

## Southeast Asia Working Paper Series



### The Contribution of ADB to the ASEAN Economic Community Blueprint

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Barend Frielink and Mylene Buerano

No. 3 | October 2009



ADB Southeast Asia Working Paper Series

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## Acronyms

ADB	-	Asian Development Bank
ASEAN	-	Association of Southeast Asian Nations
AEC	-	ASEAN Economic Community
GDP	-	gross domestic product
GMS	-	Greater Mekong Subregion
Lao PDR	-	Lao People's Democratic Republic
SMEs	-	small and medium-sized enterprises
TA	-	technical assistance

## 1. Introduction

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967 in Bangkok by the five original member countries, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Viet Nam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999. As of 2006, the ASEAN region has a population of about 560 million; a total area of 4.5 million square kilometers; a combined gross domestic product of almost \$1,100 billion; and a total trade of about \$1,400 billion.

The ASEAN Declaration states that the aims and purposes of the association are to (i) accelerate economic growth, social progress, and cultural development in the region; and (ii) promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter. ASEAN Vision 2020 established a shared vision of ASEAN as a concert of Southeast Asian nations; outward looking; living in peace, stability, and prosperity; bonded together in partnership in dynamic development and in a community of caring societies.

The attainment of the vision is embedded in the three ASEAN communities: the ASEAN Security Community, the ASEAN Economic Community (AEC), and the ASEAN Socio-cultural Community. The Blueprint for the AEC was signed by ASEAN Leaders on 20 November 2007 to advance the ASEAN Economic Community by 2015. It can be found at [www.aseansec.org/5187-10.pdf](http://www.aseansec.org/5187-10.pdf). The blueprint aims to achieve a high-level economic dynamism, sustained prosperity, and inclusive and integrated development of ASEAN. The AEC has four key characteristics: (i) a single market and production base, (ii) a highly competitive economic region, (iii) a region of equitable economic development, and (iv) a region fully integrated into the global economy. It contains 17 core elements and 154 actions with clear targets and timelines. Many of the actions have to be implemented by the individual member states through legislation or regulation.

A number of partners, including the Asian Development Bank (ADB), have been supporting the ASEAN Secretariat through technical assistance. ADB's focus has been on working with Secretariat staff on monetary and financial integration and trade. However, much of the external support for the implementation of the AEC Blueprint is provided at the national level in the member states, as part of official development assistance provided. These activities are not recorded as support to the AEC Blueprint. This paper<sup>1</sup> attempts to assess the scope of actual support that ADB is providing through ongoing projects. The methodology used is in the appendix.

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<sup>1</sup> The authors are grateful to Aladin Ancheta who compiled data and produced graphs.

## 2. ADB Project Contribution to AEC

As of 31 March 2009, a total of 407 ADB projects (loans, grants, and technical assistance) were being implemented (or scheduled to start implementation in 2009) in ASEAN member states<sup>2</sup> amounting to \$11.6 billion<sup>3</sup> (Table 1). This was based on ADB ongoing and pipeline projects in the Southeast Asia Department (SERD) and did not include regional technical assistance involving ASEAN countries that were implemented by other departments.

**Table 1: Total Number and Amount of SERD's Ongoing and Pipeline Projects in the ASEAN Region, March 2009**

<b>ADB Project</b>	<b>Number</b>	<b>Amount (\$ million)</b>
Loans	157	11,273
TAs	206	221
Regional TAs	44	115
<b>Total</b>	<b>407</b>	<b>11, 610</b>

TA = technical assistance.

Sources: Project Performance Report, TA Performance Report, SERD Management Information System, Listing of Loan, TA, Grant and Equity Approvals, Project Processing Information System.

Of the 407 ADB projects in the ASEAN region, 174 (or 43%) have relevance to AEC Blueprint.<sup>4</sup> These were mainly technical assistance projects (44%) and loan-funded projects (40%), and regional technical assistance (TA) projects at 16% (Figure 1).

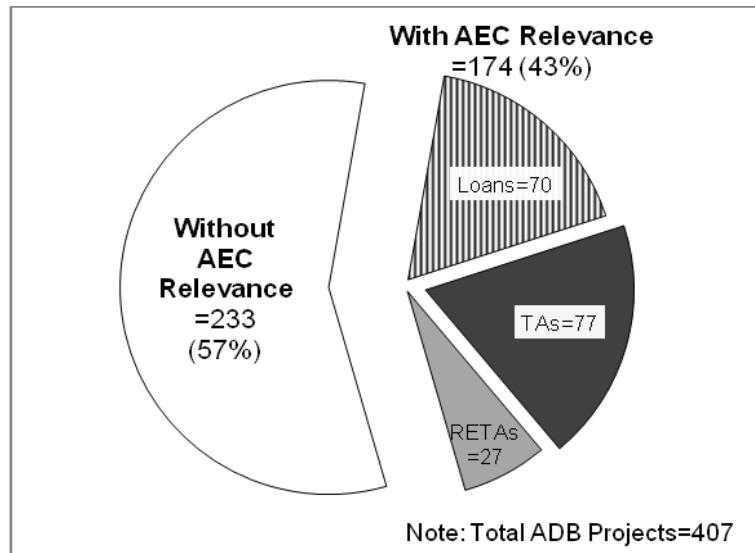
By type of project, regional TAs with AEC relevance are the most numerous (61%), followed by Loans (45%), and TAs (37%) (Figure 2). The regional TAs were mostly to support the Greater Mekong Subregional (GMS) program, including promoting best agriculture practices, transport and trade facilitation, economic corridor development, capital market strengthening, power trading, human resource development, and tourism development. Loans with AEC Relevance were provided to support agriculture, roads, railways and energy, financial and capital market, skills, and tourism development. The TAs with AEC Relevance supported renewable energy and energy efficiency, private sector competitiveness, technical education and vocational training, capital market and small and medium-sized enterprise (SME) development, and regional cooperation.

<sup>2</sup> ADB had operations in 7 of the 10 ASEAN countries: (i) Brunei Darussalam, (ii) Cambodia, (iii) Indonesia, (iv) Lao PDR, (v) Philippines, (vi) Thailand, and (vii) Viet Nam, with assistance to Brunei Darussalam limited to a lone technical assistance. No projects were being implemented in Malaysia, Myanmar, and Singapore.

<sup>3</sup> The total number and amount of ADB projects in ASEAN based on ADB database is 450 (\$14.3 billion) but 41 of these were not included in the analysis because of double counting (pipeline projects but are already in the approved list) and lack of project documents.

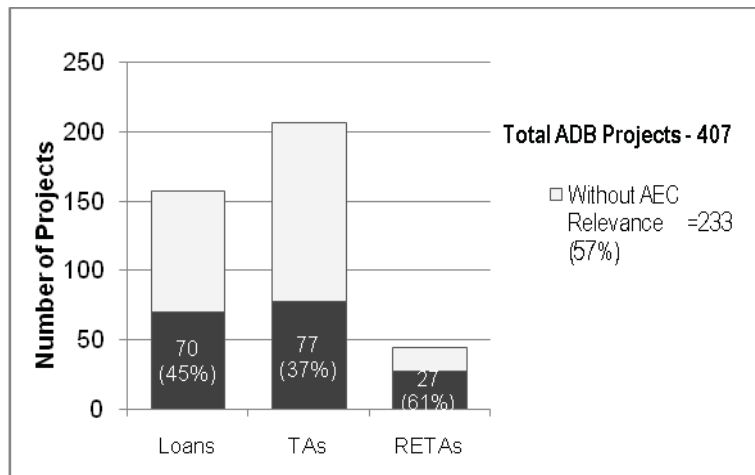
<sup>4</sup> In the rest of the report, this will be referred to as "AEC Relevance."

**Figure 1: ADB Projects with AEC Relevance, by Number**



Source: ADB databases, ADB staff.

**Figure 2: % Share of AEC-Relevant Projects, by Number**



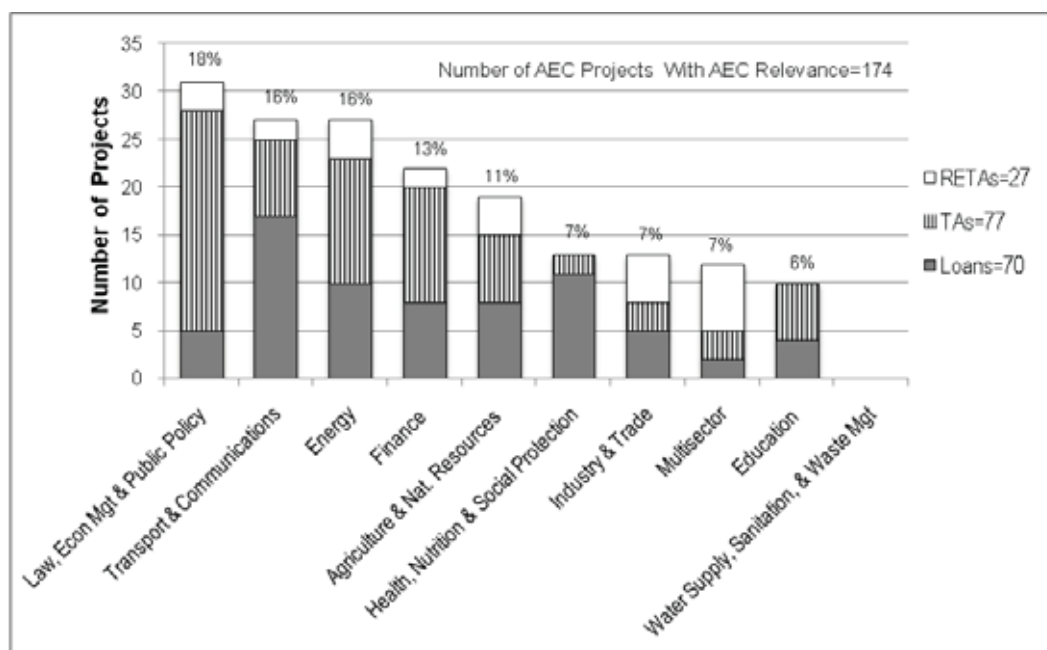
Source: ADB databases, ADB staff.

Most of the projects with AEC Relevance were categorized under law, economic management, and public policy (18%), transport and communications (16%), energy (15%), finance (13%), and agriculture (11%) (Figure 3). Law, economic management, and public policy TA projects with AEC Relevance focused on enhancing investment climate and private sector competitiveness, developing SMEs and special economic zones, strengthening fiscal management and trade policies, and building capacity for regional



cooperation. Transport and communications with AEC Relevance included loans for the construction and upgrading of roads and railways in the GMS plus technical assistance for the maintenance of these roads. Energy projects with AEC Relevance concerned mostly technical assistance for hydroelectric development, GMS transmission lines, public-private development in energy sector, and energy efficiency; and a significant number of loans for the development of GMS hydroelectric and transmission lines, renewable energy, and energy efficiency.

**Figure 3: Sector Distribution of AEC-Relevant Projects, by Number**



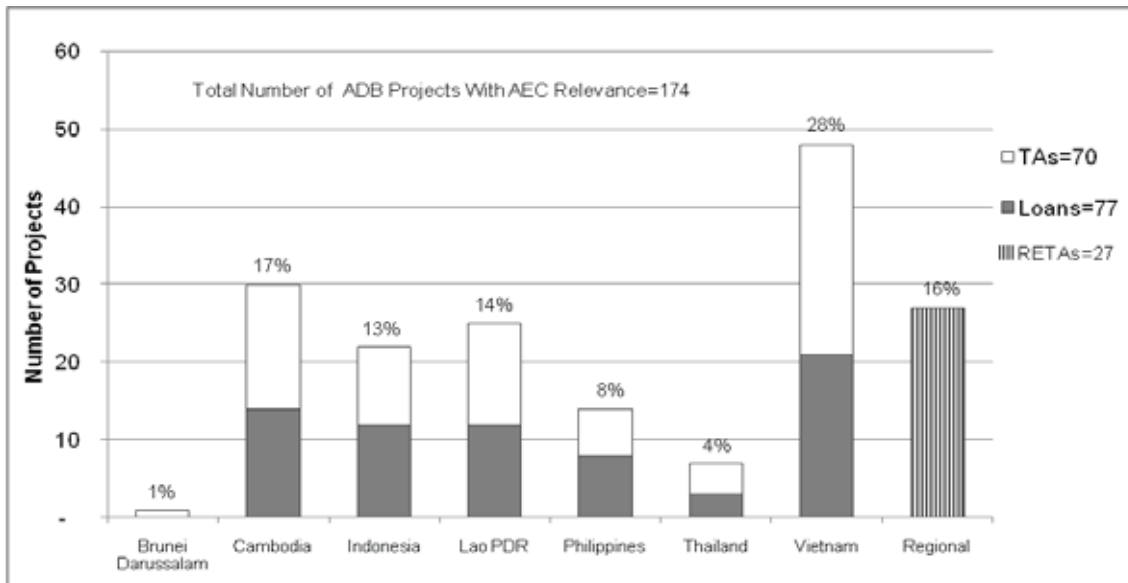
Source: ADB databases, ADB staff.

Finance projects with AEC Relevance consisted mainly of technical assistance for capital market development and strengthening financial regulation and governance; and loans for an infrastructure financing facility, banking and finance sector reforms, and capital market development. Agriculture and natural resources projects with AEC Relevance were almost equally loans and TA projects for sustainable agriculture development, improvement of agriculture products, and agriculture training and research.

The 174 ADB-financed projects with AEC Relevance were implemented in Viet Nam (28%), Cambodia (17%), Lao PDR (14%), Indonesia (13%), Philippines (8%), and Thailand (4%). Regional TA made up the remaining 16%. Viet Nam had the largest share of projects with AEC Relevance, consisting of 27 TA projects for the development of GMS expressways, strengthening Viet Nam Railways, capacity development in the transport sector, support to energy development, SME and capital market development, skills enhancement, support for health systems, and enhancement of agricultural products; and 21 loans for poverty reduction, agriculture, renewable energy, GMS expressway, corridor, railway and tourism

development, SME, financial sector reform, and health care and health human resource development. Cambodia had 16 TA projects with AEC Relevance for private sector competitiveness, SME development, strengthening vocational education, financial and telecommunications reforms, transport infrastructure development, and railway restructuring; and 14 loans for an economic diversification program, GMS corridors, railways, energy and tourism development, health sector support, and vocational education strengthening.

**Figure 4: Country Distribution of ADB Projects with AEC Relevance, by Number**



Source: ADB databases, ADB staff.

Projects with AEC Relevance in the Lao PDR consisted of 13 TA projects for livestock and agribusiness development, technical education and vocational training, development of hydroelectric and power transmission in the GMS, SME and special economic zone development, and health sector development. The Lao PDR also had 12 loans with AEC Relevance for livestock development; strengthening of higher education; hydroelectric, power transmission, economic corridor, and transport development in the GMS; banking sector reform; and primary health care. Indonesia had 12 loans with AEC Relevance for aquaculture development, vocational education, power transmission and distribution improvement, renewable energy development, capital markets development, health services, an infrastructure financing facility, infrastructure reform, and road rehabilitation. Indonesia also had 10 TA projects with AEC Relevance for vocational education, power transmission development, finance and capital markets management, enhancing private sector participation, and strengthening institution for regional cooperation.

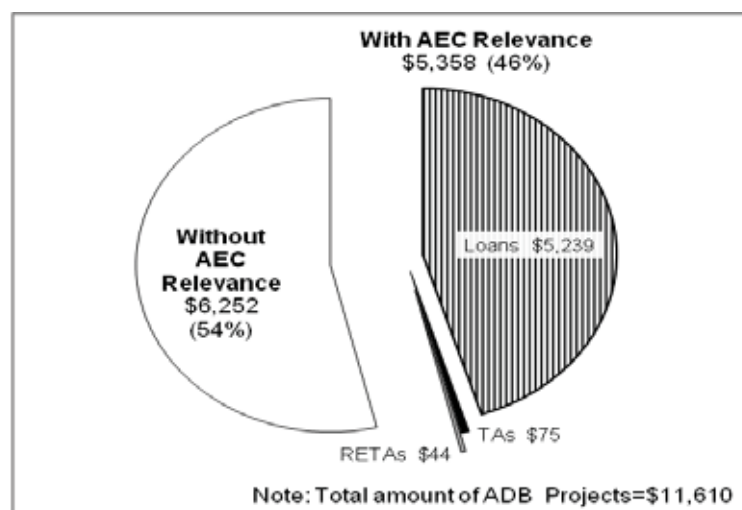
The Philippines had eight loans with AEC Relevance for development policy support, base load power and energy efficiency, technical education and skills development, financial market regulation, SME development, and health sector support. The Philippines also had six TA projects for strengthening regulation and governance, investment climate and

competitiveness, wind farm development, and strengthening energy efficiency. Thailand had four relevant TA projects for energy efficiency, capital market development, and capacity building for economic development; and three relevant loans for capital market development, biomass power, and GMS highway expansion. Brunei Darussalam had only one TA project for capital market development.

There were 27 regional TA projects with AEC Relevance for an agriculture support program; enhanced Southeast Asian financial and equity markets; agriculture cooperation and development of energy sectors strategy; power transmission, regional power trading, economic corridor, transport and trade facilitation, tourism and human resource development in the GMS; and institutional, connectivity, and trade strengthening in the archipelagic Southeast Asia, Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT).

Of the total of \$11.6 billion in ADB projects in the ASEAN region, \$5.4 billion (or 46%) contributed to the AEC blueprint. The largest share (98%) of this was in loans (Figure 5). Figure 6 shows the share of AEC-Relevant project by amount, for each project type.

**Figure 5: Projects with AEC Relevance, by Amount (in \$ Million)**

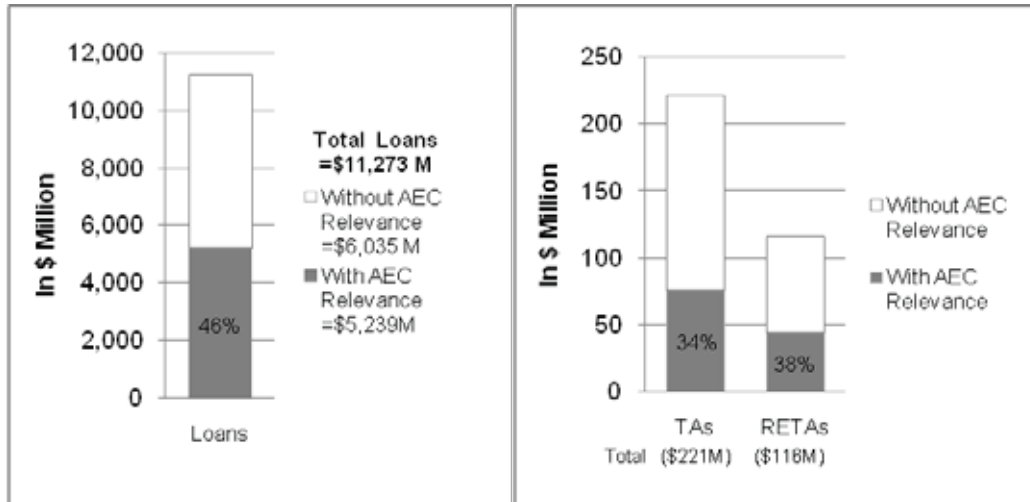


Source: ADB databases, ADB staff.

The largest AEC-Relevant projects by amount were under transport and communications (35%), finance (23%), and energy (15%). Others in modest amounts were under law, economic management, and public policy (9%); health, nutrition, and social protection (7%); and agriculture and natural resources (5%). AEC-Relevant projects in small amounts were under education (3%); industry and trade (2%), and multisector (2%) (Figure 7). Transport and communications had the largest share of AEC-Relevant projects with \$1,800 million loans for the construction and upgrading of regional roads and railways in the GMS; and road rehabilitation in Indonesia. Finance had the second-largest share of AEC-Relevant projects (\$1,200 million in loans) for an infrastructure financing facility, banking and financial

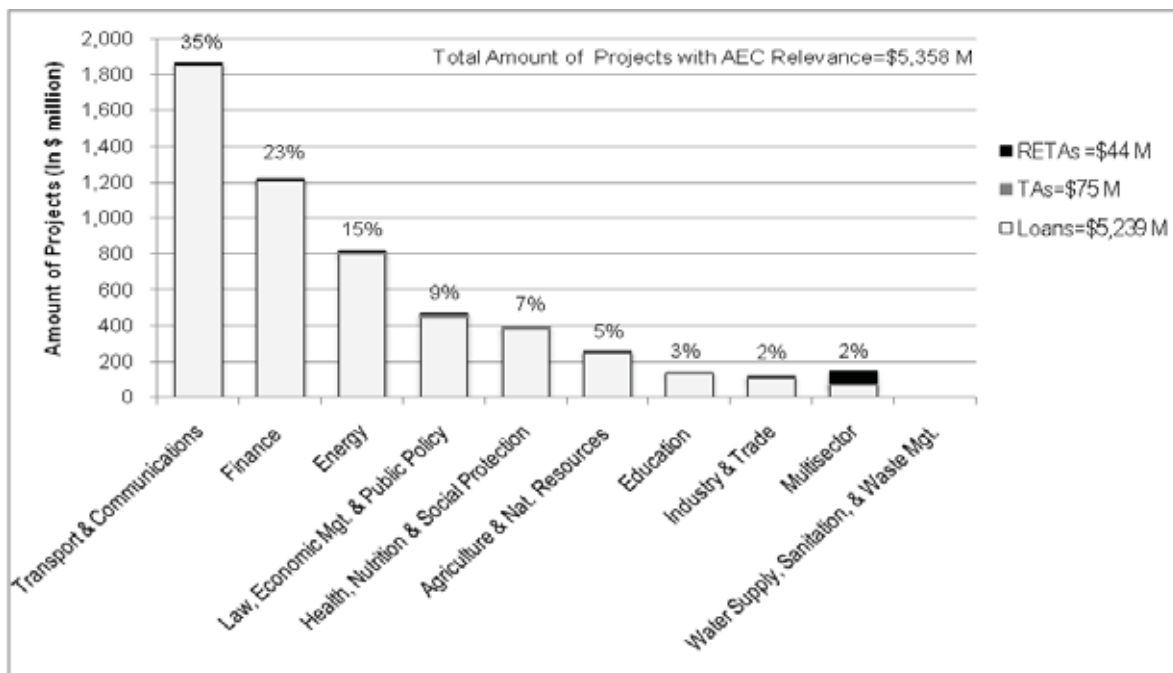
sector reforms, and capital market development. Energy had \$798 million in loans for the development of hydroelectric and transmission lines in the GMS and promoting renewable energy and energy efficiency.

**Figure 6: % Share of AEC-Relevant Projects within Project Type, by Amount**



Source: ADB databases, ADB staff.

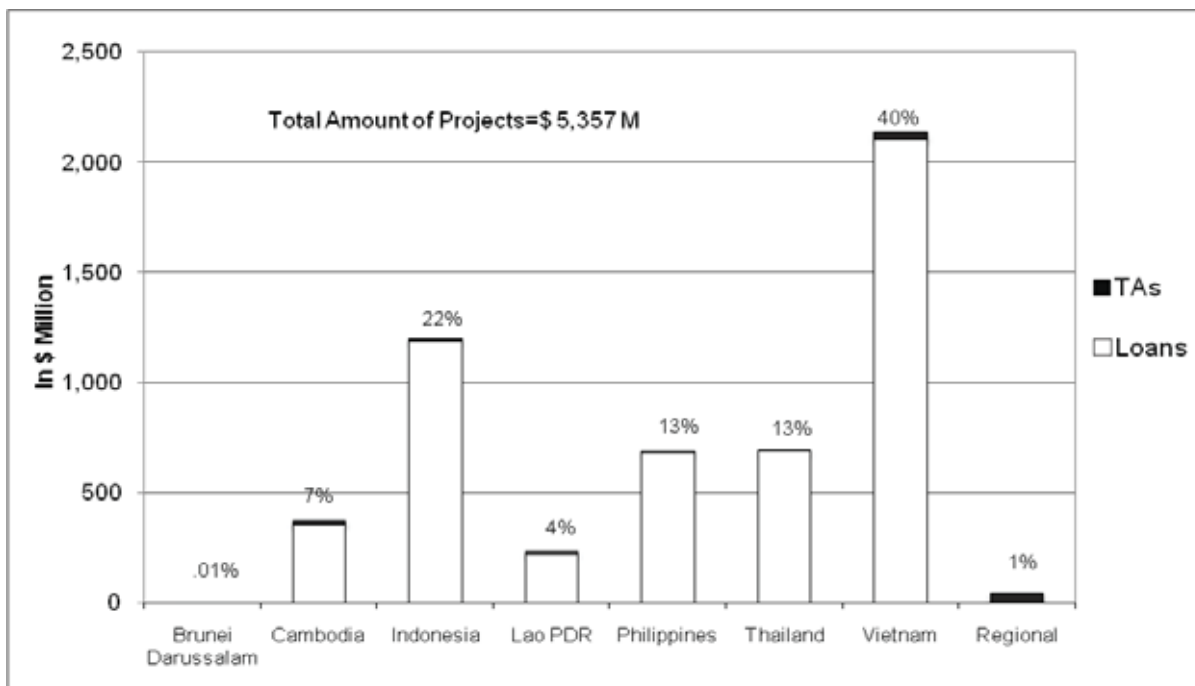
**Figure 7: Sector Distribution of ADB Projects with AEC Relevance, by Amount**



Source: ADB databases, ADB staff.

Of the total of \$5.4 billion in AEC-Relevant projects in ASEAN, Viet Nam had the largest share with \$2.1 billion (or 40%), followed by Indonesia, \$1.2 billion (22%), Thailand, \$690 million (13%), Philippines, \$688 million (13%), Cambodia, \$370 million (7%), Lao PDR, \$230 million (or 4%), and Brunei Darussalam, \$0.6 million (or .01%). Regional projects amounted to \$44.4 million or (1%) (Figure 8).

**Figure 8: Country Distribution of ADB Projects with AEC Relevance, by Amount**



Source: ADB databases, ADB staff.

By amount, Viet Nam had the largest share of AEC-Relevant projects in the amount of \$2.1 billion in loans, more than half of which were for investments in GMS road construction and rehabilitation, a transport corridor, and tourism development. Other significant loan investments were for finance sector reforms, health care, renewable energy, agriculture products, transport sector, and SME development. Indonesia had the second-largest share of AEC-Relevant projects by amount in contrast to being fifth (among seven) by number because of the large amounts in loans (\$1.2 billion) for capital market development (\$300 million) and road rehabilitation (\$150). Other loans were for the construction of power transmission and distribution lines, enhancing private investments in infrastructure, development of technical and vocational education, and health services.

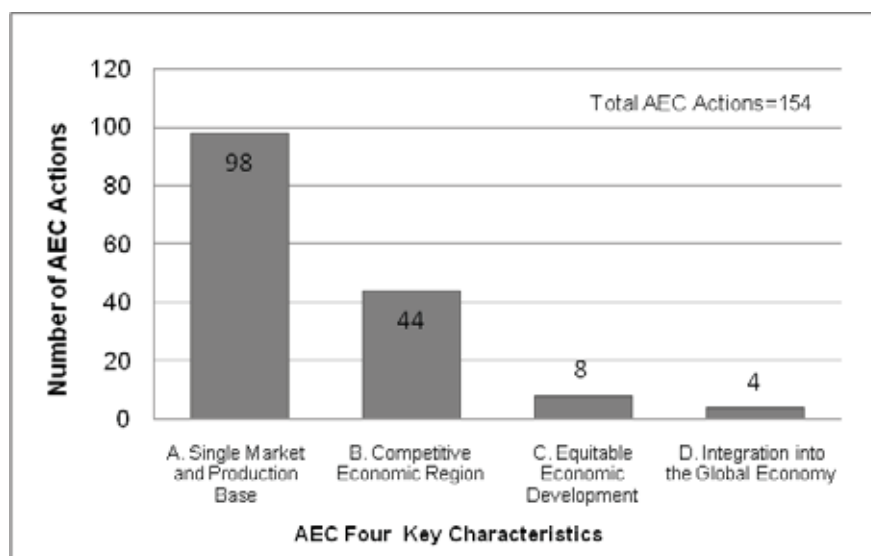
Thailand, while having only three AEC-Relevant loans, ranked third in terms of the amount, with \$688 million in loans. The capital market development program alone involved a \$500 million loan while the GMS highway expansion and biomass power development took up the remaining investments. The Philippines had AEC-Relevant loans amounting to \$684 million,

mostly in support of programs for policy development, financial market regulation, and a base load power project. Cambodia had \$355 million in AEC-Relevant loans and \$15 million in technical assistance. These were mostly GMS-related programs for roads and railways improvement as well as developing health systems, agriculture production, and agribusiness. The Lao PDR had \$220 million in AEC-Relevant loans and \$9 million in TA projects covering roads and highways improvement in the GMS, agriculture development, power generation, banking sector reforms, and health care. Regional TA amounted to \$43 million, classified as multisector (\$15 million), development of regional energy (\$7 million), agriculture (\$4 million), and trade (\$3 million).

### 3. ADB Contribution to AEC Actions

The AEC has four key characteristics, 17 core elements, and 154 actions. The 154 actions were distributed over the four key characteristic, as follows: (i) single market and production base, 98 (or 64%); (ii) a highly competitive economic region, 44 (or 29%); (iii) a region of equitable economic development, eight (or 5%); and (iv) a region fully integrated into the global economy, four (or 2%) (Figure 9).

**Figure 9: Distribution of AEC Actions by Four Key Characteristics**

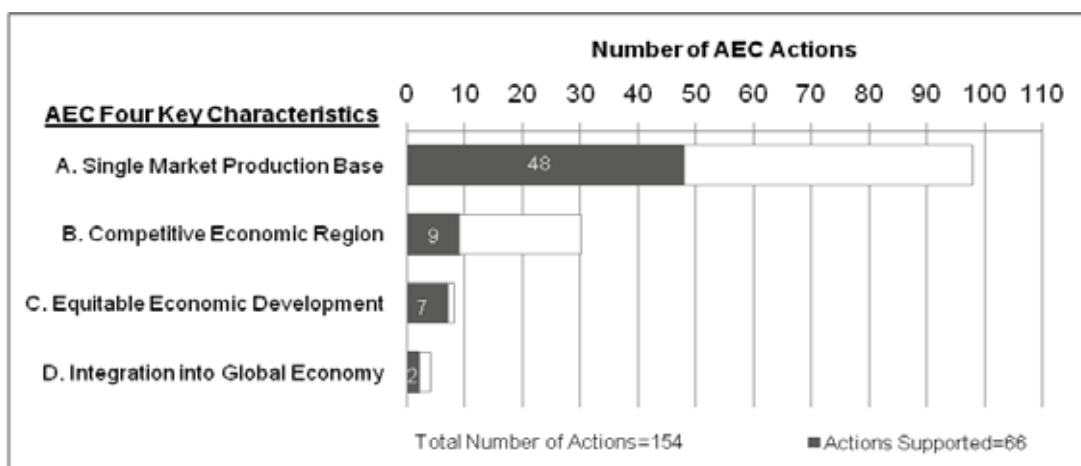


Source: ADB databases, ADB staff.

Of the 154 AEC actions, 66 (or 43%) were supported by ADB projects (Figure 10). Most AEC actions that were supported were under *ASEAN as a single market and production base*, 48 (73%); followed by *ASEAN as a highly competitive economic region*, 9 (14%); *ASEAN as a region of equitable economic development*, 7 (11%); and, *a region fully integrated into the global economy*, 2 (3%) (Figure 10). The large number of supported actions under *ASEAN as single market and production base* was because it also had the largest number of actions. However, it was *ASEAN as a region of equitable economic development* that had

the largest proportion of actions supported, 88%; followed by *a region fully integrated into the global economy*, 50%; and, lastly a *highly competitive economic region*, 20%.

**Figure 10: AEC Actions Supported by ADB Projects, by Four Key Characteristics**

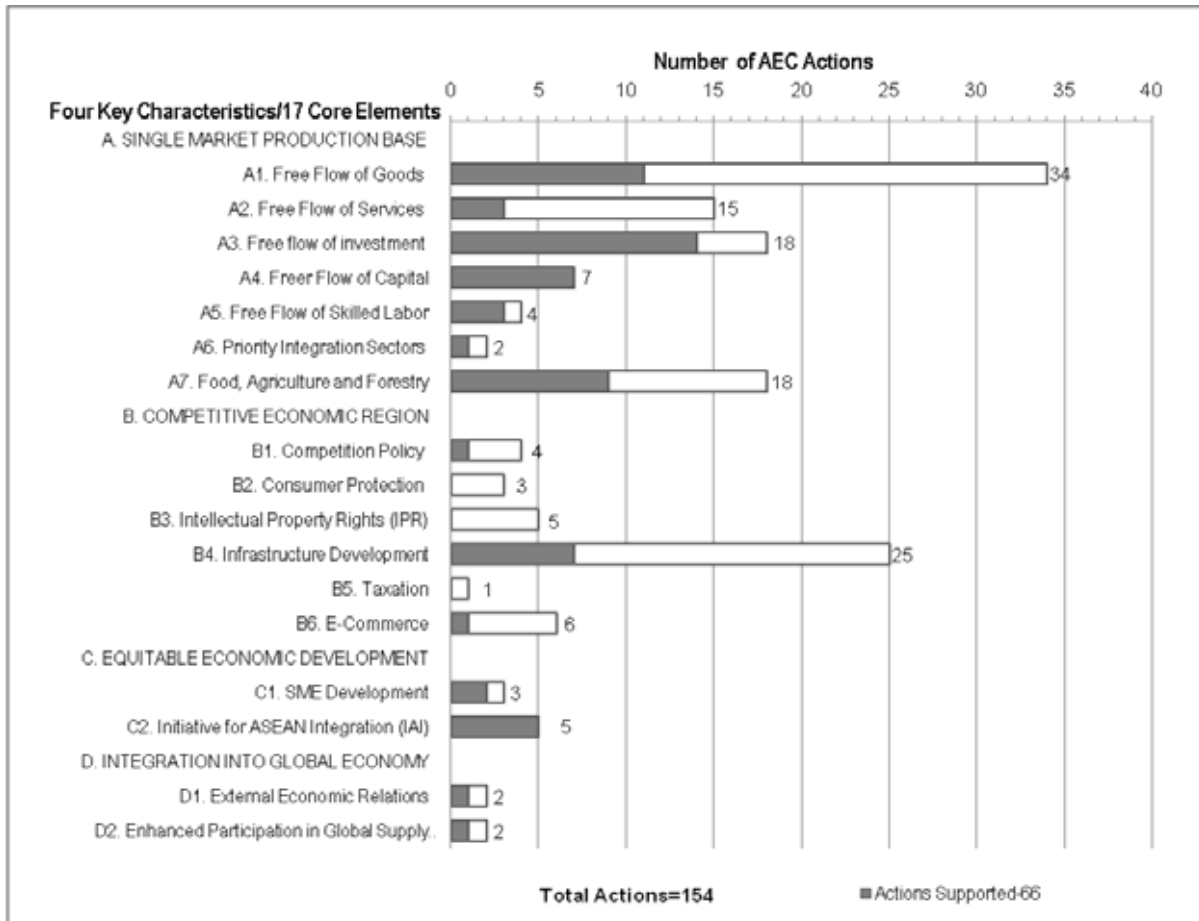


Source: ADB databases, ADB staff.

ASEAN as a *single market and production base* had the largest number of actions supported by ADB projects. These were mostly for investment protection, facilitation, promotion and liberalization (under free flow of investment); trade facilitation and customs integration (free flow of goods); promoting competitiveness of the agriculture sector and agriculture cooperation (food, agriculture, and forestry); capital market development and capital mobility (freer flow of capital); recognition of professional qualification such as capacity building in services (free flow of services); skills development and job placement capacity (free flow of skilled labor); and priority integration sectors projects (Figure 11).

ASEAN as a *highly competitive economic region* has the second-highest number of actions supported by ADB projects. These were mostly under (i) infrastructure development such as land transport, including development of the Singapore–Kunming rail link and implementation of the ASEAN Highway Network; ICT application; energy cooperation specifically the implementation of the ASEAN Power Grid and involvement of the private sector; and financing regional infrastructure; (ii) capacity building for national competition policy; and (iii) e-commerce, specifically a networking forum between businesses and dialogue partners. ASEAN as a *region of equitable economic development* has the third largest number of actions supported by ADB projects, specifically those under the Initiative for ASEAN Integration and SME development. A *region fully integrated into the global economy* has the smallest number of actions supported by ADB projects. These were mostly actions for establishing a system for enhanced coordination in ASEAN's external relations and assistance for increasing industrial productivity (enhanced participation in global supply networks).

**Figure 11: AEC Actions Supported and Not Supported by ADB Projects, by 17 Core Elements**



Source: ADB databases, ADB staff.

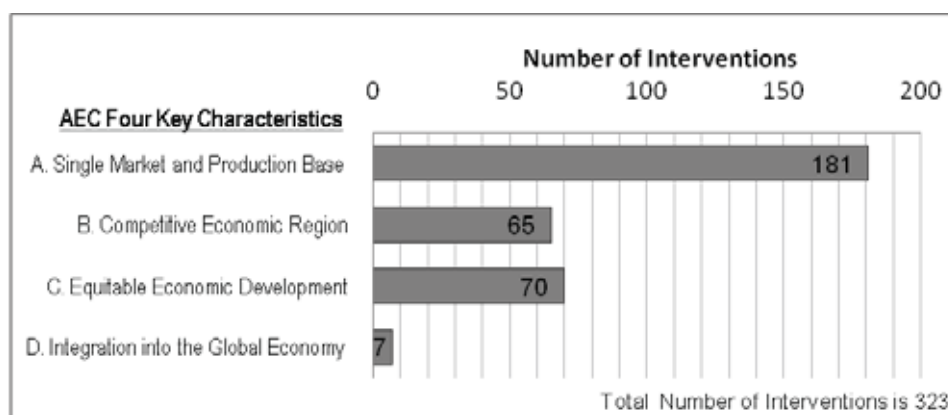
A total of 66 actions were supported by ADB projects, involving some 323 interventions, under 174 ADB projects (some projects had more than one component supporting AEC actions). Of the AEC's four key characteristics, *ASEAN as single market and production base* has the highest number of ADB interventions at 181 (or 56%), followed by *ASEAN as a region of equitable economic development*, 70 (or 22%), and a *highly competitive economic region*, 65 (or 20%). A *region fully integrated into the global economy* had the lowest share of ADB interventions at 7 (or 2%) (Figure 12).

*ASEAN as a single market and production base* has the highest number of ADB interventions as all seven core elements were supported by ADB projects (Figure 13). Free flow of investment and food, agriculture, and forestry has the highest number of ADB interventions. Free flow of investment included projects that support investment protection such as strengthening investor-state dispute settlement, transfer and repatriation of capital, profits, and dividends; facilitation and cooperation such as strengthening databases on



investments and simplifying procedures for investment application and approval; investment promotion and awareness such as promoting new growth areas and the growth and development of SMEs. Food, agriculture, and forestry included projects to improve competitiveness of the agriculture sector, the establishment of good agriculture practices and harmonization of animal health control for safety of food of animal origin, and promoting cooperation with regional and international organizations and the private sector on the promotion of food safety, investment, and joint ventures as well as market access for agricultural products.

**Figure 12: Distribution of ADB Interventions by Four Major AEC Components**



Source: ADB databases, ADB staff.

ASEAN as a region of equitable economic development received much ADB support as its two core elements of SME development and IAI have both benefited from ADB interventions. These consisted mainly of preparatory studies and various capacity-building assistance support for ASEAN economic integration and programs of the Initiative for ASEAN Integration. For ASEAN as a highly competitive economic region, most of the core elements did not receive some form of ADB support, except for infrastructure development which received much support for the ASEAN Highway Network, accelerating implementation of the ASEAN Power Grid, promoting road safety, and promoting private sector participation in financing regional infrastructure. Finally, a region fully integrated into the global economy, with the two core elements of external economic relations and enhanced participation in global supply networks, received little ADB support. The few projects included the establishment of a system for enhanced coordination in ASEAN's economic relations and regional forums.

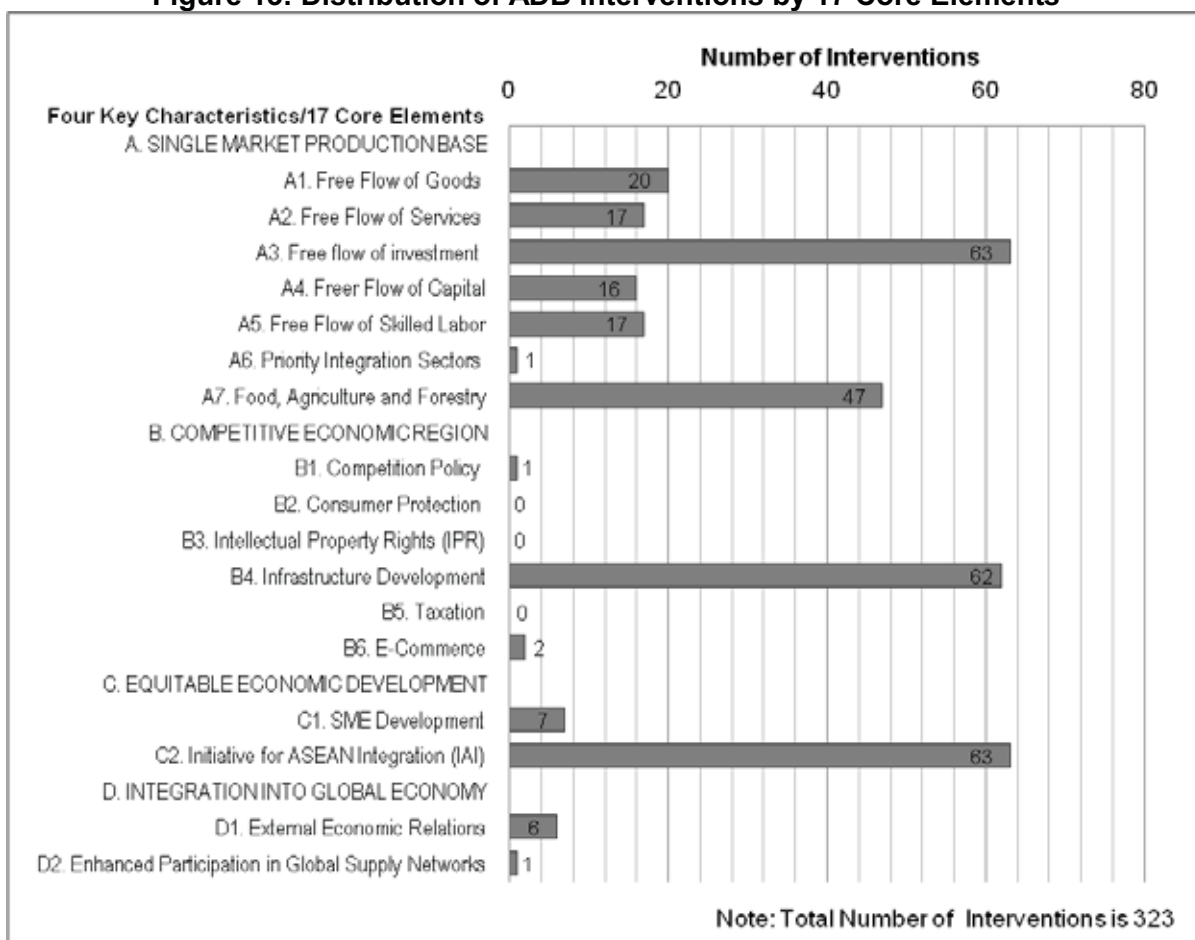
## Conclusion

This paper makes a first attempt at quantifying ADB's contribution to achieving the ASEAN vision of an integrated and prosperous region, through support for actions identified in the AEC Blueprint. The study shows that an important share of ADB projects has direct relevance to the AEC Blueprint. The bulk of the support is provided in the areas of law, economic management, and public policy; transport; energy; finance; and agriculture and

natural resources (over 80% in number and in value). The country with the largest number and largest amount of AEC relevant projects was Viet Nam. In terms of the 17 core elements of the blueprint, ADB contributed most to free flow of goods and investment, infrastructure development, and agriculture and natural resources. In terms of the four major blueprint components, ADB interventions focused mainly on the single market and production base (56%).

While there are some issues with the information base used and with the methodology, the conclusion is that ADB is an important contributor to the implementation of the AEC Blueprint. To better track this, it is suggested here that every project financed by ADB has a short list attached, showing to which action item in the blueprint that project will contribute. This will not cost much in terms of time and resources, but will make tracking of ADB's contributions to the success of ASEAN much easier.

**Figure 13: Distribution of ADB Interventions by 17 Core Elements**



Source: ADB databases, ADB staff.

## APPENDIX: Methodology and Assumptions

The following databases were constructed based on ongoing and pipeline projects in the Southeast Asia Department (SERD) as of 31 Mar 2009. These do not include regional projects involving ASEAN that are implemented by other departments in ADB.

i. Ongoing loans	Sources: Monthly Portfolio Reports, 21 April 2009, Project Performance Report; Listing of Loan, TA, Grant and Equity Approvals (for sector classification)
ii. Pipeline Loans, 2009	Sources: SERD Management Information System, 31 March 2009; Project Processing Information System (for sector classification)
iii. Ongoing TA projects	Sources: Monthly Reports, 16 April 2006, TA Performance Report; Listing of Loan, TA, Grant and Equity Approvals (for sector classification)
iv. Pipeline TAs, 2009	Sources: SERD Management Information System, 31 March 2009; Project Processing Information System (for sector classification)
v. Ongoing RETAs	Sources: Monthly Reports, 16 April 2006, TA Performance Report; Listing of Loan, TA, Grant and Equity Approvals (for sector classification)
vi. Pipeline RETAs, 2009	Sources: SERD Management Information System, 31 March 2009; Project Processing Information System (for sector classification)

Note: Information on the databases include project number, country, title, fund, amount, approval date, completion date, sector classification, and concerned division.

The total number of ADB projects encoded and analyzed was 407, less than the total of 450 projects identified because of projects with double entry in the pipeline and ongoing lists. Also those without project documents were not included in the study.

Project components were then obtained from Board documents for loans, TA Reports for TA projects, and project information documents or country operation business plans for pipeline loans, TA projects, and regional TA projects. Each project component was assessed as to the relevance to the EAC Blueprint and its actions.

The following *assumptions* were made:

- i. Aside from project outputs and activities, impact and outcomes were also reviewed as these indicate the intent of the project;

- ii. A project component is considered relevant to an AEC action if it is leading to the realization of that action and not necessarily the actual action. Examples:
  - a. Strengthen policy and regulatory framework for biosafety and food safety” (RETA 6214) is relevant for AEC action A7vii to “Harmonize safety and quality standards for agriculture products.”
  - b. Conduct a study on international sanitary and phytosanitary standards (RETA 6324) is relevant for AEC action A7iv “Harmonize sanitary and phytosanitary measures for agricultural, food and forestry products.”
- iii. In view of the sketchy information on the ASEAN Highway Network (AHN), regional road projects in GMS were considered AHN;
- iv. Energy transmission projects were considered ASEAN Power Grid (APG) if these are constructed in a country that is part of the grid or if these are policies under the memorandum of understanding on APG.

ADB projects and their relevance to AEC (by number and amount) were assessed under the following categories:

- i. ADB projects that have AEC relevance
- ii. ADB projects that have AEC relevance, by project type
- iii. Sector distribution of ADB projects that have AEC relevance
- iv. Country distribution of ADB projects that have AEC relevance

A database of AEC actions was prepared and corresponding ADB projects that were relevant to each action were plotted. AEC actions that were supported by ADB projects were analyzed using the following categories:

- i. Number of AEC actions supported by ADB projects
- ii. AEC actions supported by ADB projects: by four key characteristics, and 17 core elements
- iii. Total number of ADB interventions supporting AEC actions
- iv. Distribution of ADB interventions by four key characteristics
- v. Distribution of ADB interventions by 17 AEC core elements

### **Accuracy**

Accuracy of the data was ensured through counterchecking with the source databases using amounts to check consistency. This was done every step of the data processing and analysis.

### **Scope and Limitations**

The coverage of the analysis is SERD-wide and does not include regional projects involving ASEAN that were implemented by other departments. It was deemed correct to limit the scope of the analysis to SERD-projects as it is the ADB department responsible for ADB operations in ASEAN. The correctness of the analysis depends heavily on the judgment

made on ADB projects relevant to AEC, and on the limited understanding of AEC actions which may differ from the depth and intent of such actions. Furthermore, the assessment of ADB projects as to AEC relevance was limited to the components as listed in the project document and does not benefit from actual knowledge of project implementation. Details of projects were not known from project documents. For example, sustainable resource management of forests (TA 4859) does not indicate whether forest certification (AEC action A7ax) is part of it.

## **The Contribution of ADB to the ASEAN Economic Community Blueprint**

The ASEAN Economic Community Blueprint is the subregion's road map to greater prosperity. The Asian Development Bank (ADB) has been assisting the ASEAN Secretariat implement certain aspects of the blueprint. However, much of ADB support for the implementation of the blueprint is provided at the national level in the member states as part of official development assistance. These activities are not recorded as support to the blueprint. This paper assesses the scope of actual support that ADB is providing for implementation of the blueprint through ongoing projects. The focus is on ADB's Southeast Asia Department, whose operations cover most of the ASEAN member states.

### **About the Asian Development Bank**

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.