

Research and Capacity Building Program in  
Cambodia, Lao PDR, Myanmar, Viet Nam

# CLMV Project

## Supporting Equitable Economic Development in ASEAN

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# Contents

1. Background and Motivation
2. ASEAN 2030 Study's Key Findings
3. Approach
4. Guiding Principles
5. Collaborations, Consultants, Co-financing
6. Key Thematic Areas and Selected Issues
7. Expected Outputs
8. Pilot Phase

# 1. Background and Motivation

- Promote equitable and inclusive growth by narrowing the development gaps of Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV countries) with other ASEAN economies
- Follow-up suggestions provided by the ASEAN 2030 study's External Advisory Board to conduct a new study focused on CLMV countries
- Build on the ASEAN 2030 study's analytical framework:
  - ❖ SWOT Analysis
  - ❖ Aspirations-Challenges-Policy Options approach

## 2. ASEAN 2030 Study's Key Findings

### ➤ Enormous potential in CLMV countries

- ❖ CLMV economies are expected to grow much faster than ASEAN average economies over the next two decades

	Gross Domestic Product (GDP)			Per-capita GDP		
	Actuals (2010)	Aspiration Targets (2030)		Actuals (2010)	Aspiration Targets (2030)	
	Billion US Dollars	Billion US Dollars	Average annual growth (%) 2010-2030	US Dollars	US Dollars	No. times of increase over 2010-2030
<b>ASEAN</b>	<b>1,871.078</b>	<b>6,732.004</b>	<b>6.4</b>	<b>3,117</b>	<b>9,435</b>	<b>3.0</b>
<b>ASEAN-6</b>	1,704.407	5,928.137	<b>6.2</b>	3,969	11,492	<b>2.9</b>
<b>CLMV</b>	166.671	803.867	<b>7.9</b>	976	4,067	<b>4.2</b>
<b>CAM</b>	11.255	61.627	<b>8.5</b>	753	3,356	<b>4.5</b>
<b>LAO</b>	6.461	32.315	<b>8.0</b>	1,004	4,015	<b>4.0</b>
<b>MYA</b>	45.380	231.322	<b>8.1</b>	742	3,337	<b>4.5</b>
<b>VIE</b>	103.575	478.602	<b>7.7</b>	1,174	4,694	<b>4.0</b>

# ASEAN 2030 study's key findings (cont'd)

- However, in order to transform the CLMV potential into actual growth and reduce development gaps, considerable support needs to be provided to:
  - ❖ Foster human capital (**primary challenge for all CLMV countries**)
  - ❖ Increase agricultural, industrial, and services' productivity
  - ❖ Improve macroeconomic management
  - ❖ Make effective use of natural resources
  - ❖ Facilitate trade and improve regional connectivity
  - ❖ Enhance economic infrastructure
  - ❖ Strengthen institutions and make them more effective
  - ❖ Broaden and deepen financial markets

# 3. Approach

- **Focus on policy issues and best practices**
  - ❖ Closer link with narrowing development gaps
  
- **Stress on demand-side: CLMV countries' consultations**
  - ❖ Key factor to design sensible projects and attract interest of co-funding agencies
  
- **Research-Training Cycle**
  - ❖ Research outputs to be used as resource material for training programs
  - ❖ Feedback from training programs to inform direction for new research
  
- **Collaboration with ADB Headquarters and ASEAN Secretariat**
  - ❖ Initiative for ASEAN Integration and CLMV process
  - ❖ ADB's Southeast Asia Department's programs and strategies (GMS)
  
- **Positive resource bias in favor of Myanmar**
  - ❖ More urgent needs for training and research than other CLMV countries

# 4. Guiding Principles

## ➤ **Integrated Project Design**

- ❖ Project-specific consultation with different stakeholders to clarify needs and define approach
- ❖ Research-training synergy: Research outputs as resource materials for training programs; Feedback from training programs helps direct future research (closing gaps)

## ➤ **Programmatic Approach and Long-term Partnerships**

- ❖ Multi-year planning: project activities building on each other
- ❖ Pilot phase to inform the final project design
- ❖ Output orientation: activities seek to answer “focal questions”
- ❖ Involvement of local stakeholders from design to implementation
- ❖ Multi-level agencies based on needs

# 5. Collaborations, Consultants, Co-financing

## ➤ Collaborations

- ❖ ADB – Southeast Asia Department (SERD)
- ❖ ASEAN Secretariat (ASEC)
- ❖ Mekong Institute and other Activity Partners (regional think tanks)

## ➤ Consultants

- ❖ Core Consultancy Team
- ❖ Coordinators from each CLMV country
- ❖ Core Agricultural/Macro/Trade Teams and Experts from each CLMV country

## ➤ Co-financing

- ❖ Agencie Francaise de Developpement (AFD)
- ❖ Other donors and development partners



# 6. Key Thematic Areas and Selected Issues

- **Agricultural Productivity and Natural Resources Management**
  - ❖ Seed Industry Development
  - ❖ Supply Chains in Agricultural Markets
  - ❖ Agricultural Sector Restructuring and Reforms
  - ❖ Implications of the AEC Creation on the Agricultural Sector in CLMV countries
  
- **Macroeconomic Stability and Financial Markets**
  - ❖ Dealing with Financial Instabilities and Vulnerabilities
  - ❖ Monetary Policy and Exchange Rate Management
  - ❖ Price Volatilities and Capital account liberalization
  - ❖ Financial Markets Development and Liberalization
  
- **Trade, Production Networks, and Connectivity**
  - ❖ Free Trade Agreements and Regional Trade Policy
  - ❖ Production Networks and Competition Policy
  - ❖ Connectivity, Logistics and Trade Facilitation
  - ❖ Implications of the AEC Creation on Trade, Production Networks, and Connectivity in CLMV countries

# 7. Expected Outputs

## ➤ Capacity-Building and Training

- Analysis of CLMV's training needs and absorptive capacity
- Training programs
- Policy Forums
- National Review Seminars
- Policy Dialogues

## ➤ Research

- Research Workshops (activity/input)
- Analytical studies (stocktaking exercises and beyond) on each theme
- Discussion Papers (National and Regional Perspectives)
- Policy Briefs
- Books

## ➤ Outreach

- Creation of a dedicated webpage, blogs, and discussion forums to generate inputs for research and training and provide an effective feedback mechanism to improve the project's effectiveness

# Expected Outputs (cont'd)

	2012	2013												Total
	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<b>ACTIVITIES</b>														
Research Workshop												ADBI		1
Course Based-Training	THA		THA				TBD			TBD				4
Policy Dialogue												ADBI		1
Policy Forum					MYA		CAM LAO			TBD				4
National Review Seminar					MYA		CAM LAO			VIE				4
<b>RESEARCH OUTPUTS</b>														
Agri Productivity Report				1										1
Book												1		1
Policy Briefs				2							2			4
National Papers			8							8				16
Regional Papers			2							2				4
Other Papers										3				3

# 8. Pilot Phase

(Sep 2012 – Mar 2013)

## ➤ **Focal Thematic Area**

*Agricultural Productivity and Natural Resource Management*

### Key Activities

- ❖ Workshop (Sep 2012) to finalize concept note, implementation schedule, and organization of planned activities
- ❖ Preparation of report on agricultural productivity and natural resources management (stocktaking exercise including literature review, projects)
- ❖ Preparation of Discussion Papers and Policy Briefs
- ❖ Training Program on Seed Industry (11-15 December 2012, Mekong Institute)
- ❖ Training Program on Supply Chains (18-22 February 2013, Mekong Institute)
- ❖ Policy Forum in Myanmar (28-29 March 2013)

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