programme</p> <p>[CULTURE, EDUCATION]</p>	<p>One main activity under this programme is a tour of performing artistes in all ASEAN countries in August each year, coinciding with ASEAN's anniversary. At each stop (preferably, the performance should take place in the provincial capital), cultural exhibitions will be held to further promote understanding of the region's cultural diversity. The local media will be invited to broadcast the performance.</p> <p>The second activity brings together key movers and shakers from private sector, academic, non-government organisations, youth groups and local community for exchange programmes. A related activity involves expanding collaboration among higher education institutions, research institutions, and centres of excellence in ASEAN Member States to jointly undertake research on the ASEAN region, ASEAN countries, and how ASEAN could further progress in key areas which will foster greater regional integration.</p>	<p>TECHNICAL ASSISTANCE</p> <p>POSSIBLE SOURCES OF FINANCING: National Budgets, Dialogue Partners, MDBs, JAIF</p>	<p>Promoting a sense of regional identity requires a basic awareness of the cultural heritage of the region. The objective of the project is intended to showcase ASEAN's best arts and cultural performances that will allow the public, both ASEAN and international communities, to know and understand more about the history and cultures of ASEAN Member States, and the work of ASEAN. In order to have optimum achievements, it is expected that the local/international media be involved to broadcast the event to all ASEAN Member States and on the ASEAN website.</p> <p>The need for a major scale participation of ASEAN think-tanks to evaluate and review the work of ASEAN and on how to improve and expand its activities is needed to be held regularly, either annually or twice a year.</p> <p>The ASEAN University Network (AUN) is currently promoting student mobility and academic exchange. As such, relevant activities could be part of the AUN Secretariat's Strategic Plan.</p>



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