IMPLEMENTATION BLUEPRINT 2017-2021
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WE, the leaders of the Member Countries of the Indonesia-Malaysia-Thailand Growth Triangle (hereinafter referred to as IMT-GT), namely, the Republic of Indonesia, Malaysia and the Kingdom of Thailand, on the occasion of the 10th IMT-GT Summit in Manila, the Philippines;

RECALLING our agreement at the Ninth IMT-GT Summit in Langkawi, Kedah, Malaysia in April 2015 to review the IMT-GT strategy and to identify future strategic directions to ensure the subregional stays relevant and competitive;

RECOGNISING that the ASEAN Economic Community Blueprint 2025 adopted by all ASEAN Leaders at the 27th ASEAN Summit in Kuala Lumpur, Malaysia in November 2015 resolved to create an ASEAN economy that is highly integrated and cohesive; competitive, innovative, and dynamic; well-connected with enhanced sectoral cooperation; resilient, inclusive, people-oriented, and people-centred; and integrated into the global economy;

RECOGNISING ALSO that IMT-GT can be an important building block of the ASEAN Economic Community;

COMMENDING the work of the IMT-GT Ministers and Senior Officials, together with the relevant IMT-GT Sectoral Bodies and the Centre for IMT-GT Subregional Cooperation, and with the technical input of the Asian Development Bank, in developing the IMT-GT Implementation Blueprint 2017-2021 as the first five-year strategic document to realize the IMT-GT Vision 2036;

EXPRESSING appreciation for the support shown by the Asian Development Bank and ASEAN Secretariat as well as our external partners towards the IMT-GT Implementation Blueprint 2017-2021 and their readiness to partner with IMT-GT in the implementation of the Blueprint;
DO HEREBY:

1. **ADOPT** the IMT-GT Implementation Blueprint 2017-2021;

2. **RESOLVE** that IMT-GT Member Countries as well as all IMT-GT Bodies shall implement the IMT-GT Implementation Blueprint 2017-2021 in a timely and effective manner;

3. **TASK** the IMT-GT Ministers, Chief Ministers and Governors, Senior Officials, National Secretariats, Joint Business Council, Working Groups, Centre for IMT-GT Subregional Cooperation and other relevant IMT-GT Bodies to coordinate closely with relevant stakeholders and to mobilise adequate resources for the implementation of the IMT-GT Implementation Blueprint 2017-2021; and

4. **TASK** the Centre for IMT-GT Subregional Cooperation to monitor, evaluate and report the progress and challenges of implementation of the IMT-GT Implementation Blueprint 2017-2021 to the IMT-GT Summit through the IMT-GT Ministerial Meeting on a regular basis.

ADOPTED in Manila, the Philippines this 29th Day of April in the Year Two Thousand and Seventeen, in a single original copy, in the English Language.
**Executive Summary**

The Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Implementation Blueprint (IB) 2017-2021 contains the first batch of five-year strategies towards implementing the new long-term vision for IMT-GT, i.e., IMT-GT Vision 2036 (Vision 2036).

**Adopting the Vision 2036 Guiding Framework**

Being an integral part of Vision 2036, IB 2017-2021 shares the same Guiding Framework as the former.

**Guiding Framework of IMT-GT Vision 2036 and IB 2017-2021**

- **Vision**: An integrated, innovative, inclusive & sustainable subregion by 2036
  - By 2036:
    - Real GDP increases to US$ 694 billion from US$ 215 billion in 2014
    - Intra-IMT-GT trade increases to 28% (2015: 9.2%)
    - Average annual FDI inflows to IMT-GT increase to US$ 24 billion (2015: US$ 8 billion)
    - Average annual international visitor arrivals increase to 109 million persons (2015: 39 million)
    - IMT-GT Project Implementation Team and JBC implement a total 400 cross-border projects with direct MSMEs and social enterprises’ participation (i.e., 20 projects per year)
    - At least 40 cities in IMT-GT implement Green City Action Plan (2016: 5 cities)

- **Goals**: Sustainable, inclusive & innovative agriculture sector
  - Sustainable, inclusive & innovative agriculture sector
  - Competitive, innovative and advanced industrial base
  - Sustainable, inclusive & competitive cross-border tourism

- **Objectives**: Project-centric approach towards greater regional integration
  - Project-centric approach towards greater regional integration
  - Project & location-specific regulatory reforms
  - Spatial/corridor approach to regional development

- **Approaches**: Mainstream private sector & local governments
  - Mainstream private sector & local governments

- **Strategic Pillars**
  - Transport & ICT Connectivity
  - Trade & Investment Facilitation
  - Tourism
  - Agriculture & Agro-based industry
  - Halal Products & Services
  - Environment
  - HRD, Education & Culture

- **Economic Corridor Programmes & Projects**

- **Results-Based Monitoring & Evaluation**
**Vision and goals**

IMT-GT’s vision is to be an integrated, innovative, inclusive and sustainable subregion by 2036. To realise the vision, IMT-GT will strive to deliver three priority subregional goals: (1) Sustainable, inclusive and innovative agriculture sector; 2) Competitive, innovative and advanced industrial base; and (3) Sustainable, inclusive and competitive cross-border tourism.

**Objectives**

As a first step towards achieving these 20-year goals, IB 2017-2021 sets out seven key priority objectives:

a) Real GDP increases to US$ 299 billion from US$ 215 billion in 2014  
b) GDP per capita increases to US$ 16,974 (2015: US$ 13,844)  
c) Intra-IMT-GT trade increases to 11.5 percent of total IMT trade (2015: 9.2 percent)  
d) Average annual FDI inflows to IMT-GT increase to US$ 11 billion (2011-2015: US$ 8 billion per annum (5-year average))  
e) Average annual international visitor arrivals increase to 52 million persons (2015: 39 million)  
f) IMT-GT Project Implementation Team and JBC implement a total 100 cross-border projects with direct MSMEs and social enterprises’ participation (i.e., 20 projects per year)  
g) At least 10 cities in IMT-GT implement Green City Action Plan (2016: 5 cities)

**Project-centric**

Consistent with Vision 2036, IB 2017-2021 emphasises on the need to identify and implement catalytic projects that are scalable, replicable and sustainable in order to propel IMT-GT to a deeper level of economic integration. To accelerate project implementation, IB 2017-2021 underlines the importance of instituting project-level and location-specific regulatory reforms.

**Spatial approach**

IB 2017-2021 resolves to maximise the economic network externalities of the five priority economic corridors through improving physical connectivity, addressing software deficits, infusion of innovation and creation of cross-border value chains. It underscores the importance of applying a spatial approach to better conserve the natural environment.

**Private sector and local governments**

IB 2017-2021 places the private sector and local governments at the heart of its efforts to accelerate subregional economic and social development.
Supported by seven strategic pillars and focus areas

There are seven strategic pillars to support Vision 2036, namely, Agriculture and Agro-based Industry; Tourism; Halal Products and Services; Transport and ICT Connectivity; Trade and Investment Facilitation; Environment; and Human Resource Development, Education and Culture. The seven pillars have been identified as key Focus Areas that will produce the most significant economic and social impact on the subregion. IB 2017-2021 adopts the same strategic pillars.

Underpinned by results-based monitoring and evaluation

In line with the recommendation of the Mid-term Review of IB 2012-2016, the present IB will further mainstream the results-based monitoring and evaluation system outlined in the IMT-GT Project Manual.

Securing cohesiveness through an effective institutional set-up

IB 2017-2021 shares the same Institutional Set-up as Vision 2036. Being the highest decision-making body of IMT-GT, the Leaders’ Summit discusses and creates policies for the subregion. The Ministerial Meeting (MM) provides overall guidance and advice on the implementation of the IB 2017-2021. The Chief Ministers and Governors Forum (CMGF) collaborates closely with the Senior Officials Meeting (SOM) and MM for effective implementation of the IB at local government level. SOM determines the implementation priorities of the IB and oversees the overall implementation of its strategies both in terms of timeliness and effectiveness. The National Secretariats (NS) act as national focal points for the coordination and monitoring of the implementation of the IB. The NS also ensure the programmes and projects of the IB are prioritised in the national and subnational development plans.

There are six Working Groups (WGs) to coordinate and facilitate the implementation of programmes and projects under the seven Focus Areas, namely: (1) WG on Agriculture and Agro-based Industry; (2) WG on Tourism; (3) WG on Halal Products and Services; (4) WG on Transport and ICT Connectivity; (5) WG on Trade and Investment; and (6) WG on Human Resource Development, Education and Culture. CMGF will drive and facilitate programmes and projects under the Environment Focus Area.

Project Implementation Teams (PIT) will be created under the WG structure for implementation of IB 2017-2021 projects.

The IMT-GT Joint Business Council (JBC) acts as the focal point of the private sector with a clear mission of encouraging the private sector to pursue trade and investment opportunities created by IB 2017-2021. The Centre for IMT-GT Subregional Cooperation’s (CIMT) role is to initiate new programmes and projects for the IB; advise their implementation; and coordinate, facilitate, implement and monitor and evaluate IB programmes and projects.

IMT-GT will continue to give high priority to strengthen its collaboration with the ASEAN Secretariat and Asian Development Bank (ADB) over the IB 2017-2021 period. It will constantly seek to forge new partnerships with other institutional partners.
A Dynamic Focus Area Strategic Framework

The Focus Area Strategic Framework consists of the Focus Area’s goals, objectives and strategies. It shows the strategic direction that each Focus Area will take. All the seven Focus Area Strategic Frameworks were developed with the specific purpose of achieving Vision 2036.

Each Focus Area Strategic Framework is accompanied by a five-year Action Plan. The Action Plan translates the Focus Area Strategy into priority actions and specifies the expected timelines for implementing the actions. The actions serve as a guide for the development of programmes and projects under the Focus Area. This will ensure the projects developed are truly addressing the Focus Area Strategies. In other words, a decent strategy-project fit.
Spearheading the goals through Lead Focus Areas

The Agriculture and Agro-based Industry, Tourism, and Halal Products and Services Focus Areas will spearhead IMT-GT’s integration efforts over the next five years and beyond.

**Agriculture and agro-based industry Focus Area**

IMT-GT has a large agriculture and agro-based industry and with significant competitive advantage in agricultural production. However, efforts to move the industry up the value chains is hampered by inadequate capacity to innovate. Trade and investment barriers that are present in the subregion’s economy coupled with the fragmented cross-border agro-logistics system have prevented the industry from exploiting the economic complementarities fully. The long-term sustainability of the industry is undermined by environmental degradation. Closer collaboration among IMT-GT Member Countries will enhance complementary activities, promote economies of scale and strengthen international competitiveness. This may be done through proliferation of cross-border agriculture value chains, subregional division of labour and specialisation in research and development, production and marketing, improvement of agro-logistics, joint marketing and technology transfer. Given the strong presence of MSMEs and rural communities in the industry, this Focus Area has huge potential to bring about inclusive and sustainable development.

**Tourism Focus Area**

Underlining the long-term strength of the IMT-GT tourism industry is its cultural diversity, natural beauty and unique ecosystem. This coupled with the improvement in transport connectivity and tourism infrastructure has made IMT-GT one of the top tourist destinations in the world. However, the lack of a subregional strategic framework for tourism cooperation has resulted in difficulties in identifying subregion-wide opportunities; responding meaningfully to weaknesses and gaps; enhancing collaboration and cooperation between tourism and natural heritage site managers; among others. IMT-GT is expected to put in place a subregional tourism strategic framework during the IB 2017-2021 period. Implementation of the strategic framework is expected to unlock the full potential of the industry. This in turn will have a far reaching positive impact on the IMT-GT economy given that the industry has significant backward and forward linkages and many of its supply chain participants are rural communities and MSMEs. With the right interventions, the industry can contribute significantly to the sustainable development and inclusive goals of Vision 2036.

**Halal Products and Services Focus Area**

Globally, the Halal economy is expected to record steady grow, offering significant opportunities for IMT-GT which already has a relatively well-established and competitive Halal industry. Each IMT-GT Member Country has its own strengths when it comes to developing the Halal economy. However, the growth of the industry is also hampered by talent and capacity shortages particularly among the SMEs. There is a need to improve demand driven products and services in terms of quality, price, brand, taste and nutritional facts. There is also a need to improve accessibility to raw materials, skilled and semi-skilled workers and financing. IB 2017-2021 advocates Member Countries to build on each other’s strengths to tap into the growing Halal markets, such as through sharing of knowledge and best practices, technology transfer, developing cross-border value chains, and acceptance of Halal standards.
Enablers providing essential support to the Lead Focus Area

The three Lead Focus Areas will be supported by four Focus Areas that act as enablers, namely Transport and ICT Connectivity, Trade and Investment Facilitation, Environment and Human Resource Development, Education and Culture.

**Transport and ICT Connectivity Focus Area**

The Transport and ICT Connectivity Focus Area will act as an enabler for the Lead Focus Areas, helping to bring actual products and people across the IMT-GT borders and facilitate information flows. Most of the Transport Connectivity Focus Area’s strategies are aimed at creating a regulatory framework conducive for cross-border movement of goods, people and vehicles. This, coupled with a more comprehensive use of ICT, will lead to improvement in logistics services and lowering of business transaction cost. The WG on Transport Connectivity and Sub-WG on ICT Connectivity will work hand-in-hand with other WGs to spur greater economic integration and people-to-people connectivity.

**Trade and Investment Facilitation Focus Area**

The WG on Trade and Investment aims to make IMT-GT a trade and investment friendly subregion by 2021. To this end, it will implement three priority strategies, as follows: 1) Simplifying technical, administrative and regulatory barriers to trade in goods and services and investment; (2) Improving logistics services along supply and value chains; and (3) Increasing trade and investment promotion activities. Implementation of the strategies is expected to increase intra and inter-IMT-GT trade and investment and enhance the subregion’s attractiveness to domestics and foreign investors. This will go a long way to spur the development and growth of the agriculture and agro-based, tourism and Halal industries.

**Environment Focus Area**

This Focus Area is an Enabler on the ground as sustained economic growth can take place only when there is a healthy natural environment. The Focus Area aims to achieve the following two objectives: (1) A network of green cities is established in IMT-GT; and (2) IMT-GT’s natural capital such as adjacent national parks, other protected areas and migratory species are effectively managed and conserved under subregional cooperative efforts. Towards this end, three priority strategies will be pursued, as follows: (1) Upscaling and replicating the Green City Initiative across the subregion; (2) Undertaking coordinated efforts for the sustainable management of the natural resources in IMT-GT, such as the forests, water, wildlife, among others; and (3) Enhancing collaboration in the management and restoration of adjacent ecosystems.
Human Resource Development, Education and Culture

The Human Resource Development, Education and Culture Focus Area will support the Lead Focus Areas through provision of a competitive workforce, enhancing labour mobility, improving labour market efficiency and people-to-people connectivity. Six priority strategies will be pursued, as follows: (1) Implementing demand-driven skills trainings; (2) Undertaking capacity building and knowledge exchange; (3) Piloting skills competency recognition in selected professions in IMT-GT; (4) Establishing a labour market information system in IMT-GT; (5) Mainstreaming the University Network (UNINET) programme in IMT-GT cooperation effort; and (6) Intensifying cooperation in education, sports, arts, music and other forms of socio-cultural activities and promoting youth engagement and civil society participation.

Enhanced Project Management

Building upon the IMT-GT Project Manual (2014), IB 2017-2021 advocates an enhanced project management system.

Engaging Stakeholders for Better Results

The IMT-GT Stakeholder Engagement Strategy maps out the interest and influence of various stakeholders. It promotes and enhances the stakeholder’s ownership and support for IB 2017-2021, which in turn will lead to effective implementation of IB projects on the ground.
Abbreviations

ACIA ASEAN Comprehensive Investment Agreement
ADB Asian Development Bank
AEC ASEAN Economic Community
AFAFIST ASEAN Framework Agreement on the Facilitation of Inter-state Transport
ASEAN Association of Southeast Asian Nations
ATIGA ASEAN Trade in Goods Agreement
AQRF ASEAN Qualification Reference Framework
CBTP Cross Border Transport of Passenger
CIMT Centre for IMT-GT Subregional Cooperation
CIQ Customs, Immigration and Quarantine
CMGF Chief Ministers and Governors Forum
EC Economic corridor
ERIA Research Institute for ASEAN and East Asia
GDP Gross Domestic Product
HDVC High voltage direct current
HRD Human Resource Development
IB Implementation Blueprint
ICLEI International Council for Local Environmental Initiatives
IMT-GT Indonesia-Malaysia-Thailand Growth Triangle
JBC Joint Business Council
KPI Key performance indicator
MM  Ministers Meeting
MSME  Micro, small and medium enterprises
MTR  Mid-term Review
NFG  National Focus Group
NSW  National Single Window
PAC  Project Appraisal Committee
PIT  Project Implementation Team
Sub-WGCIQ  Sub-Working Group on Customs, Immigration and Quarantine
Sub-WGICT  Sub-Working Group on Information and Communications Technology
SWOT  Strengths, Weaknesses, Opportunities, and Threats
WG  Working Group
WGAA  Working Group on Agriculture and Agro-based Industry
WGHAPAS  Working Group on Halal Products and Services
WGHRDEC  Working Group on Human Resource Development, Education and Culture
WGT  Working Group on Tourism
WGTI  Working Group on Trade and Investment
WGTIC  Working Group on Transport and Information and Communications Technology Connectivity
The Context of IMT-GT
IMPLEMENTATION
BLUEPRINT
2017-2021
The Context

The Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) was established in 1993. It provides a regional framework for accelerating the economic transformation of its member provinces and states in the three countries. Some of these provinces and states are the least-developed areas in the countries and subregion.

IMT-GT promotes private-sector led growth through exploiting the underlying complementarities and comparative advantages of the participating provinces and states. The IMT-GT initiative plays an important role in narrowing the development gaps within the overall context of the national and subregional economies.

The subregion has great potential given its rich resource endowments, a dynamic private sector, huge internal market of 81 million people and strong support from the three member governments.

IMT-GT has achieved much in improving the socioeconomic well-being of the majority of its population since its inception. Today, the GDP per capita in IMT-GT is higher than in the ASEAN region. There has been a steady decline in its poverty incidence.

Notwithstanding the achievements, as ASEAN moves towards a higher level of economic integration as prescribed under the ASEAN Vision 2025, IMT-GT, being an important component of ASEAN, must strive to stay relevant and competitive. IMT-GT will keep in step with the pace of ASEAN integration and not be preoccupied in implementing projects and activities that are purely voluntary in nature, as characterised by most of its current cooperation projects and activities.

IMT-GT is mindful that while it is important to improve connectivity through building physical infrastructure, there must be parallel improvement to the IMT-GT policy and regulatory framework for better economic linkages.

There is a need to further incentivise and mainstream the participation of the private sector, especially the micro, small and medium enterprises (MSME), social enterprises and local governments in the IMT-GT process to ensure inclusive growth.

To achieve sustainable growth, IMT-GT must revisit the way its businesses and other institutions interact with one another and with its society and the natural environment.

There must be persistent effort to overcome the capacity limitation on the part of the IMT-GT institutions to generate new projects and to follow through with their implementation.
It was against this backdrop that the 9th IMT-GT Summit held in Langkawi, Malaysia on 28 April 2015 underlined the urgent need for a comprehensive review of IMT-GT strategy. It was to ensure that the subregional cooperation stays relevant and the IMT-GT area remains competitive over a long-term.

The IMT-GT Leaders tasked the Centre for IMT-GT Subregional Cooperation (CIMT) to efficiently utilise the recently completed Mid-term Review (MTR) of the Implementation Blueprint (IB) 2012-2016 as a starting point to undertake the IMT-GT comprehensive review to identify future strategic directions and provide a practical framework for the formulation of the next five-year IMT-GT Implementation Blueprint (IB 2017-2021). IB 2017-2021 is therefore a successor document of IB 2012-2016.

**Formulating IB 2017-2021 from a position of conviction**

IB 2017-2021 was prepared in parallel with the Comprehensive Review of IMT-GT Strategy. The latter is a larger exercise to develop a new long-term vision for IMT-GT, i.e., IMT-GT Vision 2036 (Vision 2036). To a significant extent, both IB 2017-2021 and Vision 2036 were developed based on the findings of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis conducted under the Comprehensive Review of IMT-GT Strategy.

Vision 2036 will be executed in four successive five-year Implementation Blueprints, as shown in Exhibit 1. IB 2017-2021 is therefore the first leg in the journey towards realising Vision 2036. It contains the first batch of medium-term strategies towards implementing the vision.

**Exhibit 1: Four successive five-year Implementation Blueprints**
Being an integral part of Vision 2036, IB 2017-2021 shares the same Guiding Framework as the former. However, as a medium-term plan that aims to operationalise the long-term shared strategy, IB 2017-2021 is more technical in nature. Exhibit 2 summarises, by way of comparison, the distinct characteristics of Vision 2036 and IB 2017-2021.

### Exhibit 2: Main characteristics of the IMT-GT Vision 2036 and IB 2017-2021

<table>
<thead>
<tr>
<th>Timeframe and perspective</th>
<th>Vision 2036</th>
<th>IB 2017-2021</th>
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<tbody>
<tr>
<td>Highest desired end-state is described at:</td>
<td>Vision level</td>
<td>Goal level</td>
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<td>Level of discussion and recommendation</td>
<td>Macro; aggregated; high level policy and strategic discussion and recommendations</td>
<td>Focus Area level; project implementation level</td>
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<tr>
<td>Keywords</td>
<td>Vision, shared strategy, strategic pillars</td>
<td>Focus Area strategic framework; action plan; results-based project management</td>
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<tr>
<td>Reporting</td>
<td>Describes what success will look like and how this will be achieved</td>
<td>Technical and operational</td>
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In line with the IMT-GT Leaders’ Summit and Ministerial Meeting’s (MM) directive, a bottom-up approach was adopted in the preparation of IB 2017-2021, in which an extensive stakeholder consultation exercise was conducted in the first half of 2016, as outlined in Exhibit 3. During this period, more than 550 key stakeholders were consulted through face-to-face discussions.

The people consulted included key IMT-GT decision makers from the national, provincial/state and local governments; small, medium and large business owners and operators who have significant presence and interest in the subregion; IMT-GT-based university and research institution representatives; local communities; and civil societies. A questionnaire survey exercise was conducted as part of the consultation process. In all, 255 people responded to the survey.

Through the bottom-up stakeholder consultation exercise, seven strategic pillars were identified as key Focus Areas that will produce the most significant economic and social impact on the subregion, and the goals, objectives, strategies of each of the seven Focus Areas of the IB were formulated and agreed upon. The exercise also generated a long list of project ideas.

The recommendations of the MTR on IB 2012-2016 were used as critical input to further sharpen the focus of the Focus Area Goals, Objectives and Strategies.
Exhibit 3: An extensive bottom-up stakeholder consultation exercise

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<td>Consultation with the ASEAN Secretariat, Jakarta</td>
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<td>The 9th IMT-GT Strategic Planning Meeting</td>
<td>National Focus Group (NFG) Workshop in Medan, Palembang &amp; Jakarta</td>
<td>Site visits to document key achievements</td>
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<td>Questionnaire survey</td>
<td>Questionnaire survey</td>
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<td>NFG WS in Bangkok, Songkhla &amp; Putrajaya</td>
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<td></td>
<td>Questionnaire survey</td>
<td>In-country assessment</td>
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<td>In-country assessment</td>
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<td>Site visits to document key achievements &amp; inputs for project concepts</td>
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<td>In-country assessment</td>
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IB 2017-2021 — The First Leg Towards Vision 2036
Guiding Framework

Exhibit 4 shows the guiding framework that encapsulates the key components of Vision 2036 and outlines the relationships between them.

Exhibit 4: Guiding Framework of IMT-GT Vision 2036

By 2036:
- >> Real GDP increases to US$ 694 billion from US$ 215 billion in 2014
- >> Intra-IMT-GT trade increases to 28% (2015: 9.2%)
- >> Average annual FDI inflows to IMT-GT increase to US$ 24 billion (2015: US$ 8 billion)
- >> Average annual international visitor arrivals increase to 109 million persons (2015: 39 million)
- >> IMT-GT Project Implementation Team and JBC implement a total 400 cross-border projects with direct MSMEs and social enterprises’ participation (i.e., 20 projects per year)
- >> At least 40 cities in IMT-GT implement Green City Action Plan (2016: 5 cities)

By 2036:
- >> >> Sustainable, inclusive & innovative agriculture sector
- >> >> Competitive, innovative and advanced industrial base
- >> >> Sustainable, inclusive & competitive cross-border tourism
- >> >> Project-centric approach towards greater regional integration
- >> >> Project & location-specific regulatory reforms
- >> >> Spatial/corridor approach to regional development
- >> >> Mainstream private sector & local governments

Mainstream private sector & local governments
Vision 2036

IMT-GT’s vision is to be an integrated, innovative, inclusive and sustainable subregion by 2036.

Vision 2036 is a shared strategy for promoting growth through greater regional economic integration and innovation, and for conserving and investing in IMT-GT’s natural capital for the well-being of the present and future generations. It is also a long-term strategy for empowering its people to contribute to and benefit from the socioeconomic development of the subregion. It looks ahead at what the subregion wants to be in the year 2036 and identifies key issues that it needs to tackle to get there.

Building on its strengths, the vision will help IMT-GT to unlock its full potential and to improve the well-being of its citizens. It will guide the subregion in its endeavour to exploit its underlying economic complementarities and comparative advantages, and maximise the benefits stemming from its geographical proximity and close historical, cultural and linguistic ties.

Vision 2036 was developed to respond to the analysis of IMT-GT’s development potential and challenges as espoused through the SWOT analysis that was prepared in the Comprehensive Review. This table summarises the main findings of this SWOT analysis.

---

**S**
- Sustained economic expansion
- Growing internal market
- Rising intra-subregional trade
- Attractive investment destination
- Demographic dividend
- Cultural diversity
- Mega-biodiversity region
- National priority
- Strategic international partnership

**W**
- Trade facilitation measures are not streamlined
- Limited intra-subregional investment flow
- Transport connectivity gaps
- Skills deficits
- Lack of diversification
- Lack of private sector participation
- Organisational challenges
- Weak project management system

**O**
- Impetus from ASEAN initiatives
- Positive spill-over from national initiatives

**T**
- Constrained by the slow pace of reform at ASEAN level
- Potential shortfall in infrastructure investment
- Risk of protracted subdued commodity prices
- Environment degradation

Source: IMT-GT Vision 2036 Report
Note: See the IMT-GT Vision 2036 Report for a more in-depth SWOT analysis results
Explaining the IMT-GT Vision for 2036

Exhibit 5 outlines the meaning of Vision 2036 in greater detail.

Exhibit 5: Keywords and meaning of Vision 2036

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Meaning</th>
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| **Integrated** | • Seamless movement of goods, services, capital and skilled labour and business persons within IMT-GT  
• Integrated trade and production networks along the priority economic corridors and beyond  
• MSME and social enterprises are an integral part of regional and global value chains |
| **Innovative**   | • Increases in IMT-GT’s competitive edge through innovation, science and technology, and human resource development  
• Productivity-driven growth  
• Knowledge-based economy |
| **Inclusive**       | • Development gaps within IMT-GT are narrowed  
• MSME, social enterprises and community at large have equal access to economic opportunities and benefits |
| **Sustainable**    | • IMT-GT is on an environmentally sustainable growth path underpinned by sustainable production and consumption patterns, and responsible management and conservation of its natural resources and biodiversity |

Placing people at the centre of regional development

The IMT-GT vision for 2036 is formulated with the IMT-GT peoples as the centrepiece of all regional development efforts. The economic cooperation and integration efforts are aimed at bringing about opportunities and benefits to the peoples, regardless of gender, ethnicity, socioeconomic status and geographic location. All key stakeholders must work together to ensure that all segments of society are benefited from IMT-GT's prosperity, which includes jobs, business opportunities, lower cost of living, clean and green living environment and social inclusion.
Goals over the next 20 years

To realise the vision to become an integrated, innovative, inclusive and sustainable subregion by 2036, IMT-GT will strive to deliver three priority subregional goals, as follows:

1. Sustainable, inclusive and innovative agriculture sector
2. Competitive, innovative and advanced industrial base
3. Sustainable, inclusive and competitive cross-border tourism

The three goals were determined based on the comparative and competitive advantages of IMT-GT, the potentials for strong and sustained economic growth with significant multiplier effects throughout the subregion’s economy, and its current and expected institutional and organisational capability. The goals of the agriculture sector and tourism industry are self-explanatory. A competitive, innovative and advanced industrial base (point (2) above), on the other hand, is characterised by competitive and innovative industrial clusters and cross-border production networks situated along the priority economic corridors which serve as FDI hubs of the subregion. The advanced industries are featured by knowledge intensive agriculture, advanced materials, advanced electronics, and manufacturing of high end optics and photonics, petrochemicals, pharmaceuticals and aerospace products, among others.

Objectives over the next 20 years

To bring to fruition the three priority regional goals, IMT-GT is committed to achieve seven key objectives by 2036, as follows:

1. Real GDP increases to US$ 694 billion from US$ 215 billion in 2014
3. Intra-IMT-GT trade increases to 28% of total IMT trade (2015: 9.2%)
4. Average annual FDI inflows to IMT-GT increase to US$ 24 billion (2015: US$ 8 billion)
5. Average annual international visitor arrivals increase to 109 million persons (2015: 39 million)
6. IMT-GT Project Implementation Team and JBC implement a total 400 cross-border projects with direct MSMEs and social enterprises’ participation (i.e., 20 projects per year)
7. At least 40 cities in IMT-GT implement Green City Action Plan (2016: 5 cities)
Objectives over the next five years

As a first step towards achieving the 20-year subregional goals, IMT-GT is resolved to achieve seven key objectives over the period 2017-2021, as follows:

1. Real GDP increases to US$ 299 billion from US$ 215 billion in 2014
2. GDP per capita increases to US$ 16,974 (2015: US$ 13,844)
3. Intra-IMT-GT trade increases to 11.5 percent of total IMT trade (2015: 9.2 percent)
4. Average annual FDI inflows to IMT-GT increase to US$ 11 billion (2011-2015: US$ 8 billion per annum (5-year average))
5. Average annual international visitor arrivals increase to 52 million persons (2015: 39 million)
6. IMT-GT Project Implementation Team and JBC implement a total 100 cross-border projects with direct MSMEs and social enterprises’ participation (i.e., 20 projects per year)
7. At least 10 cities in IMT-GT implement Green City Action Plan (2016: 5 cities)

Achieving cumulative effects

For consistency and to measure the cumulative effects until the year 2036, future IBs will track and monitor the same set of objectives and corresponding indicators, as illustrated in Exhibit 6.
Reinforced by three guiding approaches

IMT-GT’s current cooperation efforts have served the subregion well. These efforts cover mutual sharing of information and best practices through seminars and conferences, skill upgrading programmes, joint research and development, social and cultural exchange programmes, joint investment promotional activities and trade fairs, expansion and upgrading of domestic physical infrastructure and border facilities, and the establishment of industrial parks, among others.

While IMT-GT will continue with such efforts, as the subregion has been doing for the past 23 years, it will now begin to place greater importance on implementing economic integration programmes and projects that will get its raw materials, capital, workers and final products moved across the national boundaries more freely and cost effectively. Trade and investment lies at the heart of the IMT-GT initiative and opportunities for cooperation in this area will be pursued on an intentional basis.

Strengthening the subregion’s capacity to trade and invest will require a commitment to simplify and streamline its cross-border formalities and processes, harmonisation of its product standards, as well as addressing a host of other software issues that have constrained the free movement of goods and services and restricted the mobility of its people.

Having comprehensively reviewed IMT-GT’s past performance, reassessed its own strengths and weaknesses, and examined the potential opportunities and external threats facing the subregion, IMT-GT Member Countries have come to the conclusion that it is absolutely crucial for IMT-GT to adopt and implement the following three mutually reinforcing approaches to ensure the subregion’s future success:

1. Project-centric approach towards greater regional integration
2. Project-specific and location-specific regulatory reforms (joint debottlenecking effort)
3. Spatial approach to regional development
Adopting a project-centric approach towards greater regional integration

To move to the next level of economic cooperation and towards economic integration, IB 2017-2021 adopts the same project-centric approach as advocated under the IMT-GT Vision 2036. This implies only catalytic projects that are scalable, replicable and sustainable that have fulfilled the eligibility criteria outlined in the IMT-GT Project Manual and approved by the IMT-GT Project Appraisal Committee (PAC) will be incorporated in the IB. The PAC’s approval at the project concept stage is sufficient.

There are at least four main sources of project concepts:

1. IMT-GT Summit-directed projects
2. New projects originated from IMT-GT bodies (e.g., Working Groups, private sector, UNINET, CIMT, etc)
3. Projects brought forward from IB 2012-2016
4. CIMT-led projects as directed by the Summit/Ministers Meeting/Senior Officials Meeting

Exhibit 7 outlines the project eligibility criteria as stated in the IMT-GT Project Manual (2014).

Exhibit 7: Project eligibility criteria

A selected project must meet the following eligibility criteria:

>> It addresses a priority objective of an IMT-GT plan (e.g., IB 2017-2021) or agreement
>> The problem to be addressed by the project is regional in nature
>> The problem and its causes can be effectively and appropriately addressed at the IMT-GT level
>> Implementation of the project will bring benefits to at least two IMT-GT Member Countries
>> The project is consistent with the national development objectives of at least one IMT-GT member country.
>> The project falls under the purview of the mandate of at least one of the Working Groups.


Securing project and location-specific regulatory reforms

Where necessary, IMT-GT will institute project-specific and/or location-specific (between port pairs or between border city/town pairs) rule and regulatory changes to accelerate project implementation.

Individually and unilaterally, IMT-GT Member Countries have implemented packages of policy and regulatory reform measures to promote export and to attract the inflow of foreign investment into their respective domestic economies.
This includes measures designed to debottleneck relevant bureaucratic and policy barriers such as streamlining of investment permits through a single/minimum number of investment coordinating bodies, granting of attractive tax incentives, eliminating the requirement for a minimum investment value, offering of a range of special fiscal and non-fiscal incentives for designated special economic zones, among others.

At the subregional level, Member Countries accord high priority to promote intra-IMT-GT trade and investment and deepen and broaden the hardware and software connectivity especially in the priority economic corridors. One crucial way to increase intra-IMT-GT trade and investment flows and improve the connectivity across the subregion is to debottleneck the administrative, technical and regulatory barriers that impede the effective implementation of joint projects. However, the removal of such bottlenecks will require more than just unilateral action by a single Member Country in isolation.

More often than not, the joint projects that aim to move goods, people and vehicles across the borders face administrative, technical and regulatory bottlenecks on both sides of the border. This calls for a joint and coordinated debottlenecking effort from all Member Countries. Based on the principle of reciprocity, action may be undertaken on a bi-lateral or tri-lateral basis, depending on individual project requirements. Exhibit 8 provides some examples of subregional projects that may require joint debottlenecking effort.

**Exhibit 8: Examples of projects that may require joint debottlenecking effort**

- Simplification of Customs, Immigration and Quarantine (CIQ) regulations and procedures
- Acceptance of Halal Standards and Halal Certification
- Promoting a conducive financial environment for the development and innovation of value added products regionally
- Pilot implementation of trade and investment facilitation agreements of ASEAN. E.g. ASEAN Comprehensive Investment Agreement (ACIA), ASEAN Trade in Goods Agreement (ATIGA) and National Single Window (NSW)
- Malaysia-Thailand Special Border Economic Zones
- Ratification and operationalisation of the ASEAN Framework Agreement on the Facilitation of Inter-state Transport (AFAFIST)
- Finalisation and operationalisation of the ASEAN Framework Agreement on Cross Border Transport of Passenger (CBTP)
- Developing air and sea linkages
- Liberalisation of air services arrangements, including projects to review and revise the existing IMT-GT MoU on Air Linkages
- Economic corridor programmes and projects focusing on the creation of cross-border agricultural, tourism and manufacturing value chains

Note: The above project list was agreed at the 9th IMT-GT Strategic Planning Meeting held in Penang on 3-4 February 2016; National Focus Group (NFG) Workshops held in Medan on 15-16 March 2016; NFG Workshop held in Palembang on 17-18 March 2016; NFG Workshop held in Jakarta on 21-22 March 2016; NFG Workshop held in Bangkok on 2-3 May 2016; NFG Workshop held in Songkhla on 17-18 May 2016; and NFG Workshop held in Putrajaya on 24-25 May 2016. The last bullet point refers to the “Economic Corridor Programmes & Projects” as appears in the Guiding Framework of Vision 2036 which was discussed at the 1st Task Force Meeting held in proposed at the First Meeting of the Task Force of the Comprehensive Review and Implementation Blueprint 2017-2021 held in Phang Nga on 8 August 2016.
Devising a spatial approach to regional development

IMT-GT will continue to adopt the economic corridor approach introduced in the IMT-GT Roadmap for Development 2007 – 2011 and expanded under the Implementation Blueprint 2012-2016. The approach is still very relevant as the five IMT-GT economic corridors continue to serve as trunk lines for regional development. Transport facilities are being built, upgraded and reconfigured to serve as the backbone of the corridors. IMT-GT can also see key economic activities are beginning to cluster in these corridors. To realise their full potential, IMT-GT will intensify these initiatives in the coming years.

To attain Vision 2036, IMT-GT is resolved to:

1. Enhance the capacity of the industry clusters through the infusion of innovation. IMT-GT will put in place the right policy mix that stimulates collaborative efforts between its member governments, businesses, civil societies, universities and research organisations with the goal of infusing innovation on the widest scale possible, starting with the five priority economic corridors

2. Intentionally steer the development of these corridors so that they will also benefit the wider area including rural areas and urban centres that are at the peripherals or outside of the corridors. To promote inclusive growth, IMT-GT will apply the value chain approach to integrate micro, small and medium enterprises into the regional and global value chains

3. Apply a spatial approach to better plan and manage its national resources and to conserve the natural environment. Being part of the biogeographical region called Sundaland, IMT-GT Member Countries share the same sea and many of their coastlines, forests and watershed areas are physically linked. Member Countries take their fish from the same sea. Some of the marine species, wildlife and birds in the subregion are migratory, moving across national boundaries through different governance and political frameworks. Therefore, joint planning and management of the foraging areas and commuting corridors of the migratory species are critical to ensure their survival. Spatial management measures are effective for optimising the usage of the subregion's natural resources, sustaining its resource-based industries over the long-run and conserving the rich biodiversity

Two key stakeholders, mainstreaming private sector and local governments

IMT-GT places the private sector and local governments at the heart of its efforts to accelerate subregional economic and social development. These two key stakeholders will take strong ownership of and be the main drivers of IMT-GT projects. Together with the local community, they will be the direct beneficiaries of IMT-GT projects.

In this connection, IMT-GT will adopt a bottom-up approach in project identification, planning and formulation. More project proposals will originate from the private sector and local governments so that projects implemented are directly relevant to them and addressed their priority needs.
Through innovative public-private partnership initiatives, IB 2017-2021 will accelerate investment from the private sector, including from small and medium-sized enterprises, which are the key economic actors in IMT-GT.

IMT-GT’s national governments, including the line ministries and agencies, will support and promote the growth of the private sector and local governments by laying the enabling conditions.

**Supported by seven strategic pillars**

There are seven strategic pillars to support Vision 2036, as follows. IB 2017-2021 adopts the same strategic pillars. The seven pillars have been identified as key Focus Areas that could produce the most significant economic and social impact on the subregion.

- **Agriculture & Agro-based industry**
- **Tourism**
- **Halal Products & Services**
- **Transport & ICT Connectivity**
- **Trade & Investment Facilitation**
- **Environment**
- **HRD Education & Culture**

In terms of scope, the Agriculture and Agro-based Industry Focus Area covers a range of resource-based economic activities, specifically agriculture, fisheries and livestock. The Tourism Focus Area includes tourism development and promotion. The Halal Products and Services Focus Area encompasses all Halal-promoted economic activities.

The Transport and Information and Communications Technology (ICT) Connectivity Focus Area covers transport facilitation and transport and ICT infrastructure development, and business transformation using ICT. The Trade and Investment Facilitation Focus Area comprises of trade and investment facilitation, trade in goods and services, and investment.

The Environment Focus Area consists of economic activities that are aimed at achieving a low carbon economy, including, but not limited to, sustainable urban development, and the promotion of renewable energy, energy efficiency and green mobility; and sustainable management of natural resources and protection and conservation biodiversity.

The Human Resource Development, Education and Culture Focus Area covers developing and upgrading of IMT-GT workforce skills and improving labour mobility; capacity building, knowledge exchange, technology transfer and research and development as performed under the IMT-GT UNINET framework; cooperation in education, sports, arts, music and other forms of socio-cultural activities that contribute to people-to-people connectivity and a strong IMT-GT identity, shared values and goals.
Lead Focus Areas and Enablers

The Agriculture and Agro-based Industry, Tourism, and Halal Products and Services Focus Areas will spearhead IMT-GT’s cooperation and integration efforts over the IB 2017-2021 period and beyond. Earmarked as Lead Focus Areas, they were selected based on careful evaluation of the comparative and competitive advantage of the subregion and individual member economies as guided by the results of the Comprehensive Review of the IMT-GT Strategy. Exhibit 9 provides the definition of a Lead Focus Area.

Exhibit 9: Definition of Lead Focus Area

- Lead Focus Areas are economic sectors/sub-sectors/industries that produce goods and services
- Economic actors under the Lead Focus Areas are physically involved in the production, trading and marketing of goods and services and in mobilisation of funds, technology and human capital for the said economic activities
- They are the private sector players, ranging from multinational corporations to micro, small and medium-sized enterprises (MSME), and government-linked corporations/state-owned enterprises.

The three Focus Areas will be supported by four other Focus Areas that act as enablers, namely Transport and ICT Connectivity, Trade and Investment Facilitation, Environment, and Human Resource Development, Education and Culture. Exhibit 10 shows the definition of an Enabler.

Exhibit 10: Definition of Enabler

- Enablers are critical actors that support and empower the private sector, other economic agents and wider community to growth and thrive through provision of a facilitative and conducive environment
- They are the central governments (MM, SOM, NS), line ministries (WGs), provincial, state governments and local authorities (CMGF)
- They are the main bodies that drive the ‘Project and Location-Specific Regulatory Reforms’ (Guiding Approach 2), involving actively in the debottlenecking of administrative, technical and regulatory barriers that impede cross-border flow of goods, services, investment, people and vehicles
- These bodies also identify the capacity gaps of economic agents and help them to overcome those gaps through capacity building programmes.
Exhibit 11 summarises the role and scope of each Focus Area.

**Exhibit 11: Role and scope of Focus Areas**

<table>
<thead>
<tr>
<th>Role</th>
<th>Focus Area</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agriculture and Agro-based Industry</td>
<td>&gt;&gt; Agriculture, fisheries and livestock</td>
</tr>
<tr>
<td>Lead</td>
<td>Tourism</td>
<td>&gt;&gt; Tourism development and promotion</td>
</tr>
<tr>
<td></td>
<td>Halal Products and Services</td>
<td>&gt;&gt; All Halal-promoted economic activities</td>
</tr>
<tr>
<td></td>
<td>Transport and ICT Connectivity</td>
<td>&gt;&gt; Transport facilitation and transport infrastructure development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;&gt; ICT infrastructure development and business transformation using ICT</td>
</tr>
<tr>
<td></td>
<td>Trade and Investment Facilitation</td>
<td>&gt;&gt; Trade and investment facilitation and trade in goods and services, and investment</td>
</tr>
<tr>
<td>Enabler</td>
<td>Environment</td>
<td>&gt;&gt; Low carbon economy, including, but not limited to, sustainable urban development, and promotion of renewable energy, energy efficiency and green mobility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;&gt; Sustainable management of natural resources and protection and conservation biodiversity</td>
</tr>
<tr>
<td></td>
<td>Human Resource Development (HRD), Education and Culture</td>
<td>&gt;&gt; Developing and upgrading of IMT-GT workforce skills and improving labour mobility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;&gt; Capacity building, knowledge exchange, technology transfer and research and development performed under the IMT-GT UNINET framework</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;&gt; Cooperation in education, sports, arts, music and other forms of socio-cultural activities that contribute to people-to-people connectivity</td>
</tr>
</tbody>
</table>

The seven Focus Areas are inextricably linked. Success in each Focus Area is contingent on the performance in other Focus Areas. IB 2017-2021 therefore places great importance on interconnectedness and cross-sectoral collaboration.
Economic corridor programmes and projects: Maximising economic network externalities

There are five priority economic corridors (EC) in IMT-GT. Each corridor has its own unique characteristics as defined by its geographic location and comparative advantage (Exhibit 12). However, what is common among them all is the deliberate policy to enhance connectivity and promote industrial clusters and cross-border production networks along these corridors. This is done with the specific goal of maximising economic network externalities along and beyond the corridors. The IMT-GT’s corridors therefore represent a confluence of regional economic integration and inclusive growth.

In this context, IB 2017-2021 will identify, develop and implement programmes and projects that serve to connect the right economic agents in and outside of the corridors, including the MSMEs and SMEs which are the mainstay of IMT-GT economy both in terms of number of business establishments and employment generation.

Exhibit 12: Key characteristics of priority IMT-GT economic corridors

<table>
<thead>
<tr>
<th>IMT-GT Corridor</th>
<th>Key Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extended Songkhla–Penang–Medan Corridor (EC1)</strong></td>
<td>EC1 hosts some of the most agriculture-rich provinces in Southern Thailand that trade with Malaysia, Sumatra and Singapore and plays an important role in the supply chain of traded goods outside the subregion. EC1 covers several provinces in the border areas of these two countries and will serve as the anchor for clustering major economic activities through the development of industrial hubs and special economic zones.</td>
</tr>
<tr>
<td><strong>Straits of Melaka Corridor (Trang–Satun–Perlis–Penang–Port Klang–Melaka) (EC2)</strong></td>
<td>Due to the proximity of this corridor to Sumatra, there is considerable potential to complement the various stages of the production chain with this province, especially if a series of economic and industrial zones are established at strategic points along the corridor. This corridor has the potential to serve as a food hub, especially for halal, since a number of food terminals and integrated food centres are being planned within the corridor.</td>
</tr>
<tr>
<td><strong>Banda Aceh–Medan–Pekanbaru–Palembang Economic Corridor (EC3)</strong></td>
<td>This corridor, which is part of ASEAN Highway Network, is of critical importance for developing Sumatra, as well as an important building block for further enhancing connectivity within the IMT-GT subregion. Its development is closely linked with that of the other three corridors.</td>
</tr>
<tr>
<td><strong>Melaka–Dumai Economic Corridor (EC4)</strong></td>
<td>This maritime corridor has a long tradition of freight and passenger traffic between Sumatra and Malaysia. Dumai is the gateway port of Riau Province, one of the richest provinces of Indonesia with abundant palm oil plantations and on–shore oil and gas resources. Dumai is principally a palm oil-related export port with general cargo, fertiliser, cement and rice being the main import traffic.</td>
</tr>
<tr>
<td><strong>Ranong–Phuket–Aceh (EC5) Corridor</strong></td>
<td>The Ranong Phuket–Aceh Corridor is envisaged to enhance the connectivity between Sumatra and Southern Thailand primarily through maritime mode. Connectivity will be established through the development of facilities in key ports in Sumatra.</td>
</tr>
</tbody>
</table>

Key corridor programmes and projects

IMT-GT will continue to accord high priority to the implementation of programmes and projects that aim at expanding and enhancing the physical connectivity of these corridors, particularly in areas of transport and ICT connectivity.

To support infrastructure development, IMT-GT will tap into emerging funding vehicles such as the Asia Bond Fund, the Asian Bond Market Initiative, the ASEAN Infrastructure Fund, and the Asian Infrastructure Investment Bank. IMT-GT will also encourage more private sector investment in infrastructure in the corridors through putting in place robust public private partnership frameworks characterised by clear risk-sharing arrangements and project development (source: Master Plan on ASEAN Connectivity 2025, ASEAN Secretariat, 2016).

Equal attention will be given to programmes and projects that aim at addressing the software deficits of the corridors as well as programmes and projects that contribute to the service performance and interoperability of the hardware and software of the corridors. Among others, this will include projects to streamline the CIQ rules, regulations and procedures along the corridors.

The next category of corridor programmes and projects are those that contribute to the development of industrial clusters and production networks along the corridors; and expansion, diversification and sophistication of the manufacturing, agribusiness and tourism value chains. This includes projects on developing Special Border Economic Zone (SBEZ), Special Economic Zones (SEZ), as well as projects on enhancing skills and technology infusion. The latter may involve collaborative activities between the governments, businesses, civil societies, universities (e.g., UNINET) and research organisations. Exhibit 13 summarises how the corridor development programmes and projects outlined above will eventually bring about economic network externalities which in turn will contribute to Vision 2036.

Exhibit 13: Maximising economic network externalities through corridor development
Underpinned by results-based monitoring and evaluation

In line with the recommendation of the Mid-term Review of the IB 2012-2016, the present IB will further mainstream the results-based monitoring and evaluation (M&E) system outlined in the IMT-GT Project Manual.

As IB 2017-2021 adopts a project-centric approach, the immediate focus will be on putting in place an M&E system capable of monitoring and evaluating results at project level (project outputs, outcomes and impacts) as outlined in Exhibit 14. Over the next few years, when data becomes more readily available and when CIMT, the central M&E body, has acquired the required M&E capacity, the system may be expanded to deal with more macro level M&E works.

Exhibit 14 summarises the results chains of IB 2017-2021, depicting how a number of inter-related projects will give rise to programme outcomes and how a combination of programmes with common objectives and goals will in turn deliver Focus Area outcomes and the combined effects of these will bring about Focus Areas impact. A combination of the Focus Area impacts will lead to IMT-GT outcome and eventually contribute to IMT-GT Vision 2036.

Exhibit 14: IB 2017-2021, Results chain
Mid-term and end of term reviews of IB 2017-2021

The mid-term and end of term reviews of IB 2017-2021 will be undertaken in 2019 and 2021, respectively. In the course of the review and evaluation, IMT-GT Member Countries are given the flexibility to update IB 2017-2021.
Implementing IB 2017-2021
Securing cohesiveness through an effective institutional set-up

Leaders’ Summit
The IMT-GT Leaders’ Summit is the highest decision-making body of the subregion. It discusses and creates policies for the subregion. It fosters consensus on IMT-GT issues like economic growth and social development and provides overall policy guidance on subregional cooperation and integration. This helps to coordinate all the relevant policy areas between the IMT-GT Member Countries and ensure smooth implementation of IB 2017-2021.

Ministerial Meeting
The IMT-GT Ministerial Meeting (MM) provides overall guidance and advice on the implementation of IB 2017-2021. The MM also provides guidance to address key issues and challenges of common interest and sets policy directions to achieve the goals and objectives of IB 2017-2021. The annual MM Retreat provides a useful platform for the IMT-GT ministers to candidly discuss major concerns and issues facing the implementation of IB 2017-2021 and exchange views on possible solutions.

Chief Ministers and Governors Forum
The Chief Ministers and Governors Forum (CMGF) provides policy inputs to and collaborate closely with SOM and MM for effective implementation of IB 2017-2021 at local government level. It sensitises local governments in IMT-GT on the goals, objectives, programmes and projects of IB 2017-2021. It also creates awareness among local governments about the opportunities and direct and indirect benefits of IB 2017-2021. As a prominent member of the Project Implementation Team, CMGF promotes bottom-up projects and insights for incorporation into IB 2017-2021. In close collaboration with local community and businesses, CMGF coordinates and facilitates IMT-GT projects at local government level. With CIMT’s support, CMGF coordinates the environmental cooperation agenda under the Environment Focus Area.

Senior Officials Meeting
The IMT-GT Senior Officials Meeting (SOM) determines the implementation priorities and provides directions and advice on IB 2017-2021 to ensure coordination and integration of its guiding approaches, key measures and strategies. The SOM also oversees the overall implementation of the measures and strategies of IB 2017-2021 both in terms of timeliness and effectiveness. The SOM interfaces and engages with senior representatives of partner organisations and key industry leaders with the view of forging strategic partnerships with these entities and personalities and soliciting resources, expertise and technology crucial for the effective implementation of the measures and strategies.

National Secretariats
The National Secretariats (NS) support the SOM in the operationalisation of IB 2017-2021. Respectively, they act as national focal point for the coordination and monitoring of IB 2017-2021 programmes and projects. The NS ensure IB 2017-2021 programmes and projects are included and prioritised in the national and subnational development plans and receive adequate policy and funding support from the national governments. The NS involve the provincial/state governments, private sector and other IMT-GT stakeholders in project identification, planning and implementation in accordance with the bottom-up approach advocated under IB 2017-2021.
Working Groups

The Working Groups (WGs) serve as SOM’s implementing arms in their respective Focus Areas under IB 2017-2021. To coordinate and facilitate the implementation of programmes and projects under the seven strategic pillars, the existing six sectoral Working Groups will be retained.

Programmes and projects under the Environment Pillar will be driven by CMGF and facilitated by CIMT. The experience of the on-going Green City Initiative has shown that this is an effective arrangement. This will be an interim arrangement. Over the longer term, a full-fledged working group on environment may be necessary.

A Sub-Working Group on ICT is added to the WG on Transport Connectivity to coordinate and facilitate ICT connectivity programmes and projects. To highlight the role of education in HRD, the role of UNINET is recognised under a new “Education” area, which is added to the WG on HRD. To mainstream social-cultural cooperation, a cultural sub-working group is added to the WG on HRD. A significant number of the social-cultural programmes (e.g., sports, youth exchange) are expected to be driven by UNINET.

Given the changes, the updated names of the six WGs are listed below. From time to time, where necessary, the existing terms of reference of the WGs may be updated or revised to ensure effective implementation of IB 2017-2021.

1. WG on Agriculture and Agro-based Industry
2. WG on Tourism
3. WG on Halal Products and Services
4. WG on Transport and ICT Connectivity
5. WG on Trade and Investment

Convergence meeting

As the seven strategic pillars are inextricably linked, success of a project under one Focus Area is contingent on the performance of project(s) in other Focus Areas. This calls for closer cross-sectoral collaboration between the Working Groups. Depending on the needs of individual projects, convergence meetings between related WGs may be held to accelerate project implementation.

Inter-agency consultation and collaboration will be further improved. In addition to convergence meetings, ad hoc/special inter-agency and inter-sectoral technical consultative forums will be organised to promote better sharing of project level technical information.

Project Implementation Team

While the six WGs may be effective bodies to coordinate and facilitate project implementation, they are not suited to lead project implementation as they usually meet only once a year leaving projects unattended between meetings. In
line with the recommendation of the Mid-Term Review of Implementation Blueprint 2012-2016, Project Implementation Teams (PIT) will be created under the WG structure to improve project implementation. The PIT will include private sector and local government representation. Relevant private sector champions or industry leaders will be strongly encouraged to be members of the team. To ensure clear accountability for specific deliverables, PITs are required to prepare implementation plans, set benchmarks, and develop indicators for monitoring project results. The role and responsibilities of each team member will be clearly spelt out and agreed upon by the members. Not all projects will need a PIT and its life span (usually finite and in tandem with project implementation timeframe) and member composition may vary from project to project. WGs will decide what project will need a PIT. In general, projects that are cross-border in nature which demand the involvement and support of multiple agencies at its implementation phase will require a PIT.

**Joint Business Council**

The IMT-GT Joint Business Council (JBC) will act as the focal point of the private sector with a clear mission of encouraging the private sector to pursue trade and investment opportunities created by IB 2017-2021. It will enlarge its membership base to include MSMEs, SMEs, social enterprises and high calibre players and representatives of large corporations. It will solicit, consolidate and prioritise policy inputs and project ideas from its diverse membership base for incorporation into IB 2017-2021. JBC members will be key implementers of IB 2017-2021 projects. As a key member of the Project Implementation Team, JBC will engage in regular dialogue with WGs, NS, SOM and MM to ensure issues and challenges related to the implementation of IB 2017-2021 are properly and promptly dealt with.

**CIMT**

CIMT’s role is to initiate, advise, coordinate, facilitate, implement, monitor and evaluate IB 2017-2021 programmes and projects, as in line with its mandate stipulated under Article 6.4C of the Agreement on the Establishment of CIMT (2013).

- Initiate: CIMT's role is to introduce new project ideas for incorporation under IB 2017-2021 and fresh processes and mechanisms that contribute to the effective implementation of IB 2017-2021
- Advise: CIMT acts as a regional think tank for IMT-GT. This requires CIMT to engage in research and advisory services to support the goals of IB 2017-2021
- Coordinate: CIMT plays the central secretariat role, coordinating intra and inter-IMT-GT programmes and projects of IB 2017-2021
- Facilitate: CIMT is required to facilitate stakeholder collaboration processes, including dissemination of relevant information, for effective and efficient implementation of IB 2017-2021
- Implement: In addition to the coordinative and facilitative roles, CIMT is entrusted to be an implementer of IB 2017-2021 programmes and projects
- Monitor and evaluate: CIMT plays the lead role to mainstream and implement the results-based monitoring and evaluation system as outlined in the IMT-GT Project Manual. The aim is to capture the delivery of project outputs, outcomes and impacts under IB 2017-2021
To carry out these roles, CIMT is guided by the following core principles:

**Facilitate reciprocity:** To make reciprocity credible and feasible in order that IMT-GT may optimise gains from IB 2017-2021 programmes and projects

**Inclusivity and impartiality:** To adopt a participatory approach towards facilitating the implementation of IB 2017-2021 to ensure the priority interests of all parties are taken care of and the benefits of regional cooperation and integration programmes and projects are optimised and equitably shared among the Member Countries.

**Partner organisations**

IMT-GT needs the support of international development partners in achieving the goals set out in IB 2017-2021. This support may be in terms of expertise, technology, networks, market access and funding.

To this end, IMT-GT will further enhance its existing strategic collaboration with partner organisations such as the ASEAN Secretariat and Asian Development Bank and strive to forge new partnerships with potential institutions involved in the work on regional economic cooperation and integration and social development.

**ASEAN Secretariat**

Being an important integration component of ASEAN, IMT-GT needs to closely track the developments taking place at the ASEAN level. To chart and implement its socioeconomic cooperation agenda for the next 20 years, IMT-GT will be mindful of the ASEAN Community Vision 2025 and the related policy measures outlined in the ‘ASEAN 2025: Forging Ahead Together’ as well as other emerging ASEAN initiatives.

IB 2017-2021 advocates the need for IMT-GT to align its strategies to ASEAN initiatives to realise its role as a building block of the ASEAN Economic Community (AEC). However, it also advocates for the subregion to find its niches beyond just being a delivery mechanism for ASEAN.

In this light, close interaction, consultation and collaboration with relevant ASEAN bodies is imperative in the course of implementing IB 2017-2021. The most effective and practical way of approaching this matter is for CIMT, as the subregional secretariat of IMT-GT, to connect and work closely with the ASEAN Secretariat, as the regional secretariat of ASEAN. IB 2017-2021 places high priority on strengthening the institutional linkages between these two focal organisations.
ADB has been involved in the IMT-GT initiative since its inception, and has been a Regional Development Partner and Development Advisor since 2007. ADB’s support to IMT-GT covers a wide range of technical assistance. It has been playing a key role as an adviser on policy and technical matters, an honest broker in facilitating partnership, and a mobiliser of funding. The partnership between IMT-GT and ADB has been productive and fruitful. The signing of the Cooperation Agreement between ADB and CIMT in September 2014 marked yet another milestone in the partnership. IMT-GT will continue to give high priority to strengthen its collaboration with ADB over the IB 2017-2021 period. IMT-GT will continue to seek ADB’s support in the implementation of IB 2017-2021, including the areas of special border economic zones, sustainable urban development, capacity building for IMT-GT stakeholders, and promoting links with ASEAN.

Other institutions

To realise the goals of IB 2017-2021, IMT-GT will constantly seek to forge new partnerships or formalise partnerships with other institutional partners, such as, but not limited to the relevant specialised agencies of the United Nations, World Bank, Economic Research Institute for ASEAN and East Asia (ERIA), ASEAN Foundation, International Council for Local Environment Initiatives (ICLEI) - Local Governments for Sustainability and other like-minded national and international development organisations and NGOs.
LEGEND

- **Lead**
- **Enabler**
- **Coordination and facilitation roles**
- **Implementation role**
- **Convergence relationship**

**CMGF**  Chief Ministers and Governors Forum
**PIT**  Project Implementation Team

- **WGAA**  Working Group on Agriculture and Agro-based Industry
- **WGHAPAS**  Working Group on Halal Products and Services
- **WGHRDEC**  Working Group on Human Resource Development, Education and Culture
- **WGT**  Working Group on Tourism
- **WGTI**  Working Group on Trade and Investment
- **WGTIC**  Working Group on Transport and Information and Communications Technology Connectivity
Translating Focus Area Strategies to Projects
Focus Area Strategic Framework

A Focus Area Strategic Framework consists of a Focus Area’s goals, objectives and strategies. It shows the strategic direction that each Focus Area will take. To measure progress over time, each objective is assigned one or more SMART (Specific, Measurable, Achievable, Relevant and Time-bound) indicators and/or performance targets (the terms indicator and performance target are used interchangeably here).

As an integral part of the Guiding Framework of Vision 2036, all the Focus Area Strategic Frameworks were developed with the specific purpose of achieving Vision 2036, i.e., to be an integrated, innovative, inclusive and sustainable subregion by 2036. They were also developed to a large extent from the contributions made by IMT-GT stakeholders in the engagement process that was undertaken during the first half of 2016.

The need for an action plan for IB 2017-2021

As identified under the MTR on IB 2012-2016, one of the major shortcomings of the previous IB was that the portfolio of projects to support the sector strategies was usually quite weak. Although most of the Sector Strategies remained relevant, the “sector strategy-project fit” was generally weak, resulting in the poor delivery of sectoral strategic goals and objectives.

Underpinning this weakness was the lack of an action plan for IB 2012-2016. While the sectoral strategies of IB 2012-2016 provided the answers to the question “Where do we want to go?”, there wasn’t any clear answer to the question “How are we going to get there?”.

To overcome this weakness, an Action Plan 2017-2021 is therefore prepared for IB 2017-2021. The Action Plan translates each Focus Area Strategy into priority actions and specifies the expected timelines for implementing the actions.

To a significant extent, the actions were prepared based on the long list of project ideas generated during the bottom-up stakeholder consultation exercise conducted under this IB.

Timeline of actions

Short-Term (ST): To begin implementation in 2017

Typically, these could be incremental actions or pilot projects that do not require an extensive preparatory effort or a long process of negotiation and consensus building before they can be implemented. They could also be ongoing projects brought forward from IB 2012-2016.
Medium-Term (MT): To begin implementation in 2019

These could be scaling up actions or pilot projects that require the appropriate enablers (e.g., skill sets, management system, governing structure, regulatory framework, among others) to be in place before they can be implemented. These could also be actions that require comprehensive data analysis before they can be undertaken.

Responsibilities

It is common to assign lead and supporting implementing bodies for each action under an action plan. However, as IB 2017-2021 adopts a project-centric approach, the role and responsibility of the lead and supporting bodies are therefore specified at project-level rather than action-level. As such, this piece of information is deliberately omitted from the IB 2017-2021 action plans.

Exhibit 15 summarises the above discussion and outlines how the rest of the report (Chapter 5 to Chapter 7) is organised.

Exhibit 15: Translating Focus Area strategies to projects
The Lead Focus Areas — Spearheading Growth
Agriculture and Agro-based Industry

The scope of the Agriculture and Agro-based Industry covers agriculture, fisheries and livestock. It includes the upstream, midstream and downstream activities of the industry. The wide scope of coverage is in line with the recommendations of the MTR on IB 2012-2016, which underlined the need to capture the development potential of the wide range of agricultural products in IMT-GT and to promote trade.

Lead Focus Area: Why Agriculture and Agro-based Industry

>> Economic importance: IMT-GT has a large agriculture sector, providing jobs and income for a significant number of households in the subregion. The sector is the largest contributor to the GDP of Thailand-GT and Indonesia-GT, accounting for 24 percent and 22.6 percent of their GDP in 2014, respectively. While the sector contributed less than 7 percent to the Malaysia-GT’s GDP in the same year, the area has mature and well-established agro-based industries engaging in a wide range of downstream activities.

>> Competitive advantage: Reflecting the subregion’s competitive advantage in agricultural production, its Member Countries are among the top palm oil producers in the world. The subregion accounts for over 70 percent of the world’s total rubber plantation areas with Thailand as the world’s largest natural rubber producer. IMT-GT’s geographic advantage contributes to the high annual fish production, making it a major player in the global market. IMT-GT’s relative strength also lies in rice farming, fresh fruits growing, processed marine products, and various types of agro-based light manufacturing.

>> Potential: Although progress has been made in agricultural cooperation in IMT–GT, much remains to be done to realise its full potential. Closer collaboration among IMT-GT Member Countries will enhance complementary activities, promote economies of scale and strengthen international competitiveness. This may be done through proliferation of cross-border agriculture value chains, subregional division of labour and specialisation in research and development, production and marketing, improvement of agro-logistics, joint marketing, technology transfer, etc. Given the strong presence of MSMEs and rural communities in the industry, it has huge potential to bring about inclusive and sustainable development.

>> Challenges: Efforts to move the industry up the value chains is hampered by inadequate capacity to innovate. Trade and investment barriers that are present in the subregion’s economy coupled with the fragmented cross-border agro-logistics system have prevented the industry from exploiting the economic complementarities fully. The long-term sustainability of the industry is undermined by environmental degradation.
Over the next five years, this Focus Area will aim to achieve sustainable production and to become an industry that is responsive to market demand. More specifically, the Focus Area will strive to achieve the following four objectives:

1. Production of value added agriculture produce through technology transfer cooperatively across the IMT-GT provinces and states supported by industry, academia, government and civil society
2. Agriculture sector undertakes eco-friendly and sustainable practices
3. Agriculture production is responsive to market demand
4. Freer flow of agriculture products regionally and globally supported by harmonisation of ASEAN trade regulations

To realise the goal and objectives, the Working Group on Agriculture and Agro-based Industry will implement eleven key strategies, as follows:

1. Create an innovative mechanism of collaboration between government, private sector, academia and civil society for technology transfer through capacity building and knowledge sharing
2. Promote a conducive financial environment for the development and innovation of value added products regionally
3. Promote high value and knowledge intensive agriculture products (e.g., “Superfruits”), including products that place nutritional safety as a central component
4. Design and implement cooperatively an educational programme to raise awareness on eco-friendly and sustainable agriculture practices
5. Encourage the practice of eco-friendly and sustainable agriculture following national and international standards
6. Promote environmentally sustainable cross-border agriculture value chains
7. Support the private sector in promoting agriculture products that meet the market demand
8. Encourage sharing of market information on agriculture products and agricultural product prices within IMT-GT, including through the creation of mechanisms for sharing of updated information
9. Recommend agriculture trade regulatory framework for movement of agriculture product throughout IMT-GT to comply with ASEAN trade regulatory framework
10. Improve the agro-logistics system across borders
11. Implement pilot projects to spur cross-border agriculture value chain creations for subsequent upscaling with MSMEs participation

Exhibit 16 summarises the Strategic Framework of the Agriculture and Agro-based Industry Focus Area. Every strategy is given a serial number for easy cross-reference with the related actions in the accompanying Action Plan 2017-2021.
Exhibit 16: Strategic Framework of Agriculture and Agro-based Industry Focus Area

**Focus Area: Agriculture and Agro-based Industry**

**Scope**
- Agriculture, fisheries, and livestock
- Upstream, midstream and downstream

**Goal (impact)**
- Production of primary and value added agricultural produce in a sustainable manner that is responsive to market demand met through free flow of products to facilitate trade within IMT-GT and globally

<table>
<thead>
<tr>
<th>Objective (outcome)</th>
<th>Strategy</th>
</tr>
</thead>
</table>
| 1. Production of value added agriculture produce through technology transfer cooperatively across the IMT-GT provinces and states supported by industry, academia, government and civil society | S.1.1 Create an innovative mechanism of collaboration between government, private sector, academia and civil society for technology transfer through capacity building and knowledge sharing  
S.1.2 Promote a conducive financial environment for the development and innovation of value added products regionally  
S.1.3 Promote high value and knowledge intensive agriculture products (e.g., “Superfruits”), including products that place nutritional safety as a central component |
| 2. Agriculture sector undertakes eco-friendly and sustainable practices | S.2.1 Design and implement cooperatively an educational programme to raise awareness on eco-friendly and sustainable agriculture practices  
S.2.2 Encourage the practice of eco-friendly and sustainable agriculture following national and international standards  
S.2.3 Promote environmentally sustainable cross-border agriculture value chains |
| 3. Agriculture production is responsive to market demand | S.3.1 Support the private sector in promoting agriculture products that meet the market demand  
S.3.2 Encourage sharing of market information on agriculture products and agricultural product prices within IMT-GT, including through creation of mechanism for sharing of updated information |
| 4. Freer flow of agriculture products regionally and globally supported by harmonisation of trade regulation | S.4.1 Recommend agriculture trade regulatory framework for movement of agriculture products throughout IMT-GT to comply with ASEAN trade regulatory framework  
S.4.2 Improve the agro-logistics system across borders  
S.4.3 Implement pilot projects to spur cross-border agriculture value chain creations for subsequent upscaling with MSMEs participation |

**Indicator:** Increase in agricultural product value added categories from 2017 to 2021 (target and baseline to be determined in 2017)

**Indicator:** Number of eco friendly management practices recognised in the region increases from 2016 baseline (target and baseline to be determined in 2017)

**Indicator:** Two engagement meetings held between government and private sector from 2017 to 2021

**Indicator:** Number of trade regulations harmonised between IMT-GT Member Countries as a result of the recommendations of WGAA (target to be determined in 2017)

**Working Group:** Working Group on Agriculture and Agro-based Industry (WGAA)
Different strategies may entail different types of intervention which in turn may yield different end results. Exhibit 17 summarises the types of intervention needed for each of the strategies in the Focus Area on Agriculture and Agro-based Industry and its direct contribution to attaining Vision 2036. It also shows points of possible convergence with other Working Group(s) that the WG on Agriculture and Agro-based Industry will collaborate most closely with in implementing the strategies in order to deliver the desired results.

Exhibit 17 provides a context for the formulation of the actions under the accompanying Action Plan 2017-2021. The actions were formulated with the end goal of realising Vision 2036. This in turn will ensure the integrity, consistency and cohesiveness between IB 2017-2021 and Vision 2036.

As outlined in Exhibit 17, the WG on Agriculture and Agro-based Industry will collaborate closely with the WG on Trade and Investment Facilitation and WG on Transport and ICT Connectivity to promote cross-border value chains and to improve the agriculture product logistics. The success of the Focus Area strategies hinge significantly on the support of the WG on Trade and Investment for the removal of administrative and technical barriers (e.g., sanitary and phytosanitary requirements) to trade in agriculture products. It will also need the support of the WG on HRD, Education and Culture (such as UNINET) for capacity building and infusion of innovation. The support of the Sub-WG on ICT Connectivity is crucial for promoting e-commerce to MSMEs and for effective flow of market information.
**Exhibit 17: Agriculture and Agro-based Industry Focus Area’s strategies, types of intervention and direct contributions to Vision 2036**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Create an innovative mechanism of collaboration between government, private sector, academia and civil society for technology transfer through capacity building and knowledge sharing</td>
<td>Capacity building; knowledge sharing</td>
<td>WGHRED</td>
<td></td>
</tr>
<tr>
<td>S.1.2 Promote a conducive financial environment for the development and innovation of value added products regionally</td>
<td>Regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.1.3 Promote high value and knowledge intensive agriculture products (e.g., “Superfruits”), including products that place nutritional safety as a central component</td>
<td>R&amp;D</td>
<td>WGHRED (e.g., UNINET)</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Design and implement cooperatively an educational programme to raise awareness on eco-friendly and sustainable agriculture practices</td>
<td>Awareness building</td>
<td>WGHRED (e.g., UNINET)</td>
<td></td>
</tr>
<tr>
<td>S.2.2 Encourage the practice of eco-friendly and sustainable agriculture following national and international standards</td>
<td>Eco-labelling; value chain development</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.2.3 Promote environmentally sustainable cross-border agriculture value chains</td>
<td>Value chain development</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Support the private sector in promoting agriculture products that meet the market demand</td>
<td>Private sector promotion; regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.3.2 Encourage sharing of market information on agriculture products and agricultural product prices within IMT-GT, including through creation of mechanism for sharing of updated information</td>
<td>Information sharing</td>
<td>WGTIC (e.g., Sub-WG on ICT)</td>
<td></td>
</tr>
<tr>
<td>S.4.1 Recommend agriculture trade regulatory framework for movement of agriculture product throughout IMT-GT to comply with ASEAN trade regulatory framework</td>
<td>Regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.4.2 Improve the agro-logistics system across borders</td>
<td>Regulatory reform*</td>
<td>WGTIC</td>
<td></td>
</tr>
<tr>
<td>S.4.3 Implement pilot projects to spur cross-border agriculture value chain creations for subsequent upscaling with MSMEs participation</td>
<td>Regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
</tbody>
</table>

*Note: This may be a joint debottlenecking measure, i.e., project and/or location-specific regulatory reform and not necessarily an IMT-GT-wide reform*
Exhibit 18 details the actions needed to implement the Agriculture and Agro-based Industry Focus Area’s strategies. In all, 19 actions are required with each to be led and supported by designated IMT-GT bodies. Eight of the actions may be undertaken in 2017 and the rest to be carried out beginning 2019. The actions will serve as a guide for the development of programmes and projects under the Focus Area.

**Exhibit 18: Agriculture and Agro-based Industry Focus Area Action Plan**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline</th>
</tr>
</thead>
</table>
| S.1.1 Create an innovative mechanism of collaboration between government, private sector, academia and civil society for technology transfer through capacity building and knowledge sharing | A.1.1.1 To develop and implement capacity building and knowledge sharing programmes that enhance collaborative arrangements on technology transfer between government, private sector, academia and civil society  
A.1.1.2 To institutionalise the collaborative arrangements resulting from A.1.1.1., making them a formal subregional multi-stakeholder mechanism to facilitate technology transfer | ST       |
| S.1.2 Promote a conducive financial environment for the development and innovation of value added products regionally | A.1.2.1 To implement pilot projects promoting innovation of value added products  
A.1.2.2 To identify and remove barriers to the implementation of the pilot projects mentioned in A.1.2.1, particularly barriers to finance  
A.1.2.3 To develop and implement joint programmes that incentivise and financially empower the development and innovation of value added products | ST       |
| S.1.3 Promote high value and knowledge intensive agriculture products (e.g., “Superfruits”), including products that place nutritional safety as a central component | A.1.3.1 To implement pilot projects on high value and knowledge intensive agriculture products  
A.1.3.2 To replicate and upscale the pilot projects mentioned in A.1.3.1 | ST       |
| S.2.1 Design and implement cooperatively an educational programme to raise awareness on eco-friendly and sustainable agriculture practices | A.2.1.1 To develop and implement an awareness building programme on eco-friendly and sustainable agriculture practices  
A.2.1.2 To replicate and upscale the awareness building programme mentioned in A.2.1.1 | ST       |
| S.2.2 Encourage the practice of eco-friendly and sustainable agriculture following national and international standards | A.2.2.1 To develop and implement joint programmes on promoting eco-friendly and sustainable agriculture for agriculture, fisheries and livestock based on national standards and international standards such as Roundtable on Sustainable Palm Oil; Marine Stewardship Council; among others | MT       |
### Exhibit 18: Agriculture and Agro-based Industry Focus Area Action Plan (continued)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline: Short-term (ST)</th>
<th>Medium-Term (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.2.3  Promote environmentally sustainable cross-border agriculture value chains</td>
<td>A.2.3.1 To develop and implement pilot projects on environmentally sustainable cross-border agriculture value chains</td>
<td>ST</td>
<td>MT</td>
</tr>
<tr>
<td></td>
<td>A.2.3.2 To replicate and upscale the pilot projects mentioned in A.2.3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.3.1  Support the private sector in promoting agriculture products that meet the market demand</td>
<td>A.3.1.1 To undertake programmes that enhance producers’ upstream and downstream linkages and linkages with final markets</td>
<td></td>
<td>MT</td>
</tr>
<tr>
<td>S.3.2  Encourage sharing of market information on agriculture products and agricultural product prices within IMT-GT, including through creation of mechanism for sharing of updated information</td>
<td>A.3.2.1 To develop programmes that leverage on ICT platforms for sharing and exchanges of market information</td>
<td></td>
<td>ST</td>
</tr>
<tr>
<td>S.4.1  Recommend agriculture trade regulatory framework for movement of agriculture product throughout IMT-GT to comply with ASEAN trade regulatory framework</td>
<td>A.4.1.1 To identify relevant ASEAN agreements/international conventions as basis for the proposed regulatory framework. Where relevant, the project-based/location specific regulatory reform approach advocated under Vision 2036 and IB 2017-2021 will be applied</td>
<td></td>
<td>MT</td>
</tr>
<tr>
<td></td>
<td>A.4.1.2 To make policy/technical proposals to Member Countries for entering an MoU/agreement to formalise the regulatory framework</td>
<td></td>
<td>MT</td>
</tr>
<tr>
<td>S.4.2  Improve the agro-logistics system across borders</td>
<td>A.4.2.1 To conduct an assessment to identify the bottlenecks in the logistics system and to create a programme to overcome the bottlenecks. Where relevant, the project-based/location specific regulatory reform approach advocated under Vision 2036 and IB 2017-2021 will be applied</td>
<td></td>
<td>MT</td>
</tr>
<tr>
<td>S.4.3  Implement pilot projects to spur cross-border agriculture value chain creations for subsequent upscaling with MSMEs participation</td>
<td>A.4.3.1 To develop pilot projects on integrating local agriculture value chains with regional and global value chains</td>
<td></td>
<td>MT</td>
</tr>
<tr>
<td></td>
<td>A.4.3.2 To replicate and upscale the pilot projects mentioned in A.4.3.1 to include small-scale farmers, fishermen and smallholders</td>
<td></td>
<td>MT</td>
</tr>
</tbody>
</table>
Tourism
IMT-GT offers tremendous potentials for tourism given its rich cultural and natural heritage. While the sector may have enjoyed healthy expansion over the past decades, IMT-GT’s share of the total IMT tourist arrivals remained relatively flat at around 30 percent over the past two decades.

Lead Focus Area: Why Tourism

>> Inherent strengths: Underlining the long-term strength of the IMT-GT tourism industry is its cultural diversity, natural beauty and unique ecosystem. This coupled with the improvement in transport connectivity and tourism infrastructure has made IMT-GT one of the top tourist destinations in the world. Places like Medan, Palembang, Penang, Melaka, Phuket and Krabi have always been among the biggest draws for visitors to IMT-GT. The strength of the sector is manifested by the steady growth in domestic visitor arrivals.

>> Challenges: However, besides Thailand-GT which continues to show unabated growth in international visitor arrivals, both Indonesia-GT and Malaysia-GT are experiencing difficulties in attracting a greater number of international visitor arrivals. The Mid-term Review of the IMT-GT Implementation Blueprint 2012-2016 attributed the below potential performance, given the richness of IMT-GT’s cultures and biodiversity and natural beauty, to the lack of a subregional strategic framework for tourism cooperation. This had resulted in difficulties in identifying subregion-wide opportunities; responding meaningfully to weaknesses and gaps; enhancing collaboration and cooperation between tourism and natural heritage site managers; improving subregional institutional arrangements; and developing capacities and resources for implementation.

>> Potential: IMT-GT has already begun the process of developing a subregional tourism strategic framework. Adoption and implementation of the strategic framework will unlock the full potential of the industry. This in turn will have a far reaching positive impact on the IMT-GT economy given that the industry has significant backward and forward linkages and many of its supply chain participants are rural communities and MSMEs. With the right interventions, the industry can contribute significantly to the sustainable development and inclusive goals of Vision 2036.
Currently, the IMT-GT cooperation in tourism does not place strong focus on thematic and cross-border tourism. It is characterised by stand-alone projects and activities. Following the recommendation of the MTR on IB 2012-2016, the Focus Area on Tourism will adopt a more comprehensive approach towards tourism development and promotion. Over the IB 2017-2021 period, IMT-GT aims to be a top tourist destination that is sustainable, inclusive and competitive.

More specifically, the Focus Area aims to achieve the following three objectives:

1. Increase in cross-border tourism receipts
2. Increase in the employment in cross-border tourism circuits or routes
3. More environmentally, socially and economically responsible and safe tourism in cross-border circuits or routes

To achieve the goal and objectives, the Working Group on Tourism will undertake three key strategies, as follows:

1. Improve connectivity between strategic areas of the subregion to support selected thematic cross-border tourism circuit development
2. Enhance the sustainability, inclusiveness and competitiveness of the subregion as a destination
3. Market the subregion as a single destination

Exhibit 19 summarises the Strategic Framework of the Tourism Focus Area. Each strategy is assigned a serial number for easy cross-reference with the related actions under the accompanying Action Plan 2017-2021.
### Exhibit 19: Strategic Framework of Tourism Focus Area

#### Focus Area: Tourism

**Scope**
- Tourism development and promotion

**Goal (impact)**
- Sustainable, inclusive and competitive cross-border tourism

**Objective (outcome)**

<table>
<thead>
<tr>
<th>1. Increase in cross-border tourism receipts</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Indicator 1.1: Number of cross-border tourist arrivals increase from 0.1% (28,000) in 2015 to 2% (850,000) of total IMT-GT international tourist arrivals by 2021 (provisional)</em></td>
<td>S.1.1 Improve connectivity between strategic areas of the subregion to support selected thematic cross-border tourism circuit development</td>
</tr>
<tr>
<td><em>Indicator 1.2: Average length of stay of cross-border tourists increases from a median of four days in 2015 to 4.25 days by 2021</em></td>
<td></td>
</tr>
<tr>
<td><em>Indicator 1.3: Cross-border tourist expenditure per capita per day increases from a median of US$ 97.5 in 2015 to US$ 102.5 by 2021</em></td>
<td></td>
</tr>
</tbody>
</table>

*cross-border tourism: specific activities taken in designated cross-border circuits or routes

<table>
<thead>
<tr>
<th>2. Increase in the employment in cross-border tourism circuits or routes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Indicator 2.1: Employment created in the accommodation subsector annually increases from 300,000 jobs in 2015 to 350,000 jobs by 2021 (provisional)</em></td>
<td>S.2.1 Enhance the sustainability, inclusiveness and competitiveness of the subregion as a destination</td>
</tr>
<tr>
<td><em>Indicator 2.2: Employment created in other subsectors (e.g. tourist attractions, food and beverage) in the cross-border circuits increases from X in 2015 to X by 2021 (target and baseline to be determined in 2017)</em></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. More environmentally, socially and economically responsible and safe tourism in cross-border circuits or routes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Indicator 3.1: Number of certified sustainable accommodation establishment registered increases from 50 (provisional) in 2015 to 250 (provisional) in 2021</em></td>
<td>S.3.1 Market the subregion as a single destination</td>
</tr>
<tr>
<td><em>Indicator 3.2: The average number of local suppliers to the accommodation sector increases from around 10 in 2015 to 15 by 2021 (baseline and target is provisional and subject to survey among accommodation establishments)</em></td>
<td></td>
</tr>
<tr>
<td><em>Indicator 3.3: Improvement in the WEF tourism competitiveness index ranking on safety and security (targets to be determined in 2017)</em></td>
<td></td>
</tr>
<tr>
<td><em>Indicator 3.4: IMT-GT tourism is more inclusive as indicated by a shift in the share of total international arrivals in the seventh top destinations from 70% in 2015 to 65% in 2021</em></td>
<td></td>
</tr>
</tbody>
</table>

*Accommodation establishment registered: hotel, resort, homestay, inn, guest house, bed and breakfast, etc.

**Working Group:** Working Group on Tourism (WGT)
Exhibit 20 shows the different types of intervention that are needed to deliver the Tourism Focus Area’s strategies, including their direct contribution to realising Vision 2036. It also shows which Working Group(s) that the WG on Tourism will work most closely with in implementing the tourism strategies to deliver the desired results.

It is clear from Exhibit 20 that the Tourism Focus Area needs many different forms of intervention. They go beyond the more usual joint promotional and marketing activities to include value chain development, eco-labelling, infrastructure development, value chain development and regulatory reforms, among others. Also, given the broad range of tourism activities and their dependence on the services provided by other industries, cross-sectoral collaboration is therefore crucial for the sustained expansion of the IMT-GT tourism industry.

Exhibit 20: Tourism Focus Area’s strategies, types of intervention and direct contributions to Vision 2036

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>S 1.1 Improve connectivity between strategic areas of the subregion to support selected thematic cross-border tourism circuit development</td>
<td>Infrastructure development; regulatory reform*</td>
<td>WGTIC, WGTI</td>
<td></td>
</tr>
<tr>
<td>S. 2.1 Enhance the sustainability, inclusiveness and competitiveness of the subregion as a destination</td>
<td>Capacity building; Eco-labelling; Value chain development; Infrastructure development; Regulatory reform*</td>
<td>WGHRDEC, WGTI, WGTIC</td>
<td></td>
</tr>
<tr>
<td>S. 3.1 Market the subregion as a single destination</td>
<td>Trade promotion</td>
<td>WGTI</td>
<td></td>
</tr>
</tbody>
</table>

Note: This may be a joint debottlenecking measure, i.e., project and/or location-specific regulatory reform and not necessarily an IMT-GT-wide reform.

Legend: Integration 🌍, Innovation 🧑‍💻, Inclusiveness 🌍, Sustainable development 🌍
Exhibit 21 outlines the 14 actions needed to implement the Tourism Focus Area’s strategies.

### Exhibit 21: Tourism Focus Area Action Plan

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline: Short-term (ST)</th>
<th>Medium-Term (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Improve connectivity between strategic areas of the subregion to support selected thematic cross-border tourism circuit development</td>
<td>A.1.1.1 To interconnect strategic points in the subregion</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.1.2 To facilitate air charter operations between the IMT-GT primary and secondary international airports</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.1.3 To promote new air route developments into and within the subregion</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.1.4 To Facilitate ICT development in key destinations</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Enhance the sustainability, inclusiveness and competitiveness of the subregion as a destination</td>
<td>A.2.1.1 To raise the standards of tourist facilities, services and destinations</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.2.1.2 To improve capacities for sustainable destination planning, development and management, and service skills</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.2.1.3 To improve the database on tourism demand and supply</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.2.1.4 To collaborate with relevant national government agencies on collecting social impact data such as trafficking and exploitation, crimes against tourists, and accidents involving tourists</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Market the subregion as a single destination</td>
<td>A.3.1.1 To conduct marketing research</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.2 To set marketing strategies and action plans</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.3 To initial packaging and promotion activities</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.4 To improve, diversify, and increase inclusiveness of cross-border thematic circuits/routes</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.5 To undertake new circuit/route packaging and promotion</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.6 To enhance and promote the use of digital tourism applications and information in IMT-GT</td>
<td>MT</td>
<td></td>
</tr>
</tbody>
</table>
Halal Products and Services

The Halal Products and Services Focus Area will build on the progress achieved under IB 2012-2016, such as in promoting technology transfer and innovation, capacity building and networking among university-based Halal research centres.

Why Halal Products and Services?

>> **Opportunities:** The Halal economy, among others, encompasses meat and poultry, food manufacturing, food retailing, cosmetics and personal care, pharmaceuticals, logistics and shipping, tourism, banking, finance, insurance, standards, auditing and certification. The Halal economy is expected to grow in the coming years. For example, the global expenditure of Muslim consumers on food and lifestyle is expected to grow at a compound annual growth rate of 10.8 percent to reach US$ 3.7 trillion by 2019, from US$ 2 trillion in 2013. Similarly, the global Muslim spending on cosmetics is estimated to register strong growth, increasing to US$ 73 billion by 2019, from US$ 46 billion in 2013 (Source: *State of the Global Islamic Economy 2014-2015 Report*, Thomson Reuters, 2014). This can offer significant opportunities for IMT-GT which has already a relatively well-established Halal industry.

>> **Potential:** Each IMT-GT member country has its own strengths when it comes to developing the Halal economy. Indonesia has a huge internal Halal market given the fact that it has the world’s largest Muslim population and Southeast Asia’s biggest economy. It is also an important raw material source. Malaysia has a relatively developed Halal ecosystem and a strong Halal brand. Thailand’s strength lies in its Halal science and technology. All three IMT governments give strong support to promoting their respective Halal industry. Building on each other’s strengths, such as through sharing of knowledge and best practices, technology transfer, developing cross-border value chains, and acceptance of Halal standards, the subregion has strong potential to becoming an important Halal hub.

>> **Challenges:** The growth of the Halal industry is hampered by talent and capacity shortages particularly among the SMEs. There is a need to improve demand driven products and services in terms of quality, price, brand, taste and nutritional facts. There is also a need to improve accessibility to raw materials, skilled and semi-skilled workers and financing.
The Focus Area aims at moving up to the next level of subregional cooperation and integration over the next five years. Its goal is to enhance trade and investment in Halal products and services by 2021. Specifically, the Focus Area is committed to achieving the following five objectives:

1. Acceptance of Halal Standards amongst the IMT-GT Member Countries
2. A larger pool of technical experts and professionals in Halal related industries
3. Halal SMEs are export oriented
4. More Halal manufacturers and service providers
5. Consumers have better access to Halal products and services

To realise the goal and objectives, the Working Group on HAPAS will undertake the following eight priority strategies.

1. Narrow the gap of practices in Halal Certification
2. Develop Halal Curriculum
3. Exchange of Halal expertise
4. Encourage more collaboration between Halal SMEs and large local corporations and multinationals
5. Promote Halal related trade promotional events within IMT-GT
6. Provide Halal knowledge to industry players
7. Improve efficiency of Halal certification process
8. Cross-sectoral collaboration in information access

Exhibit 22 summarises the Strategic Framework of the Halal Products and Services Focus Area. Each strategy is assigned a serial number for easy cross-reference with the related actions under the accompanying Action Plan 2017-2021.
**Exhibit 22: Strategic Framework of Halal Products and Services Focus Area**

**Focus Area: Halal Products and Services**

**Scope**
- All Halal-promoted economic activities

**Goal (impact)**
- Trade and investment on Halal products and services are enhanced

<table>
<thead>
<tr>
<th>Objective (outcome)</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Acceptance of Halal Standards amongst the IMT-GT Member Countries</td>
<td>S.1.1 Narrow the gap of practices in Halal Certification</td>
</tr>
</tbody>
</table>

**Indicator:** 100% acceptance of Halal Standards by 2021

| 2. A larger pool of technical experts and professionals in Halal related industries | S.2.1 Develop Halal Curriculum |
| Indicator: Halal technical experts and professionals increase to 30,000 persons by 2021 (baseline to be determined in 2017) | S.2.2 Exchange of Halal expertise |

| 3. Halal SMEs are export oriented | S.3.1 Encourage more collaboration between Halal SMEs and large local corporations and multinationals |
| Indicator: The number of Halal export oriented SMEs increases by 3,000 by 2021 | S.3.2 Promote Halal related trade promotional events within IMT-GT |

| 4. More Halal manufacturers and service providers | S.4.1 Provide Halal knowledge to industry players |
| Indicator: Number of certified Halal manufacturers and service providers increase by at least 5% by each country by 2021 (baseline to be determined in 2017) | S.4.2. Improve efficiency of Halal certification process |

| 5. Consumers have better access to Halal products and services | S.5.1. Cross-sectoral collaboration in information access |
| Indicator: Number of visitors utilization of digital application increase by 5% by 2021 (baseline to be determined in 2017) |  |

**Working Group:** Working Group on Halal Products and Services (WGHAPAS)

To effectively deliver its eight priority strategies, the WGHAPAS will embark on measures such as capacity building, regulatory reform, research and development, technology and knowledge exchange, and value chain development (Exhibit 23). The WG needs the strong support of other WGs to achieve its goal and objectives. For example, support from WG on Tourism will be crucial for the success of Halal tourism. Similarly, for greater cross-border flow of Halal products and services and for expansion of Halal supply chains and networks, support from the WGTI and WGTIC will be essential. For innovation, the WG will need to work closely with WGHRDEC, such as to encourage the Halal industry to tap into the expertise of the IMT-GT UNINET. To encourage greater participation of SMEs, the WG will leverage on the e-commerce initiatives of the WGTIC.
# Exhibit 23: Halal Products and Services Focus Area’s strategies, types of intervention and direct contributions to Vision 2036

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Narrow the gap of practices in Halal Certification</td>
<td>Capacity building; regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Develop Halal Curriculum</td>
<td>Research &amp; development; capacity building</td>
<td>WGHDEC</td>
<td></td>
</tr>
<tr>
<td>S.2.2 Exchange of Halal expertise</td>
<td>Technology &amp; knowledge exchange</td>
<td>WGHDEC</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Encourage more collaboration between Halal SMEs and large local corporations and multinationals</td>
<td>Value chain development; capacity building</td>
<td>WGTI WGTIC</td>
<td></td>
</tr>
<tr>
<td>S.3.2 Promote Halal related trade promotional events within IMT-GT</td>
<td>Trade promotion</td>
<td>WGTI WGTIC</td>
<td></td>
</tr>
<tr>
<td>S.4.1 Provide Halal knowledge to industry players</td>
<td>Technology &amp; knowledge transfer</td>
<td>WGHDEC</td>
<td></td>
</tr>
<tr>
<td>S.4.2 Improve efficiency of Halal certification process</td>
<td>Research &amp; development; capacity building</td>
<td>WGHDEC</td>
<td></td>
</tr>
<tr>
<td>S.5.1 Cross-sectoral collaboration in information access</td>
<td>Awareness building; information exchange</td>
<td>All WGs</td>
<td></td>
</tr>
</tbody>
</table>

Note: This may be a joint debottlenecking measure, i.e., project and/or location-specific regulatory reform and not necessarily an IMT-GT-wide reform
Exhibit 24 shows the 15 actions needed to deliver the Halal Products and Services Focus Area’s strategies. Seven of the actions are for implementation in 2017 whereas the remaining eight actions are for execution starting 2019.

### Exhibit 24: Halal Products and Services Focus Area Action Plan

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline: Short-term (ST)</th>
<th>Medium-Term (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Narrow the gap of practices in Halal Certification</td>
<td>A.1.1.1 To organise information sharing sessions and meetings to identify the gap on Halal Certification practices</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.1.2 To set up the expert group to identify the gap in Halal Certification practices and recommend strategy to move forward</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.1.3 To present the outcome of the analysis to SOM/MM/Cabinet, where applicable, for consideration and adoption</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Develop Halal Curriculum</td>
<td>A.2.1.1 To initiate collaboration among state universities and educational institutions</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.2.1.2 To get accreditation of the contents of the syllabus on the Halal Curriculum</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td>S.2.2 Exchange of Halal expertise</td>
<td>A.2.2.1 To undertake tri-lateral exchange of staffs/experts</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.2.2.2 To promote participation of large local corporations and multinational corporations in providing industry best practices</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Encourage more collaboration between Halal SMEs and large local corporations and multinationals</td>
<td>A.3.1.1 To initiate MOU for signing by selected large local corporations and multinational corporations</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.2 To develop programmes on transferring and sharing of best practices</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.3.1.3 To recommend competitive incentive for large local corporations and multinational corporations in assisting Halal SMEs</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td>S.3.2 Promote Halal related trade promotional events within IMT-GT</td>
<td>A.3.2.1 To leverage on existing Halal trade promotional events such as the Indonesia Halal Expo, Malaysia International Halal Showcase, Thailand Halal Assembly, World Halal Products Exhibition, etc with the view of promoting Halal products and services by SMEs in IMT-GT Member Countries</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td>S.4.1 Provide Halal knowledge to industry players</td>
<td>A.4.1.1 To provide training, consultancy and pre-audit services for Halal best practices to prepare SMEs toward actual certification processes</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td>S.4.2 Improve efficiency of Halal certification process</td>
<td>A.4.2.1 To promote online application of Halal certification</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.4.2.2 To promote online database on Halal raw materials</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td>S.5.1 Cross-sectoral collaboration in information access</td>
<td>A.5.1.1 To link/integrate and disseminate information through online platform</td>
<td>MT</td>
<td></td>
</tr>
</tbody>
</table>
The Enablers — Enabling Development
Transport and ICT Connectivity

a) Transport Connectivity

There is notable progress in the expansion of physical transport infrastructure along the five priority economic corridors of IMT-GT, including the addition of new roads, CIQ facilities sea ports, air ports and inland ports. To date, the physical aspect of the IMT-GT transport network is reasonably well configured and linked. The logical next step is to put in place a regulatory framework that governs and facilitates cross-border movement of vehicles and passengers. In this regard, the next five-year goal of the Transport Connectivity Focus Area is to establish a seamless, inclusive, sustainable, safe and secured network of inter-connected transport corridors in IMT-GT.

Without reinventing the wheel, for land transport facilitation, IMT-GT will leverage on the policy and regulatory reform measures that have been agreed at the ASEAN level. The subregion will seek to implement the ASEAN Framework Agreement on the Facilitation of Inter-state Transport (AFAFIST) and ASEAN Framework Agreement on the Cross-Border Transport of Passengers (CBTP) over the next five years.

To improve air connectivity, the WG on Transport Connectivity is committed to revisit and update the IMT-GT MoU on Expansion of Air Linkage signed in April 1995. The updated MoU will complement the ASEAN Open Sky arrangements.

Another equally significant objective is to enhance maritime connectivity in the subregion, including the promotion of RO-RO ferry services and cruise shipping.

To meet the growing demand stemming from population growth and economic development, there is a constant need to expand and modernise the existing physical transport infrastructure. For better inclusivity, expansion of the transport network to secondary cities, smaller towns and rural areas is crucial. To this end, IMT-GT will continue to mobilise the necessary resources for transport infrastructure development over the next five years and beyond.

b) ICT Connectivity

While IMT-GT has a long history of transport cooperation, its experience in ICT cooperation is relatively recent. The decision to include ICT as a strategic pillar and focus area of Vision 2036 and IB 2017-2021 was made at the 23rd IMT-GT Senior Officials’ Meeting and 22nd IMT-GT Ministerial Meeting held in Phang Nga, Thailand in September 2016. The SOM and MM viewed ICT as an important driver of subregional connectivity and an effective enabler for accelerating the transformation of the subregion’s economy towards knowledge-intensive and inclusive growth.

To further institutionalise and advance the ICT connectivity goals, IMT-GT will establish a Sub-Working Group on ICT Connectivity (Sub-WGICT) in 2017.

The ASEAN’s Digital Innovation Strategic Area as outlined in the Master Plan on ASEAN Connectivity (MPAC) 2025 provides a useful guide for the IMT-GT WG on ICT Connectivity to frame its potential areas of ICT cooperation. However, given that ICT connectivity is a new area of cooperation, IMT-GT will therefore refrain from adopting too many ICT-related agenda items of the MPAC 2025. Instead, it will leverage on the progress made at the ASEAN-level, such as in areas of ICT policy reform, telecommunication services liberalisation and physical infrastructure expansion.
The top priority of Sub-WGICT will be on applying ICT for business transformation and ICT infrastructure development along the priority economic corridors. This also includes empowering the MSMEs and private sector at large through comprehensive use of ICT.

There will always be a need to invest in ICT infrastructure and services for better ICT connectivity. This will be addressed in the second half of the IB 2017-2021 period, when the Sub-Working Group has become more established. The top priority then will be on improving ICT connectivity along the priority economic corridors.

Exhibit 25 summarises the scope, goal, objectives, objective indicators and priority strategies of the Transport and ICT Connectivity Focus Area. It represents the Strategic Framework of the Focus Area. Each strategy is assigned a serial number for easy cross-reference with the related actions under the accompanying Action Plan 2017-2021.

IMT-GT recognises that application of ICT and related disruptive technologies such as mobile Internet, big data, cloud technology, and the Internet of Things are cross-cutting in nature and could result in increased efficiency and new products and services. In view of this, parallel to the initiatives of the Transport and ICT Connectivity Focus Area, individual Focus Areas will actively promote ICT in their respective areas.

**Exhibit 25: Strategic Framework of Transport and ICT Connectivity Focus Area**

<table>
<thead>
<tr>
<th>Focus Area: Transport and ICT Connectivity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a. Transport Connectivity</strong></td>
</tr>
<tr>
<td><strong>Scope</strong></td>
</tr>
<tr>
<td>• Transport facilitation and transport infrastructure development</td>
</tr>
<tr>
<td><strong>Goal (impact)</strong></td>
</tr>
<tr>
<td>• IMT-GT as a seamless, inclusive, sustainable, safe and secured network of inter-connected transport corridors</td>
</tr>
<tr>
<td><strong>Objective (outcome)</strong></td>
</tr>
<tr>
<td>1. Seamless inter-state transport operation in IMT-GT</td>
</tr>
<tr>
<td>1. <strong>Indicator:</strong> Number of inter-state road transport operation (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td>2. Greater people mobility within IMT-GT</td>
</tr>
<tr>
<td>2. <strong>Indicator:</strong> Number of commercial vehicle carrying passenger on cross-border transport operation (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td>3. Better air linkages with increased flight capacity and frequency</td>
</tr>
<tr>
<td>3. <strong>Indicator:</strong> At least two new intra-IMT-GT air links established by 2021</td>
</tr>
</tbody>
</table>
**Exhibit 25: Strategic Framework of Transport and ICT Connectivity Focus Area** *(continued)*

<table>
<thead>
<tr>
<th>Focus Area: Transport and ICT Connectivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Enhanced maritime connectivity</td>
</tr>
<tr>
<td><strong>Indicator 4.1:</strong> Number of new intra-IMT-GT sea links (e.g., RO-RO, cruise) established in IMT-GT by 2021 (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td><strong>Indicator 4.2:</strong> International sea cargo throughput increases to $x$ metric tons (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td><strong>Indicator 4.3:</strong> International sea container throughput increases to $x$ twenty-foot equivalent units (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td><strong>Indicator 4.4:</strong> Number of passengers using RO-RO ferry services/cruise ships (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td>5. Greater transport infrastructure capacity</td>
</tr>
<tr>
<td><strong>Indicator 5.1:</strong> Kilometre of road and facilities added/upgraded within IMT-GT region (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td><strong>Indicator 5.2:</strong> Number of CIQ/border crossing/ports and airports built or expanded/upgraded (target and baseline to be determined in 2017)</td>
</tr>
</tbody>
</table>

**Working Group:** Working Group on Transport Connectivity (WGTC)
Exhibit 25: Strategic Framework of Transport and ICT Connectivity Focus Area (continued)

b. ICT Connectivity

**Scope**
- ICT infrastructure development and business transformation using ICT

**Goal** (impact)
- Comprehensive use of ICTs for inclusive and competitive growth

<table>
<thead>
<tr>
<th>Objective (outcome)</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Growth in online business for MSMEs</td>
<td>S.1.1 Raise awareness and develop capacity on online business activities such as e-commerce and e-payment for MSMEs</td>
</tr>
<tr>
<td>Indicator 1.1: Number of MSMEs doing online business under IMT-GT</td>
<td></td>
</tr>
<tr>
<td>(target and baseline to be determined in 2017)</td>
<td></td>
</tr>
<tr>
<td>2. Enhanced competitiveness through ICT</td>
<td>S.2.1 Leverage on disruptive technologies such as mobile technology, big data, Internet of Thing and cloud technology for business efficiency and productivity</td>
</tr>
<tr>
<td>Indicator 2.1: Number of businesses under IMT-GT using ICT to transform their operations (target and baseline to be determined in 2017)</td>
<td></td>
</tr>
<tr>
<td>3. Enhanced ICT connectivity</td>
<td>S.3.1 Build and upgrade ICT Infrastructure and services</td>
</tr>
<tr>
<td>Indicator 3.1: Percentage of IMT-GT population with broadband access (target and baseline to be determined in 2017)</td>
<td></td>
</tr>
</tbody>
</table>

**Working Group:** Sub-Working Group on Information and Communications Technology Connectivity (Sub-WGICT)

The Transport and ICT Connectivity Focus Area will act as an enabler for the Lead Focus Areas, helping to bring actual products and people across the IMT-GT borders and facilitate information flows. As shown in Exhibit 26, most of the Transport Connectivity Focus Area’s strategies are aimed at creating a regulatory framework conducive for cross-border movement of goods, people and vehicles. This, coupled with a more comprehensive use of ICT, will lead to improvement in logistics services and lowering of business transaction cost.

The WGTIC will work hand-in-hand with other WGs to spur greater economic integration and people-to-people connectivity. For example, implementation of the AFAFIST and CBTP will entail streamlining of CIQ rules and regulations which is under the jurisdiction of the CIQ authorities. The WG may consult with the WG on Tourism before deciding on expanding a particular air or maritime connectivity. The WG may collaborate with the WGHRDEC in developing and implementing capacity building programme for MSMEs on digital adoption as well as on improving the mobility and competitiveness of ICT workers. It may also leverage on the ICT expertise embedded within the UNINET.
Exhibit 26: Transport and ICT Connectivity Focus Area’s strategies, types of intervention and direct contributions to Vision 2036

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) Transport Connectivity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.1.1 Ratify and implement the AFAFIST</td>
<td>Regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.1.2 Improve the capacity of all stakeholders to implement the AFAFIST</td>
<td>Capacity building</td>
<td>WGHHRDEC</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Finalise and operationalise the ASEAN CBTP</td>
<td>Regulatory reform*</td>
<td>WGTI</td>
<td></td>
</tr>
<tr>
<td>S.2.2 Improve the capacity of all stakeholders to implement the ASEAN CBTP</td>
<td>Capacity building</td>
<td>WGHHRDEC</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Review and revise the existing IMT-GT MoU on Air Linkages</td>
<td>Regulatory reform*</td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td>S.4.1 Enhance maritime connectivity, including enhancement of container throughput, promotion of RO-RO ferry services and cruise shipping</td>
<td>Regulatory reform*</td>
<td>WGTI (CIQ)</td>
<td>WGT</td>
</tr>
<tr>
<td>S.5.1 Build and upgrade transport infrastructure</td>
<td>Infrastructure development</td>
<td>WGTI (CIQ)</td>
<td></td>
</tr>
<tr>
<td><strong>b) ICT Connectivity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.1.1 Raise awareness and develop capacity on online business activities such as e-commerce and e-payment for MSMEs</td>
<td>Capacity building</td>
<td>WGHHRDEC</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Leverage on disruptive technologies such as mobile technology, big data, Internet of Thing and cloud technology for business efficiency and productivity</td>
<td>Technology transfer</td>
<td>WGHHRDEC</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Build and upgrade ICT Infrastructure and services</td>
<td>Infrastructure development; Capacity building</td>
<td>WGHHRDEC</td>
<td></td>
</tr>
</tbody>
</table>

Note: This may be a joint debottlenecking measure, i.e., project and/or location-specific regulatory reform and not necessarily an IMT-GT-wide reform

Legend: Integration 🍃 Innovation 🧠 Inclusiveness 🌍 Sustainable development 🌿
Exhibit 27 shows that altogether 15 actions are required to implement the Transport and ICT Connectivity Focus Area's strategies. Ten of the actions are for transport connectivity while the remaining five are for ICT connectivity.

**Exhibit 27: Transport and ICT Connectivity Focus Area Action Plan**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action 1:</th>
<th>Action 2:</th>
<th>Action 3:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) Transport Connectivity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.1.1 Ratify and implement the AFAFIST</td>
<td>A.1.1.1 To complete the necessary internal ratification processes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.1.2 Improve the capacity of all stakeholders to implement the AFAFIST</td>
<td>A.1.2.1 To conduct capacity building programmes for all stakeholders involved in the implementation of the AFAFIST</td>
<td>A.1.2.2 To operationalise the AFAFIST along the priority corridors</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Finalise and operationalise the ASEAN CBTP</td>
<td>A.2.1.1 To accelerate the finalisation and ratification of the ASEAN CBTP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.2.2 Improve the capacity of all stakeholders to implement the ASEAN CBTP</td>
<td>A.2.2.1 To conduct capacity building programmes for all stakeholders involved in the implementation of the ASEAN CBTP</td>
<td>A.2.2.2 To operationalise the ASEAN CBTP along the priority corridors</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Review and revise the existing IMT-GT MoU on Air Linkages</td>
<td>A.3.1.1 To set up an expert group to review and revise the IMT-GT MoU on Air Linkages, taking into account the current and future needs of IMT-GT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.4.1 Enhance maritime connectivity, including enhancement of container throughput, promotion of RO-RO ferry services and cruise shipping</td>
<td>A.4.1.1 To develop and implement programmes on enhancing the hardware and software aspects of maritime connectivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.5.1 Build and upgrade transport infrastructure</td>
<td>A.5.1.1 To continue to invest in transport infrastructure projects, particularly towards improving the linkages along the priority economic corridors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### b) ICT Connectivity

| S.1.1 Raise awareness and develop capacity on online business activities such as e-commerce and e-payment for MSMEs | A.1.1.1 To share experience and best practices in online business | ST |
| S.2.1 Leverage on disruptive technologies such as mobile technology, big data, Internet of Thing and cloud technology for business efficiency and productivity | A.2.1.1 To exchange knowledge and share best practices on the usage of disruptive technology | ST |
| | A.2.1.2 To develop and implement pilot projects on disruptive technology | ST |
| S.3.1 Build and upgrade ICT Infrastructure and services | A.3.1.1 To invest in ICT infrastructure projects, particularly towards improving the ICT connectivity along the priority economic corridors | MT |
Trade and Investment Facilitation

The WG on Trade and Investment aims to make IMT-GT a trade and investment friendly subregion by 2021. To achieve this goal, it will implement three priority strategies, as follows:

1. Simplify technical, administrative and regulatory barriers to trade in goods and services, and investment
2. Improve logistics services along supply and value chains
3. Increase trade and investment promotion activities

The strategies were developed to overcome the major issues and challenges facing the subregion, as follows:

1. Relatively high business transaction costs owing to the presence of technical, administrative and regulatory barriers to intra-IMT-GT trade and investment
2. Supply chain challenges for companies investing in cross-border trade due to lack of simplification and standardisation of cross-border formalities and procedures (e.g., CIQ rules and procedures)
3. There is a pressing need to incentivise the private sector players to utilise IMT-GT as a platform to expand their business interests as there are signs showing that the private sector is beginning to lose interest in IMT-GT
4. Increased competition for FDI across ASEAN and beyond amid a challenging global economic environment

Implementation of the strategies is expected to increase intra and inter-IMT-GT trade and investment and enhance the subregion’s attractiveness to domestics and foreign investors. This will go a long way to spur the development and growth of the Lead Focus Areas, i.e., the agriculture and agro-based, tourism and Halal industries.

Exhibit 28 summarises the scope, goal, objectives, objective indicators and priority strategies of the Trade and Investment Facilitation Focus Area. It represents the Strategic Framework of the Focus Area. Each strategy is assigned a serial number for easy cross-reference with the related actions under the accompanying Action Plan 2017-2021.
Exhibit 28: Strategic Framework of Trade and Investment Facilitation Focus Area

Focus Area: Trade and Investment Facilitation

Scope
- Trade and investment facilitation
- Trade in goods and services, and investment

Goal (impact)
- IMT-GT is a trade and investment friendly region

Objective (outcome)
1. Increased in trade and investment

Indicator 1.1: Increase intra-IMT-GT trade by 10% in 5 years (baseline: average annual growth rate of 2014-2016)

Indicator 1.2: Increase inter-IMT-GT trade by 20% in 5 years (baseline: average annual growth rate of 2014-2016)

Indicator 1.3: Increase FDI and cross-border investment by 10% in 5 years (baseline: average annual growth rate of 2014-2016)

Indicator 1.4: Percentage reduction in the documentary requirements for trade (major areas - Agriculture, Halal products & services and tourism) (target and baseline to be determined in 2017)

Indicator 1.5: Reduction in time release at borders. (target and baseline to be determined in 2017)

Strategy
S.1.1 Simplify technical, administrative and regulatory barriers to trade in goods and services, and investment
S.1.2 Improve logistics services along supply and value chains
S.1.3 Increase trade and investment promotion activities

Working Group: Working Group on Trade and Investment

The Trade and Investment Facilitation Focus Area will act as an enabler to the Lead Focus Areas. This is done by creating an enabling environment for the agriculture and agro-based, tourism and Halal industries to operate and thrive. As shown in Exhibit 29, the WGTI will undertake three types of intervention to support the Lead Focus Areas: (a) Regulatory reform; (b) Facilitation; and (c) Trade and investment promotion.

Reforming and improving national trade and investment policies is obviously not within the mandate of the WGTI. What the WGTI members have been focusing on at in-country level is to elevate the IMT-GT’s development priorities...
to relevant national ministries and agencies with the view of attracting and channelling investments to the industries promoted by IMT-GT. WGTI will continue to play this important facilitative role under IB 2017-2021.

Additionally, at in-country level, the WGTI members will continue to work with the relevant national ministries and agencies to implement the following measures, among others. All these measures are highly relevant and widely applied in the context of promoting special economic zones, industrial estates and pioneer industries located in IMT-GT.

1. Offering investment incentives with more relaxed conditions and broader eligibility criteria for business fields that are being promoted in IMT-GT
2. Streamlining investment application processes to make investment easy, such as speeding up investment licensing for investment in IMT-GT
3. Reducing/removing foreign ownership cap
4. Relaxing import taxes on certain capital goods
5. Granting special tax incentives for certain IMT-GT industries

Furthermore, the WGTI is committed to go beyond implementing in-country measures. For one, the WGTI’s effort towards finalising and implementing the IMT-GT CIQ Framework of Cooperation will lead to subregional arrangements to overcome CIQ-related bottlenecks. IMT-GT will further enhance the role of the CIQ Task Force and to give priority to addressing CIQ issues. Through collaboration with the other Working Groups (Exhibit 29), the WGTI will be able to identify their specific trade and investment facilitation requirements and to respond in a meaningful way. This may be in the context of Special Border Economic Zone, selected port pairs, value chains, supply chains or projects (e.g., the planned Dumai-Melaka RO-RO Ferry Project).

To address the private sector’s widely held concern that there are no special incentives or treatments offered under the IMT-GT platform, over and above those which are already being offered by ASEAN, the WGTI will explore project-level or location-specific regulatory reforms, in line with the Guiding Approach stated in Vision 2036. Additionally, the WGTI may also undertake an assessment on the feasibility of introducing special investment incentive schemes for IMT-GT projects. The WGTI will also explore ways to pilot implement the trade and investment facilitation agreements of ASEAN, such as the ACIA, ATIGA, ICT and NSW.

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1. All these measures are in-country measures that can be implemented unilaterally by individual IMT-GT Member Countries. They are usually being implemented within the limits of relevant national legislations and exemptions or privileges are given only on a case-by-case basis with approval from the national government. What is also obvious is that most of these measures are standard national or ASEAN-level measures offered by the IMT national governments. This is why the private sector often asks this question: “Other than providing a subregional platform for business networking, what are the other value-adding aspects of IMT-GT?”
Last but not least, the WGTI will continue to organise joint trade and investment promotion activities, marketing IMT-GT under a single brand. Such promotional activities will become even more meaningful when:

1. The internal market of IMT-GT has become more integrated with greater efficiency that is characterised by significant intra-IMT-GT trade and investment activities and extensive cross-border production networks
2. The IMT-GT Member Countries have significantly exploited their economic complementarities and therefore is well-positioned to be a single production base that exports to markets beyond the growth area

For this to happen, and for IMT-GT to stay relevant and competitive, the perennial technical, administrative and regulatory barriers to cross-border trade and investment must be overcome under the IB 2017-2021 period. And the WGTI will play the game changer role to make this happen.

**Exhibit 29: Trade and Investment Facilitation Focus Area’s strategies, types of intervention and direct contributions to Vision 2036**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Simplify technical, administrative and regulatory barriers to trade in goods and services, and investment</td>
<td>Regulatory reform*</td>
<td>WGAA</td>
<td>WGT</td>
</tr>
<tr>
<td>S.1.2 Improve logistics services along supply and value chains</td>
<td>Facilitation; regulatory reform*</td>
<td>WGAA</td>
<td>WGT</td>
</tr>
<tr>
<td>S.1.3 Increase trade and investment promotion activities</td>
<td>Trade and investment promotion</td>
<td>WGAA</td>
<td>WGT</td>
</tr>
</tbody>
</table>

Note: This may be a joint debottlenecking measure, i.e., project and/or location-specific regulatory reform and not necessarily an IMT-GT-wide reform

Exhibit 30 shows the five short-term actions (for implementation beginning 2017) and four medium-term actions (for implementation starting 2019) required to deliver the Trade and Investment Focus Area’s strategies.
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline: Short-term (ST)</th>
<th>Medium-Term (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Simplify technical, administrative and regulatory barriers to trade in goods and services, and investment</td>
<td>A.1.1.1 To finalise and implement the IMT-GT CIQ Framework of Cooperation</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.1.2 To pilot implementation of trade and investment facilitation agreements of ASEAN</td>
<td></td>
<td>MT</td>
</tr>
<tr>
<td>S.1.2 Improve logistics services along supply and value chains</td>
<td>A.1.2.1 To simplify CIQ regulations and procedures, starting at the priority economic corridors, including standardising the CIQ procedure according to the World Customs Organization rules</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.2.2 To develop programmes on facilitating the integration of MSMEs into and moving up global and regional and global value chains</td>
<td></td>
<td>ST</td>
</tr>
<tr>
<td>S.1.3 Increase trade and investment promotion activities</td>
<td>A.1.3.1 To conduct regional trade fairs and to promote IMT-GT as a single investment destination</td>
<td>ST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.3.2 To simplify investment procedures and processes</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.3.3 To develop programmes on enhancing MSMEs and social enterprises’ accessibly to finance</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.1.3.4 To undertake an assessment on the feasibility of providing special investment incentives for IMT-GT</td>
<td>MT</td>
<td></td>
</tr>
</tbody>
</table>
Environment

IMT-GT is highly vulnerable to climate change as a large proportion of its population and economic activity is concentrated along the coastlines. The subregion relies heavily on agriculture for livelihoods and has built its export industries around natural resources. However, as the findings of the Comprehensive Review of the IMT-GT Strategy have shown, the subregion’s natural resources and biodiversity are under severe pressure from years of exploitation and extraction. Its natural areas are increasingly fragmented within a matrix of human-dominated landscapes and seascapes. This fragmentation affects the movement of species and the flow of ecological processes critical for the provision of ecosystem services that are vital to the well-being of the people.

The extensive bottom-up stakeholder consultation exercise conducted under the IB 2017-2021 preparation process has revealed that:

1. The public sector stakeholders intend to promote economic growth patterns that are inclusive and sustainable
2. The business leaders think that green growth presents an opportunity for their own businesses and they have a role in contributing to broader sustainable development goals
3. The public at large wants a highly liveable region characterised by a healthy natural environment and vibrant cultural traditions.

This suggests that there is a real need to mainstream environmental considerations in the IMT-GT cooperation agenda. The focus on environment under IB 2012-2016 was quite narrow and limited to sustainable practices in agriculture under the WG on Agriculture, Argo-based Industry and Environment.

Consistent with the recommendations of the MTR on IB 20121-2016, a new body will be created to drive the environmental cooperation agenda. However, to add a new working group to the existing institutional set-up and get it up to speed to identify, develop and coordinate the implementation of environmental projects may take time.

As decided by the 23rd IMT-GT Senior Officials’ Meeting and 22nd IMT-GT Ministerial Meeting held in Phang Nga, Thailand in September 2016, the Chief Ministers and Governors Forum will be the interim body responsible for the environmental cooperation agenda. In addition, CIMT will provide the necessary technical and secretariat support to the CMGF. The progress made by the on-going Green Cities Initiative has demonstrated that this is a viable arrangement.

The effectiveness of this interim arrangement will be reviewed periodically, such as during the Mid-Term Review of this IB or earlier. In time to come, IMT-GT may want to establish a full-fledged Working Group on Environment.

The Focus Area on Environment is an Enabler. This is on the grounds that sustained economic growth can take place only when there is a healthy natural environment and the subregion’s natural resources are sustainably managed and utilised. The scope of the environmental cooperation covers:

1. Low carbon economy, including, but not limited to, sustainable urban development, and promotion of renewable energy, energy efficiency and green mobility
2. Sustainable management of natural resources and protection and conservation biodiversity
The goal of this Focus Area is to make IMT-GT an international showcase of the Green City Initiative and a role model in environmental conservation by 2021. More specifically, the Focus Area aims to achieve the following two objectives:

1. A network of green cities is established in IMT-GT
2. IMT-GT’s natural capital such as adjacent national parks, other protected areas and migratory species are effectively managed and conserved under subregional cooperative efforts

To achieve the goal and objectives, three priority strategies will be pursued, as follows:

1. Upscale and replicate the Green City Initiative across the subregion
2. Undertake coordinated efforts for the sustainable management of the natural resources in IMT-GT, such as the forests, water, wildlife, among others
3. Enhance collaboration in the management and restoration of adjacent ecosystems (e.g., watersheds, breeding grounds and migration routes of animals)

Exhibit 31 summarises the scope, goal, objectives, objective indicators and priority strategies of the Environment Focus Area. It represents the Strategic Framework of the Focus Area. Each strategy is assigned a serial number for easy cross-reference with the related actions under the accompanying Action Plan 2017-2021.
Exhibit 31: Strategic Framework of Environment Focus Area

<table>
<thead>
<tr>
<th>Focus Area: Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
</tr>
<tr>
<td>• Low carbon economy, including, but not limited to, sustainable urban development, and promotion of renewable energy, energy efficiency and green mobility</td>
</tr>
<tr>
<td>• Sustainable management of natural resources and protection and conservation biodiversity</td>
</tr>
<tr>
<td><strong>Goal</strong> (impact)</td>
</tr>
<tr>
<td>• IMT-GT as an international showcase of the Green City Initiative and a role model in environmental conservation</td>
</tr>
<tr>
<td><strong>Objective</strong> (outcome)</td>
</tr>
<tr>
<td>1. A network of green cities is established in IMT-GT</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
</tr>
<tr>
<td>S.1.1 Upscale and replicate the Green City Initiative across the subregion</td>
</tr>
<tr>
<td><strong>Indicator 1.1:</strong> At least 10 cities in IMT-GT implement Green City Action Plan (2016: 5 cities)</td>
</tr>
<tr>
<td>2. IMT-GT’s natural capital such as adjacent national parks, other protected areas and migratory species are effectively managed and conserved under subregional cooperative efforts</td>
</tr>
<tr>
<td><strong>Indicator 2.1:</strong> Subregional framework, strategic plan and mechanisms are in place for cooperative and coordinated management and conservation of relevant natural resources and biodiversity</td>
</tr>
<tr>
<td><strong>Indicator 2.2:</strong> Number of cooperative programmes/projects on sustainable management of natural resources and conservation of biodiversity implemented (target and baseline to be determined in 2017)</td>
</tr>
<tr>
<td><strong>Working Group:</strong> Chief Ministers and Governors Forum, with support from CIMT</td>
</tr>
</tbody>
</table>

In addition to collaborating with the provincial/state and national governments and its present project partner, namely the International Council for Local Environmental Initiatives (ICLEI) – Local Governments for Sustainability, CMGF will also collaborate closely with the other WGs to upscale and replicate the Green City Initiative across the subregion. For example, it will work with the WGHHRDEC for capacity building, expertise on sustainable urban planning (under UNINET) and inputs on socio-cultural aspect of green city development (Culture). It will also work with the WGTIC on transport planning and traffic management.

IMT-GT will put in place a subregional framework/strategic plan for the sustainable management of natural resources and biodiversity conservation. CMGF will collaborate with the three Lead Focus Areas through the WGAA, WGT and WGHAPAS for developing and implementing programmes on promoting sustainable production and consumption practices. It will also tap into the relevant expertise of the UNINET, among others (see Exhibit 32). Given the complexity of the issues at hand and with multiple stakeholder involvement, CMGF is expected to invest a considerable amount of effort and time in bringing together relevant government agencies, private sector players, research organisations, civil societies and development agencies in advancing the sustainable development agenda of IMT-GT. In this regard, the support of CIMT will be absolutely critical.
### Exhibit 32: Environment Focus Area’s strategies, types of intervention and direct contributions to Vision 2036

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Upscale and replicate the Green City Initiative across the subregion</td>
<td>Technology transfer; capacity building</td>
<td>WGHHRDEC</td>
<td>WGTC</td>
</tr>
<tr>
<td>S.2.1 Undertake coordinated efforts for the sustainable management of the natural resources in IMT-GT, such as the forests, water, wildlife, among others</td>
<td>Research; facilitation; coordination</td>
<td>WGAIA</td>
<td>WGT WGHAPAS WGHHRDEC</td>
</tr>
<tr>
<td>S.2.2 Enhance collaboration in the management and restoration of adjacent ecosystems (e.g., watersheds, breeding grounds and migration routes of animals)</td>
<td>Research; facilitation; coordination</td>
<td>WGHHRDEC</td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- **Integration**
- **Innovation**
- **Inclusiveness**
- **Sustainable development**

Exhibit 33 details the actions needed to implement the Environment Focus Area’s strategies. Two of the actions represent short-term actions (for implementation beginning 2017) while three are medium-term actions (for implementation starting 2019).
### Exhibit 33: Environment Focus Area Action Plan

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline:</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Upscale and replicate the Green City Initiative across the subregion</td>
<td>A.1.1.1 To promote the Green City Initiative to potential cities in IMT-GT</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>A.1.1.2 To replicate and implement the Green City Action Plan in more IMT-GT cities</td>
<td>MT</td>
</tr>
<tr>
<td></td>
<td>A.1.1.3 To develop a mechanism for effective sharing and transferring of knowhow and best practices between the green cities in the subregion</td>
<td>MT</td>
</tr>
<tr>
<td>S.2.1 Undertake coordinated efforts for the sustainable management of the natural resources in IMT-GT, such as the forests, water, wildlife, among others</td>
<td>A.2.1.1 To develop a subregional strategic framework/plan for the sustainable management of the subregion’s natural resources</td>
<td>ST</td>
</tr>
<tr>
<td>S.2.2 Enhance collaboration in the management and restoration of adjacent ecosystems (e.g., watersheds, breeding grounds and migration routes of animals)</td>
<td>A.2.2.1 To develop and implement joint programmes on maintaining and enhancing environmental integrity, such as spatial planning for conservation, biodiversity conservation, habitat restoration, sustainable production and consumption, mitigation of trans-boundary pollution, sustainable financing for conservation, among others</td>
<td>MT</td>
</tr>
</tbody>
</table>
Human Resource Development, Education and Culture

As its name suggests, this Focus Area consists of three key components: HRD, Education and Culture. Traditionally, UNINET has always been part of the WGHRD. However the link between the two grew weaker over time with fewer collaborative programmes though both components remained vibrant in their own right. In the case of Culture, IMT-GT has an active socio-cultural cooperation programme mainly in the areas of sports, music and youth engagement. However, such activities are usually conducted outside of the formal IMT-GT ambit, though they contribute considerably to people-to-people connectivity and enhance social cohesiveness.

The 23rd IMT-GT Senior Officials’ Meeting and 22nd IMT-GT Ministerial Meeting held in Phang Nga, Thailand in September 2016 agreed to mainstream UNINET and socio-cultural cooperation and put Education and Culture under the WGHRD.

The scope of this Focus Area therefore encompasses:

1. Developing and upgrading of IMT-GT workforce skills and improving labour mobility
2. Capacity building, knowledge exchange, technology transfer and research and development as performed under the IMT-GT UNINET framework
3. Cooperation in education, sports, arts, music and other forms of socio-cultural activities that contribute to people-to-people connectivity

The goal of this Focus Area is to have a competitive workforce, enhanced labour mobility, improved labour market efficiency and strong people-to-people connectivity by 2021.

To achieve this goal, the WGHRDEC will pursue six priority strategies, as follows:

1. Implement demand-driven skills training
2. Undertake capacity building and knowledge exchange
3. Pilot skills competency recognition in selected professions in IMT-GT
4. Establish a labour market information system in IMT-GT
5. Mainstream the UNINET programme in IMT-GT cooperation effort
6. Intensify cooperation in education, sports, arts, music and other forms of socio-cultural activities and to promote youth engagement and civil society participation

Exhibit 34 summarises the Strategic Framework of the Focus Area on HRD, Education and Culture, outlining its scope, goal, objectives, objective indicators and priority strategies. Every strategy is given a serial number for easy cross-reference with the related actions in the accompanying Action Plan 2017-2021.
## Exhibit 34: Strategic Framework of HRD, Education and Culture Focus Area

**Focus Area: Human Resource Development, Education and Culture**

### Scope
- Developing and upgrading of IMT-GT workforce skills and improving labour mobility
- Capacity building, knowledge exchange, technology transfer and research and development as performed under the IMT-GT UNINET framework
- Cooperation in education, sports, arts, music and other forms of socio-cultural activities that contribute to people-to-people connectivity

### Goal (impact)
- A competitive workforce, enhanced labour mobility, improved labour market efficiency and strong people-to-people connectivity

<table>
<thead>
<tr>
<th>Objective (outcome)</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improved workforce competitiveness</td>
<td>S.1.1 Implement demand-driven skills training</td>
</tr>
<tr>
<td><strong>Indicator 1.1.</strong>: Number of trainees certified by accredited vocational training centres in the subregion by 2021 (target and baseline to be established in 2017)</td>
<td>S.1.2 Undertake capacity building and knowledge exchange</td>
</tr>
<tr>
<td>2. Synchronised competency skill Standards</td>
<td>S.2.1 Pilot skills competency recognition in selected professions in IMT-GT</td>
</tr>
<tr>
<td><strong>Indicator 2.1.</strong>: Two professions pilot projects implemented in IMT-GT</td>
<td></td>
</tr>
<tr>
<td>3. An efficient labour market information system</td>
<td>S.3.1 Establish a labour market information system in IMT-GT</td>
</tr>
<tr>
<td><strong>Indicator 3.1.</strong>: Number of users accessing the IMT-GT Labour Market Information system (target to be established in 2017)</td>
<td></td>
</tr>
<tr>
<td>4. Enhanced collaboration between IMT-GT universities under the UNINET framework</td>
<td>S.4.1 Mainstream the UNINET programme in IMT-GT cooperation effort</td>
</tr>
<tr>
<td><strong>Indicator 4.1.</strong>: Number of UNINET projects implemented in close collaboration with other Focus Areas</td>
<td></td>
</tr>
<tr>
<td>5. Enhanced socio-cultural cooperation for greater people-to-people connectivity</td>
<td>S.5.1 To intensify cooperation in education, sports, arts, music and other forms of socio-cultural activities and to promote youth engagement and civil society participation</td>
</tr>
<tr>
<td><strong>Indicator 5.1.</strong>: Number of socio-cultural projects implemented in close collaboration with other Focus Areas (target to be determined in 2017)</td>
<td></td>
</tr>
</tbody>
</table>

**Working Group**: Working Group on Human Resource Development, Education and Culture (WGHRDEC)
Effective implementation of the HRD strategies is vital for the long-term competitiveness and growth of the IMT-GT economy. The WGHRDEC is committed to provide skill trainings that are market driven. To this end, the WG will develop and implement programmes that meet the needs of the private sector players with priority giving to those operating in the Lead Focus Areas (Agriculture and Agro-based Industry, Tourism and Halal Products and Services). This will necessitate a close collaboration between the WGHRDEC and WGAA, WGT and WGHAPAS. The latter three Working Groups are effectively the subregional focal bodies mandated to coordinate the implementation of private sector programmes and projects under their respective Focus Areas. UNINET will pro-actively forge partnerships with the key industry players of the Focus Areas. With respect to the strategy on establishing a subregional market information system, it is strategic to collaborate with the WGTIC (i.e., Sub-WG on ICT Connectivity) on technical matters.

To further institutionalise socio-cultural cooperation, IMT-GT will create a Sub-Working Group on Socio-Cultural Cooperation under the WGHRDEC in 2017. The main priority of the new Sub-Working Group in its first year of operation will be on developing a subregional strategic framework on IMT-GT socio-cultural cooperation. The Sub-WG will work closely with the WGAA, WGT and WGHAPAS to ensure its programmes are demand driven and meet the needs of the industries being promoted by IMT-GT (see Exhibit 35). UNINET will play a significant role in moving forward some of the socio-cultural cooperation initiatives such as youth engagement, sports, etc.
### Exhibit 35: HRD, Education and Culture Focus Area’s strategies, types of intervention and direct contributions to Vision 2036

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Type of intervention</th>
<th>Convergence</th>
<th>Direct contribution to Vision 2036</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Implement demand-driven skills training</td>
<td>Research; capacity building</td>
<td>WGAA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGHAPAS</td>
<td></td>
</tr>
<tr>
<td>S.1.2 Undertake capacity building and knowledge exchange</td>
<td>Capacity building</td>
<td>WGAA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGHAPAS</td>
<td></td>
</tr>
<tr>
<td>S.2.1 Pilot skills competency recognition in selected professions in IMT-GT</td>
<td>Research; regulatory reform*</td>
<td>WGAA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGHAPAS</td>
<td></td>
</tr>
<tr>
<td>S.3.1 Establish a labour market information system in IMT-GT</td>
<td>Information sharing</td>
<td>WGAA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGHAPAS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGTIC</td>
<td></td>
</tr>
<tr>
<td>S.4.1 Mainstream the UNINET programme in IMT-GT cooperation effort</td>
<td>Facilitation; coordination</td>
<td>WGAA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGHAPAS</td>
<td></td>
</tr>
<tr>
<td>S.5.1 Intensify cooperation in education, sports, arts, music and other forms of socio-cultural activities and to promote youth engagement and civil society participation</td>
<td>Facilitation; coordination</td>
<td>WGAA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WGHAPAS</td>
<td></td>
</tr>
</tbody>
</table>

Note: This may be a joint debottlenecking measure, i.e., project and/or location-specific regulatory reform and not necessarily an IMT-GT-wide reform

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Exhibit 36 shows that altogether 11 actions are needed to deliver the HRD, Education and Culture Focus Area’s strategies. Eight of the actions are for implementation in 2017 and the other three are meant to be executed beginning 2019.
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Timeline: Short-term (ST) Medium-Term (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.1.1 Implement demand-driven HRD projects</td>
<td>A.1.1.1 To conduct a labour demand and supply survey</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>A.1.1.2 To implement, where appropriate, the recommendations of the proposed labour demand and supply survey</td>
<td>MT</td>
</tr>
<tr>
<td>S.1.2 Undertake capacity building (academic degree, technical degree) and faculty and student exchanges</td>
<td>A.1.2.1 To develop and implement capacity building and knowledge exchange programmes on enhancing workforce competitiveness</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>A.1.2.2 To conduct Training of Trainers of the Vocational Training Centre</td>
<td>ST</td>
</tr>
<tr>
<td>S.2.1 Pilot ASEAN Qualification Reference Framework (AQRF) in selected professions in IMT-GT</td>
<td>A.2.1.1 To identify suitable professions as pilot projects</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>A.2.1.2 To upscale the pilot implementation of the skills competency recognition in more professions</td>
<td>MT</td>
</tr>
<tr>
<td>S.3.1 Establish a labour market information system in IMT-GT</td>
<td>A.3.1.1 To develop a labour market information system</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>A.3.1.2 To conduct a labour market information system training</td>
<td>ST</td>
</tr>
<tr>
<td>S.4.1 Mainstream the UNINET programme in IMT-GT cooperation effort</td>
<td>A.4.1.1 To conduct workshop and president forum to sign and adopt the UNINET charter</td>
<td>ST</td>
</tr>
<tr>
<td></td>
<td>A.4.1.2 To broaden and deepen UNINET linkages, including linkages with accredited international universities and industry</td>
<td>MT</td>
</tr>
<tr>
<td>S.5.1 Intensify cooperation in education, sports, arts, music and other forms of socio-cultural activities and to promote youth engagement and civil society participation</td>
<td>A.5.1.1 To coordinate and facilitate socio-cultural cooperation, as well as to promote youth and civil society participation</td>
<td>ST</td>
</tr>
</tbody>
</table>
Appendix 1 outlines the Priority Connectivity Projects identified for implementation under IB 2017-2021 and beyond (the list is provisional).
The special ingredients of an IMT-GT project

Not every project can become an IMT-GT project. It has to have some very special ingredients that can deliver some important outcomes and impacts for the IMT-GT subregion. A proposed project must meet the following eligibility criteria:

1. It addresses a priority objective of a subregional plan or agreement, which by its nature will involve at least two of the three IMT-GT countries
2. It responds to an identified need of IMT-GT (i.e., a need-based project)
3. It complements other projects that have been undertaken to support the implementation of the subregional plan
4. It is consistent with national development objectives of at least one IMT-GT member country

Project-centric approach towards greater regional integration

With the IMT-GT project eligibility criteria firmly in mind, IMT-GT will adopt a more project-centric approach towards greater regional integration and this will be achieved through a concerted effort in identifying and implementing catalytic projects that are scalable, replicable and sustainable, particularly with private sector SME partners.

IMT-GT’s unique focus on a subregion is underpinned by a strategy that is directed at increasing inter and intra trade and investment and enhancing trade facilitation. Projects lie at the heart of this strategy. However, this intentional strategy, to place projects at the centre of IMT-GT’s work, will only be successful if the projects identified are themselves implemented successfully and achieve their respective project objectives.

Answering the call for enhanced project management

With this greater emphasis on projects comes a greater responsibility to ensure that IMT-GT’s project management capabilities are robust enough, fully resourced and are fit for purpose. To achieve an enhanced IMT-GT project management capability, a range of new project management initiatives will be necessary in order to pursue successfully IMT-GT’s project-centric approach and strengthen IMT-GT’s Project Management System.

The intention is to build upon the IMT-GT Project Manual and not to replace it. The IMT-GT Project Manual represents a strong basis and set of guidelines necessary to translate the goals and objectives of the subregion into realistic, sound and implementable projects.

A clear distinction will now be made when identifying projects between projects and activities. The IMT-GT Project Manual gives the following definitions, which provide guidance in achieving a greater emphasis on projects in future (Exhibit 37).
There will be a greater strategic emphasis on identifying and implementing projects rather than activities so that IMT-GT’s desired goals are achieved.

**Broad Objectives for the enhanced Project Management System**

If a new project-centric approach is to be pursued successfully by IMT-GT, then it naturally follows that IMT-GT’s project management capability must be fit for purpose to ensure that projects are implemented effectively and to a high standard. Significantly, around only 30% of listed projects were implemented during the last Implementation Blueprint 2012-2016. This in itself suggests that there is room for better project management.

The following represent the broad objectives for our enhanced Project Management System:

**Exhibit 38: Broad objectives for the enhanced project Management System**

1. To respond to the project-centric nature of the new IB 2017-2021 and the desire to provide a greater emphasis on project implementation

2. Deliver a robust response to the poor project implementation success rate seen in the last IB 2012-2016

3. To meet the high standards and demands of the private sector who will be placed at the centre of IMT-GT’s project strategy

4. Greater control and understanding of the monitoring and evaluation progress against the plan to ensure projects are implemented on time and budget

5. Greater resources to be made available to CIMT to oversee and lead the project management process

6. Maintain more effective communications between project stakeholders and the project organisations, particularly project champions

7. Achieve a more effective on-ground project management capability that responds more immediately and effectively to situations as they arise

8. Establish a clear understanding from the outset of the specific project elements that need to be tracked, including establishing a critical path and timeline for each individual project

9. Establish a clear understanding from the outset of the respective roles and responsibilities of the project stakeholders, particularly the project champion who will lead on the implementation of a particular project
In order to make a strong response to these desired objectives, CIMT will take the lead in developing a range of new project management initiatives that will seek to enhance the current Project Management System. Importantly, these new project management initiatives are aimed at providing the necessary confidence to private sector project promoters and champions that convinces them that IMT-GT represents a desirable partner for their projects.

**Key project management initiatives**

What does an enhanced Project Management System mean for IMT-GT from a practical perspective? The key project management initiatives set out below represent the main action plans that will be undertaken by CIMT during the first year of the new IB to bolster IMT-GT’s overall project management capability.

Working together, these initiatives will generate greater control over the project-centric process and achieve higher levels of project implementation success. This in turn will provide greater strategic strength, from the bottom-up, in accomplishing IMT-GT’s higher level goals and vision for the subregion as set out in the Guiding Framework.

These initiatives are set out as follows:

**Reinforcing CIMT’s coordinating role**

The IMT-GT Project Manual states that the responsibility for IMT-GT projects is shared between the various subregional bodies including the Senior Officials Meeting, Project Appraisal Committee, National Secretariats, Working Groups, Chief Ministers and Governors’ Forum (CMGF), CIMT and the Joint Business Council (JBC). In addition to this list, we can also include private sector project promoters, local governments, corridor organisations, investment boards and universities to appreciate the wide range of potential stakeholders present in any one IMT-GT project.

The process of managing and implementing a substantial number of projects, across a wide range of sectors, between three countries and within the stakeholder context outlined above represents a substantial undertaking by any measure.

In order to manage this multifaceted project context successfully, there is a need to establish a central point of coordination that has an overview of each individual project as it navigates its way through the IMT-GT Project Cycle to being successfully implemented. This central point of coordination will ensure that projects proceed smoothly through the implementation process and will intervene to liaise with stakeholders to resolve challenges and obstacles as they might arise.

This important coordination role falls naturally to CIMT, who serve as the Secretariat to the Project Appraisal Committee and importantly as Secretariat to IMT-GT as an organisation. CIMT’s current project responsibilities are set out in the IMT-GT Project Manual and summarised in Exhibit 39.
Exhibit 39: Current role and responsibility of CIMT for IMT-GT projects

- Facilitate all project concept and proposal endorsement processes
- Serve as the secretariat of the PAC
- Submit project concepts that are approved by the PAC to relevant WGs for adoption
- Identify funding opportunities and assign project concepts to the correct funding source
- Implement M&E requirements of all IMT-GT projects in close collaboration with the project implementers
- Enter contract with project funders/donors for project funding
- Submit project concepts that are approved by the PAC to relevant WGs for adoption
- Communicate project funders/donors funding approval criteria and procedures to WGs and project proponents
- Report the results of M&E to SOM, WGs, and NSs
- Assist SOM in funding negotiations with project funders/donors
- Ensure results-based monitoring as an integral part of IMT-GT project concepts and proposals
- Submit full project proposals to project funders/donors for funding support (if such full proposals are required by project funders/donors)
- Ensure results of the evaluation are fed back into operation for improvements in future project designs
CIMT’s coordinating role covers the entire IMT-GT project implementation process and must be distinguished from the role of Project Manager for any one individual project, which would normally be undertaken by the project promotor or champion, within the appointed Project Implementation Team. CIMT will be fully resourced to take on this overarching coordinating role.

**Fully resourcing CIMT’s project management role**

CIMT must be fully resourced with a dedicated Project Management Team to meet the exacting project demands from the private sector and other project stakeholders, as well as increase the percentage of projects that are successfully implemented during the new IB 2017-2021.

Whilst the current list of project responsibilities outlined in Exhibit 39 is wide ranging, it falls short of actually nominating CIMT in the role as IMT-GT Project Manager to take on the central role of overseeing IMT-GT’s Project Management System and driving the successful implementation of the IMT-GT Project Portfolio.

It is therefore crucial that CIMT be fully resourced to take on both its current project role and that of IMT-GT Project Manager. The following IMT-GT Project Management Structure will be implemented within CIMT in the first year of the new IB 2017-21:

**Exhibit: 40 Proposed IMT-GT Project Management Structure to be implemented within CIMT**

```
CIMT Assistant Director for Project Management

  +-----------------------------------------------+  +-----------------------------------------------+  +-----------------------------------------------+  +-----------------------------------------------+
  | Assistant Project Manager                    |  | Project Database Manager                      |  | Project Field Staff - Indonesia               |  | Project Field Staff - Malaysia                 |
  +-----------------------------------------------+  +-----------------------------------------------+  +-----------------------------------------------+  +-----------------------------------------------+
  | Project Field Staff - Malaysia                |  | Project Field Staff - Thailand                |
  +-----------------------------------------------+  +-----------------------------------------------+
```
The role of each position outlined in the structure is considered as follows:

**CIMT Assistant Director for Project Management**

In broad terms, this role will be responsible for the following duties:

- **Overall management of the IMT-GT Project Management System**, including CIMT’s specific responsibilities outlined in the IMT-GT Project Manual
- **Liaising directly with stakeholders**, particularly senior stakeholders and ensuring that IMT-GT project management protocols are followed
- **Liaising with project promotors, champions and project teams** to ensure that project MOUs are prepared to a high standard and signed by relevant parties
- **Providing support to overcome any obstacles** to successful project implementation
- **Proving support to assist projects** secure adequate funding to complete project implementation
- **Delivering and operating a Project Management Database and Reporting System**
- **Delivering project management training** to IMT-GT stakeholders with specific emphasis on the IMT-GT Project Manual and Project Management System
- **Ensuring that the project monitoring and evaluation system** is undertaken effectively and that actual project indicators are recorded against the plan
- **Ensuring that the IMT-GT Project Management System KPIs are achieved**

**Assistant Project Manager**

In view of the significant amount of work that will be required to manage effectively the overall Project Management System within the multifaceted context already outlined, an Assistant Project Manager will be recruited and based in CIMT’s Head Office.

The role will provide support for the Assistant Director for Project Management, who will delegate tasks for the Assistant Project Manager to complete. It is expected that this delegation will take the form of set areas of responsibility in addition to ad hoc tasks as required.

**Project Database Manager**

CIMT will develop and implement a Project Management System Software Platform that will be comprised of a Projects Database and Reporting System. This platform will require continual updating in order to make the reporting system accurate and of assistance in the project development, implementation and operational phases. The Project Data Manager will manage this system and will also respond to requests from projects stakeholders for information and will produce a range of redefined reports.
The Project Database Manager will be based in CIMT Head Office.

**Project Field Staff – Indonesia, Malaysia and Thailand**

One of the main challenges faced by CIMT is the coordination of projects across 32 states and provinces in three countries. The Project Field Staff will be based in each of the three countries and will provide on-ground support to CIMT.

Project Field Staff will provide an essential capability in liaising with the private sector project promotors, local governments, universities and working groups. They will enable CIMT to gain a much deeper understanding of a project’s status and gather detailed information for general project management’s purposes, as well as for monitoring and evaluation. Importantly, they will be able to make a more immediate response to situations and requests by project stakeholders.

**Building upon CIMT’s Project Initiation Role**

CIMT has already achieved success in acting in a catalytic manner to initiate highly successful projects across the subregion. The Green Cities programme and component projects like the LED Smart Street Lighting and Energy Efficiency in Government Buildings represent extremely good example of this. Moreover, these projects have proven to be highly replicable and capable of being upscaled.

A distinguishing feature of these projects, apart from their cutting edge focus, is the high private sector and local government participation, both being targeted for greater involvement in IMT-GT projects going forward. CIMT has been highly effective in mobilising both stakeholder groups and even bringing them together in a single project. Part of the reason for this success has been CIMT’s ability to react and operate at the pace and level of technical ability demanded by the private sector. CIMT has therefore filled an existing gap in IMT-GT’s project implementation capability and has made IMT-GT an attractive proposition for the private sector.

This project initiation role can be likened to the role that a Corridor Authority plays in seeking to promote and initiate projects with the private sector and local governments within the spatial context of its economic corridor. In much the same way, CIMT will seek to promote and initiate projects with the private sector and local governments. However, its spatial context is the IMT-GT subregion as a whole.

CIMT will draw upon its depth in knowledge of the subregion, extensive stakeholder network, connection with key line ministries, links to financial institutions and project management capability to identify and initiate cutting edge projects with the private sector and local governments that are subregional in nature, support strongly IMT-GT’s strategic framework and the desired outcomes and impact set by the goals and objectives.
Reinforcing the role of Working Groups, Local Government and the Joint Business Council

The Working Groups, Local Government and Joint Business Council represent the main IMT-GT bodies that champion projects. They are responsible for the identification, design, implementation and monitoring and evaluation of projects; in essence the entire Project Cycle as outlined in the IMT-GT Project Manual.

Steps will be taken to reinforce the strategic nature of projects and the outcomes that are expected to achieve within the context of Vision 2036 and the Implementation Blueprint 2017-2021. These IMT-GT Bodies bear great responsibility to ensure that IMT-GT projects work intentionally to achieve their associated strategy, which in turn will work to achieve the associated objective and goal. This is a reinforcing bottom-up approach that highlights the importance of projects in achieving IMT-GT’s longer term vision for the subregion.

Steps will also be taken to promote and encourage points of convergence between the IMT-GT Bodies, which recognises that a cross Focus Area approach is required because in reality most projects do not stand in isolation within any one particular Focus Area, but instead typically encompass cross-cutting issues involving multiple Focus Areas.

Enhancing control through a project management database and reporting system

The role of CIMT and the IMT-GT Bodies in coordinating and managing the overall IMT-GT project management system will be significantly enhanced through the development of a Project Management Database and Reporting System.

This is a new software package that will facilitate greater project control, monitoring and evaluation. It represents a move in direction to a more proactive style of project management and at the same time secures greater capacity to serve the project stakeholders.

The Project Management Database and Reporting System represents an administrative system that will enable CIMT to track individual projects through the IMT-GT Project Cycle and beyond into their operations. Importantly, it will generate an instant report for project stakeholders of the current status of a project, highlight challenges, direct remedial action and in so doing will prevent project drift and undue delays in implementation.

Understanding the journey of an IMT-GT project

The IMT-GT Project Manual provides guidance on how an IMT-GT project is conceived, designed and implemented. This is in essence its journey from conception to project implementation and operations and is referred to in the IMT-GT Project Manual as the Project Cycle, which is illustrated in Exhibit 41.
In essence, the Project Management Database and Reporting System builds upon this Project Cycle, by translating it into key event milestones and points of recording and reporting. This is the complete journey of an IMT-GT project, which is outlined in Exhibit 42.
Exhibit 42: The journey of an IMT-GT project

<table>
<thead>
<tr>
<th>Database Reporting</th>
<th>Project Milestone Events</th>
<th>Project Name &amp; Promoter</th>
<th>Concept Papers Received by CIMT</th>
<th>Concept Paper Approved (PAC &amp; SOM)</th>
<th>Project Code Allocated</th>
<th>Project Proposals Received by CIMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note Reference</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Project Milestones and Opportunities to Collect Information for the Project Management Database and Reporting System**

<table>
<thead>
<tr>
<th>Note Reference</th>
<th>Project Milestone</th>
<th>Project Milestone Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Project Name and Promoter</td>
<td>In Stage 1 and 2 of the IMT-GT Project Cycle the project promoter (WG, JBC, UNINET, Private Sector, Corridor, Summit and CIMT) seeking to develop a new IMT-GT project, will conduct its project pre-appraisal and start to prepare a Project Concept Paper. The project promoter may wish to inform CIMT at an early stage that a project is being developed, even prior to a Concept Paper being submitted. There is benefit in establishing an IMT-GT new project pipeline at this stage prior to Concept Paper preparation in order to highlight the strength of potential projects that are currently in the process of being evaluated.</td>
</tr>
<tr>
<td>B</td>
<td>Concept Paper Received by CIMT</td>
<td>A Project Concept Paper will be submitted by a project promoter to CIMT, in its capacity as Secretariat to the Project Appraisal Committee (PAC), in the prescribed format. This provides an opportunity to record the US$ cost of a Project Concept and in turn an aggregate number of all Project Concepts Received at this stage. Projects will be recorded in US$ terms to provide a common point of reference across all three countries.</td>
</tr>
<tr>
<td>C</td>
<td>Concept Paper Approved by PAC/ SOM and Project Code Allocated</td>
<td>This represents the end result of the Concept Paper approval process set out in Stages 3, 4 and 5 of the Project Cycle. A Concept Paper is finally deemed to have been approved after it has been appraised by the PAC, adopted by the requisite Working Group and approved by SOM. A unique project code will then be assigned so that the Project Management Database and Reporting System can link a wide range of records and data against a project’s code for detailed analysis and reporting. This provides an opportunity to record the US$ cost of a project that has Project Concept Approval and in turn an aggregate number and US$ cost of all Approved Project Concepts at this stage.</td>
</tr>
<tr>
<td>D</td>
<td>Project Proposal Received by CIMT</td>
<td>This represents Stage 7 of the Project Cycle where the project promoter will prepare a full Project Proposal in the prescribed format and submit this to CIMT. This provides an opportunity to record the US$ cost of a Project Proposal and in turn an aggregate of all Projects Proposals Received at this stage.</td>
</tr>
</tbody>
</table>
This represents the end result of the Project Proposal approval process set out in Stages 8 and 9 of the Project Cycle. A Project Proposal is finally deemed to have been approved after it has been appraised by the PAC and approved by SOM.

This provides an opportunity to record the US$ cost of a project that has Project Proposal approval and in turn an aggregate number and US$ cost of all Approved Project Proposals at this stage.

Whilst Stage 11 of the Project Cycle describes the designation of project implementers, it is the intention to appoint a Project Implementation Team composed of the project promoter and other project experts that together will provide the necessary skills to implement the project efficiently and successfully within a timely manner and on budget.

The Project Management Database and Reporting System will record the details of this Project implementation Team against the unique project code to ensure that strong communications are maintained and support is provided to the project team.

It is intended that an MOU will now be signed for each IMT-GT project. This is expected to take place after the Project Proposal has been approved. The MOU will undergo a negotiation phase and it will be important to confirm that this negotiation is underway and to establish a target date for the completion of negotiations and signing.

This will record the date that the project MOU is signed. CIMT will ensure that a copy of the MOU is retained in their office.

This provides an opportunity to record the US$ cost of a project that has a signed MOU and in turn an aggregate number and US$ cost of all MOU Signed projects at this stage.

Stages 6 and 10 of the Project Cycle outline CIMT’s role in identifying and securing project funding. CIMT will respond in a timely manner to requests made from project promoters for support in raising adequate project finance to enable projects to be completed. This may take the form of long term finance for asset purchases or infrastructure development or short term finance for working capital and trade finance needs.

With so many projects being undertaken at any one time, it will be important to establish as a point of record the proposed funding options that are being pursued and with which financial institutions. This in time will have the further benefit of establishing a database of financial institutions, the types and amount of finance provided and the terms of this finance. This information can then be used by future projects to support their own funding objectives.
### Funding Approved

This will record each project’s approved funding component, thereby maintaining focus on any remaining components that still need to be secured to enable the project to be fully implemented.

This provides an opportunity to record the US$ cost of a project that has Funding Approved and in turn an aggregate number and US$ cost of all Funding Approved projects at this stage, analysed across the various types of Funding Approved.

### Project Starts

The start of a project might manifest as immediate operations or in many cases might involve a gestation period, like infrastructure or agriculture projects, where a development phase is required before operations can begin.

This provides an opportunity to record the US$ cost of a project that has Started and in turn an aggregate number and US$ cost of all Started Projects at this stage.

### Results Based M&E

Monitoring and Evaluation reports will be required to determine that the project is running according to the original design and that it is achieving the strategic outcomes and impacts intended, particularly in terms of the Key Performance Indicators (KPI) established in the original Project Proposal.

In the case of those projects that have a development phase, Monitoring and Evaluation will be crucial in determining that this development phase is on time and according to budget. In both cases, this will involve the institution of a Results-Based Monitoring system as outlined in Exhibit 43 below.

### Project Completed

Monitoring and Evaluation reports will be required to determine that the project has been delivered on time, on budget and in accordance with the original project design. Importantly, a lessons learned evaluation will also be undertaken to build a platform to strengthen IMT-GT’s overall project management capability.

This provides an opportunity to record the value of a project that has been Completed and in turn an aggregate number and value of all Completed Projects at this stage.
**IMT-GT Project Manual and IMT-GT Project Management System Training**

The IMT-GT Project Manual represents a highly effective project resource and strong foundation of understanding for project implementation within the IMT-GT framework. CIMT will develop and undertake training programmes with IMT-GT project stakeholders to build capacity and strengthen both the quality of projects identified and the manner in which they are processed through the Project Management System.

The main focus will be to provide capacity building to IMT-GT bodies like the Working Groups, local government and JBC. It is recognised that the Working Groups draw their members from a wide range of organisations, backgrounds and experiences. The implementation of training programmes is seen as an important initiatives that will bring the members together in a unified way, with common purpose, and focussed on clear IMT-GT defined objectives. As a capacity building tool, it represents an opportunity to develop members that might not necessarily have project development and management backgrounds, yet have essential sectoral expertise and input.

The ultimate aim of the IMT-GT Project Manual and Project Management System Training programme is to improve both the quality of the projects that are being identified and the Concept Papers and Project Proposals that are submitted to CIMT. This will result in a more streamlined and focussed Project Cycle where time spent on failed projects is reduced because there is a greater understanding from the outset of what represents a strong IMT-GT project that fulfils its objectives as a project within the overall IMT-GT Guiding Framework strategy.

**Changes to current IMT-GT project management practices**

CIMT will conduct a review of current IMT-GT Project Cycle and management protocols and practices, in particular the regularity by which IMT-GT Bodies meet to approve Concept Papers and Project Proposals. This is aimed at streamlining and speeding up the project approval process to keep pace with the high demands of the private sector as they work within a commercial environment.

This review will be conducted during the first year of the new IB 2017-2021 through a workshop engagement process with IMT-GT project bodies to establish realistic working practices and ensure buy-in and ownership of the new IMT-GT Project Management System objectives.

This workshop engagement process will also involve the private sector and JBC so that as project proponents they can provide essential input into what is required of IMT-GT to operate at a commercial pace, where time is always of the essence.

These workshops will also provide an opportunity to envision on the desired objectives for the IMT-GT Project Management System and the stakeholders it seeks to serve.
Establishing project performance indicators

All IMT-GT projects will be required to establish project performance indicators as part of their approval process. This will ensure that each project meets IMT-GT project criteria and importantly serve to support and align with the attainment of IMT-GT’s higher level vision and goals for the subregion.

Projects will be required to outline the performance indicator categories in their Concept Paper and provide actual indicator values in their Project Proposals. This will provide a key point of project review to ensure that projects are aligned with IMT-GT’s higher level vision and goals.

Projects will be required to state both general indicators that are consistent with IMT-GT’s higher level vision and goals, as well as more project specific indicators. In terms of the general indicators, these are expected to include, as appropriate, some of the following indicators:

1. Investment value
2. Intra IMT-GT trade value
3. FDI value
4. Intra-IMT-GT tourist arrivals
5. SME involvement

Establishing project management system KPIs

A range of Project Management System KPIs will be established to ensure that projects progress through the IMT-GT Project Cycle, from one milestone to the next, in a timely manner and without avoidable delays.

These KPIs will be developed during the first year of the new IB 2017-2021 through a workshop engagement process with IMT-GT project bodies in order to establish realistic KPIs that are achievable and to ensure buy-in and ownership of the new IMT-GT Project Management System objectives.

This workshop engagement process will also involve the private sector and JBC so that as project proponents they can provide essential input into what is required of IMT-GT to operate at a commercial pace, where time is normally of the essence.

This workshop will also provide an opportunity to envision on the desired objectives for the IMT-GT Project Management System and the stakeholders it seeks to serve.
Project Implementation Teams

A Project Implementation Team will be established for each individual project drawn from a range of disciplines and expertise appropriate for each project. In this way, each Project Implementation Team will be able to plan a project’s implementation to a high standard, establish a critical path and timeline and anticipate and plan for potential bottlenecks and obstacles. This Project Implementation Team will also generate more effective communication between IMT-GT project management bodies.

Project memorandum of understanding (MOU)

It is intended that an MOU will now be signed for each IMT-GT project. This is expected to take place after the Project Proposal has been approved.

A Project MOU will achieve the following benefits for project implementation:

1. Outline the specific roles and responsibilities of the project stakeholders and those responsible for its successful implementation. This will ensure that all parties have a clear understanding of their purpose in the project
2. Achieve convergence on the main objectives of the project, how it is planned to be implemented, the timeframe for implementation and how it will be fully funded
3. Provides a framework for each party to negotiate their particular aspect of the project and to ultimately reach a point of consensus between each party and bring them all to the same starting point and set of project objectives
4. Establish key building blocks for the projects like financial incentives, agreed trade deals and facilitation
5. Provides a point of reference for dispute resolution, where project stakeholders can refer back to what had been agreed at the start of the project

Ultimately, the institution of a Project MOU is aimed at ensuring that the project is implemented smoothly along lines that have already been agreed by project proponents and stakeholders; the signatories to the MOU.

A Project MOU will be signed at the start of each project by the project promoter or champion, CIMT, key technical service providers and requisite government stakeholders. This is aimed at bringing clarity to the aims and objectives of the project from the outset, its structure, individual stakeholder responsibilities and project cost as well as sources of finance.

Overseen by robust results-based monitoring and evaluation

IMT-GT will ensure that a robust Results-based Monitoring and Evaluation System will be developed and implemented as depicted in Exhibit 43. This recognises the importance attached to IMT-GT’s project-centric approach and the strong desire for projects to be implemented successfully and achieve all the ambitions set out at every level in the results chain.
The Results-based Monitoring and Evaluation System aims to provide critical project management oversight and achieve accountability. Therefore, IMT-GT is committed to operating this system in a timely and reliable manner to achieve the following broad project management objectives:

1. Support project/programme implementation with accurate, evidence-based reporting that informs management and decision-making to guide and improve project/programme performance
2. Provide timely and accurate reporting to CIMT and the broader IMT-GT Project Management System
3. Accomplish the Key Performance Indicators defined in the project’s objectives
4. Achieve IMT-GT’s Vision and Goals
5. Play the strategic role envisioned by IMT-GT in pursuit of its own subregional vision and goals expressed within the Vision 2036 and Implementation Blueprint 2017-2021
6. Contribute to learning and knowledge sharing by reflecting upon and sharing experiences and lessons learned in order to gain the full benefit of what the organisation does and how the organisation does it
7. Uphold accountability among stakeholders
8. Provide opportunities for stakeholder feedback, especially beneficiaries, to provide input into and perceptions of IMT-GT’s work, modelling openness to criticism, and willingness to learn from experiences and to adapt to changing needs
9. Promote and celebrate IMT-GT’s work by highlighting its accomplishments and achievements, building morale and contributing to resource mobilisation
Engaging Stakeholders for Better Results
The Importance of stakeholder engagement

This chapter considers the role of stakeholder engagement as a crucial element in pursuing and attaining the IB 2017-2021 goals for the subregion. The pursuit of the goals is extremely complex and involves a multifaceted organisation that seeks to generate a common purpose for all three countries, at a subregional level, across a range of sectors and involving both private and public sector proponents recognising that individually each country will each have their own distinct national policies and regional policies.

In its simplest embodiment, IMT-GT can be seen to have the following hierarchy and form of stakeholder engagement as set out in Exhibit 44.

Exhibit 44: Basic IMT-GT stakeholder hierarchy

<table>
<thead>
<tr>
<th>IMT-GT Hierarchy Level</th>
<th>Form of Stakeholder Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Government and Policies</td>
<td>Inter-governmental Ministerial Meetings</td>
</tr>
<tr>
<td>Regional Government and Policies</td>
<td>Inter-governmental Ministerial Meetings and inter-governmental regional Governor and Chief Minister Meetings and CIMT</td>
</tr>
<tr>
<td>Sectoral Strategies</td>
<td>Appropriate National and regional government, IMT-GT Working Groups, JBC, private sector, universities and CIMT</td>
</tr>
<tr>
<td>Project Strategies</td>
<td>Project champions, Project Teams, Working Groups and CIMT</td>
</tr>
</tbody>
</table>

The essence of an effective IMT-GT Stakeholder Engagement Strategy is that it will recognise the ideas, concerns and aspirations of all stakeholders that have an interest in achieving the IB 2017-2021 goals. It will acknowledge that stakeholder engagement represents an integral part of the overall process of designing and implementing the IMT-GT Vision 2036 Guiding Framework strategy. Crucially, without the stakeholder’s ownership and support for the IMT-GT strategy, it is unlikely that the overall vision and goals will be achieved.

The rationale for making a stronger commitment to IMT-GT stakeholder engagement is summarised as follows:

1. To encourage ‘ownership’ of the IMT-GT strategy as expounded in the Vision 2036 and new Implementation Blueprint 2017-2021, promote trust among stakeholders and decision-makers, and encourage the strong and cohesive pursuit of IMT-GT’s vision and goals at all levels in the IMT-GT Stakeholder Hierarchy
2. To gain a better understanding of the complexity of inter and intra trade and investment opportunities and strategies in the IMT-GT subregion
3. To gain a better understanding of the private sector requirements for the implementation of successful projects
4. To ensure that local governments have an opportunity to participate in IMT-GT strategy development and implementation and to provide a working understanding of the subregional context, issues and policy implementation
5. To achieve a greater appreciation of the mutual and shared understanding about the problems and challenges that exist in pursuing the IMT-GT vision and goals
6. To gain a better understanding of underlying, sector oriented goals, strategies, perceptions and interests that stimulate and/or prohibit the integration of policies and achieving cross-sectoral cooperation
7. To generate new options and solutions that may not have been considered by individual stakeholders
8. To expand and diversify the capacity of the planning team, in particular through the inclusion of secondary and tertiary information made available by government, the private sector and universities

This rationale is instructive to the Vision 2036 strategy in terms of directing IMT-GT Bodies towards who should be invited to participate as a stakeholder, the authority they carry, the impact they can generate and how they might be involved. Further, this understanding will guide IMT-GT Bodies towards making an effective case for their participation and the extent of the role that they might play. Importantly, it seeks to ensure that they will participate and that their voices will be heard.

The IMT-GT stakeholder network

The process of preparing the Comprehensive Review (CR), Vison 2036 and new IB 2017-2021 documents has been undertaken through a consultation process with IMT-GT stakeholders that started with the Strategic Planning Meeting in Penang (February 2016) and was followed-up by National Consultation Meetings in Medan, Palembang, Jakarta, Bangkok, Songkhla and Putrajaya (March-May 2016), together with meetings involving the Working Group, trade associations, corridor organisations, private sector participants and the IMT-GT University Network.

In addition to the vital feedback that was obtained from these meetings that has guided the design of the new Vision 2036 and IB 2017-2021 documents, these meetings also revealed a fresh insight into who are IMT-GT’s current stakeholders at this point in time. From this, it has been possible to map this latest view of the IMT-GT Stakeholder Network and this has been summarised, by main stakeholder categories, in Exhibit 45. This list of individual stakeholders under each category will be added to by CIMT during the first IB to make this a full and complete database.
Exhibit 45: IMT-GT stakeholder network

**Federal Government**
- Leaders: Prime Ministers and President
- Ministers
- Senior Officials
- National Secretariats
- Line Ministries of each IMT-GT Sector

**State and Provincial Government**
- Governors and Chief Ministers
- State Secretaries
- Local Government Municipal Councils
- District Offices
- Regional Secretariats

**Government Departments and Statutory Bodies**
- Corridor Authorities
- Investment Agencies and Investment Boards
- Government Links Companies (GLC)
- Think Tanks
- Research and Development Institutes

**Private Sector**
- IMT-GT Joint Business Council
- Companies
- Private Individuals
- Chamber of Commerce
- Trade Associations

**Financial Institutions**
- Banks
- Finance Companies

**Universities**
- IMT-GT University Network
- Universities and Colleges

**Strategic Partners**
- Global Experts
- National and Regional Experts
- ADB

**Development Partner Countries**
- Netherlands
  (Institute for Housing and Urban Development Studies – Green Syllabus)
- Denmark (Energy Efficiency - Danish Energy Management)

**Civil Society and NGOs**
- World Wide Fund for Nature

**CIMT Bodies**
- Working Groups

**The people of the IMT-GT Subregion**
- Living directly on the border
- Living in the provinces and states
Overcoming gaps in past stakeholder engagement

It is clear from the consultation process outlined above that not all stakeholders are content with the manner in which stakeholder engagement has been undertaken in the past. In short, the main gaps highlighted can be summarised as follows:

1. A lack of inclusiveness of certain stakeholder categories, in particular the private sector, JBC and Local Governments, in the IMT-GT processes
2. A lack of convergence, particularly in respect of the Working Groups, where cross-sectoral cooperation is needed to achieve both sector and project goals
3. A lack of project stakeholder engagement to ensure that projects are implemented smoothly
4. A lack of a bottom-up approach where stakeholders operating at the lower level of the stakeholder hierarchy feel that their opinions and ideas are not valued or heard

It is recognised that stakeholders will inevitably approach any engagement process from a range of different perspectives. Moreover, they are likely to speak a different language, given their background or level of sophistication and technical capability. This is a common reason why gaps like those outlined above arise.

In order for IMT-GT to address these gaps, it will be important for stakeholders at all points of engagement and levels in the stakeholder hierarchy to recognise that these differences exist and that the points of view which are born out of these different backgrounds should be heard. Rather than becoming the basis for divergence, these different viewpoints need to be welcomed, embraced and used to build a stronger platform for subregional success. This viewpoint takes on more significance in the context of IMT-GT’s new project-centric led approach in the new IB 2017-2021. Projects represent the strength of a bottom-up strategy and generate the trade and investment impact that is being sought by IMT-GT.

Measures to be adopted to strengthen IMT-GT stakeholder engagement

Preparation of the Vision 2036 and new IB 2017-2021

The preparation of the CR, Vision 2036 and new IB 2017-2021 was undertaken through an extensive engagement process with IMT-GT stakeholders and marks the starting point for enhancing IMT-GT stakeholder engagement. These strategic documents have been prepared based upon the feedback and ideas from stakeholders, who can now claim ownership of this process, the documents it produced and ultimately the vision, goals, strategies and projects that were generated. It also represents a bottom-up approach that has ensured that the voices of IMT-GT stakeholders at lower levels have been heard.
The revitalisation of IMT-GT University Network

The IMT-GT University Network (UNINET) has been revitalised in recognition that a new paradigm of universities is needed in the IMT-GT subregion that will be more capable of playing a direct role in the developmental goals of IMT-GT and those globally. This revitalisation process involved 30 universities, government departments and bodies and the private sector who met during 4 workshops in June 2015, September 2015, August 2016 and February 2017. These workshops have produced a new UNINET Strategic Action Plan 2017-2021 and new UNINET Charter. A new UNINET Presidents Meeting will take place annually involving the Vice Chancellors and Rectors of member universities.

This initiative recognises the capacity for UNINET to show leadership in promoting people-to-people connectivity, especially the importance of IMT-GT’s university stakeholders and the contribution that they can make through their own project-centric approach to support the attainment of the IMT-GT vision and goals. Importantly, many of UNINET’s projects find points of convergence and partnership with the private sector and local government.

A combined bottom-up and top down approach

Whilst measures have and will continue to be taken to ensure that a greater emphasis is placed on a bottom-up stakeholder engagement process, IMT-GT stakeholder engagement will always include and require a top-down element, primarily through the statement of national development policies and how these translate into regional development policies, key government led project initiatives and fiscal incentives to attract private sector investment.

This top-down element also carries with it the necessary authority to implement key policy decisions and to also serve to debottleneck situations as they arise and frustrate progress.

Forming the right team

The IMT-GT Working Groups and the newly formed Project Implementation Teams represent two important teams that are strategic to the success of IMT-GT. As such, it is critical that these teams draw in the right stakeholders, whether as full time members or in recognition that the teams require specific expertise that they do not possess.

Given the new project-centric emphasis, it is recommended that these two teams consider drawing input from IMT-GT stakeholders in the following areas: Academic, Business, Government, Community and Media, in addition to IMT-GT Bodies. In broad terms, these groups are likely to be involved in a project at some point in time, and therefore, there is benefit in drawing them in to discussions at an early stage.

Increasing the frequency of meetings for IMT-GT bodies

Effective stakeholder engagement not only considers which stakeholders should be involved in a particular point of engagement, but also considers the frequency of these meetings. The frequency by which the Working Groups and Project Appraisal Committee meet individually will be considered to a level that matches the expectations of the private sector that work at a fast pace and require a rapid response time regarding their project approvals.
Making the national consultations a permanent feature

Having completed a series of national consultations, it is clear that these meetings provide an effective forum for a wide range of national stakeholders to come together to discuss their common issues, appropriate strategies, projects, points of convergence and resolve disputes. The experience gained in these national consultations demonstrated that the meetings represented an effective point of stakeholder engagement in generating both a bottom-up perspective, as well as a top-down perspective and point of guidance and authority in problem solving.

The role of CIMT in stakeholder engagement

CIMT, serving as Secretariat for IMT-GT and as Secretariat for the Project Appraisal Committee, is ideally placed to actively pursue opportunities to ensure that IMT-GT's stakeholder engagement is effective and achieves the points set out in the rationale above for undertaking this engagement in the first place.
### Appendix 1: Physical Connectivity Projects of the IMT-GT Implementation Blueprint 2017-2021 (provisional)

#### Sub-total Roads, Railways and Bridges: 12,274.14

<table>
<thead>
<tr>
<th>No</th>
<th>Project Name</th>
<th>Project Description</th>
<th>Estimated Project Cost (US$ Million)</th>
<th>Funding Secured? Yes/No. Please provide actual/potential source of funding (e.g., National Government, etc)</th>
<th>Project lead (e.g., name of agency)</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2017 2018 2019 2020 2021</td>
</tr>
<tr>
<td>1</td>
<td>Sumatera Toll Road Project</td>
<td>Trans Sumatera toll road improvement and construction projects. The total projects of 8 corridors along Lampung Province – Aceh Province</td>
<td>6,273.00</td>
<td>National Government</td>
<td>Ministry of Public Work and Housing</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Tebing Tinggi –Prapat – Kuala Tanjung Toll Road</td>
<td>The projects part of 3 corridors of new proposed road improvement to support the Kuala Tanjung special economic zone and Toba Lake as new tourism destination in South Sumatera. The project has 143.5 km toll road construction and development</td>
<td>451.12</td>
<td>National government/Public Private Partnership</td>
<td>Ministry of Public Work and Housing</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Trans Sumatera Railway Project</td>
<td>Trans Sumatera railway project is new routes of railway networks along Lampung Province- Aceh Province. The new route reconstruction of land corridors aims to improve intra Sumatera connectivity.</td>
<td>819.54</td>
<td>National Government</td>
<td>Ministry of Transportation</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Balinka- Matur- Ngarai Sianok Tunnel Construction</td>
<td>The project identifying on bluebook 2015-2019, output of project is to make available tunnels, bridge and road construction that connect Balinka-Matur-Ngarai Sianok with approximately 5 km, the project located in West Sumatera.</td>
<td>183.75</td>
<td>National Government</td>
<td>Ministry of Public Work and Housing</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Pekanbaru - Padang Toll Road construction</td>
<td>The project is part of 3 corridors of new proposed and additional toll road improvement projects in Sumatera, the project has 240 km toll road development and construction targeted will be finished on 2024.</td>
<td>3,609.00</td>
<td>National Government</td>
<td>Ministry of Public Work and Housing</td>
<td>2024</td>
</tr>
<tr>
<td>6</td>
<td>Light Rail Transit (LRT) - North Sumatera</td>
<td>The project connectivity along the airport of Sultan Mahmud Badaruddin II- Metro City Palembang and Jakabaring sport centre. Moreover, the project aims to support the Asean Games 2018, the project located in North Sumatera.</td>
<td>937.73</td>
<td>National Government</td>
<td>Ministry of Transportation</td>
<td>✓</td>
</tr>
</tbody>
</table>

Sub-total Roads, Railways and Bridges: 12,274.14

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### I. ROADS, RAILWAYS & BRIDGES

#### INDOONESIA

1. **Sumatera Toll Road Project (8 corridors Trans Sumatera projects)**
   - Project: Trans Sumatera toll road improvement and construction projects. The total projects of 8 corridors along Lampung Province – Aceh Province
   - Cost: 6,273.00
   - Funding Source: National Government
   - Project Lead: Ministry of Public Work and Housing
   - Timeline: ✓

2. **Tebing Tinggi –Prapat – Kuala Tanjung Toll Road**
   - Project: The projects part of 3 corridors of new proposed road improvement to support the Kuala Tanjung special economic zone and Toba Lake as new tourism destination in South Sumatera. The project has 143.5 km toll road construction and development
   - Cost: 451.12
   - Funding Source: National government/Public Private Partnership
   - Project Lead: Ministry of Public Work and Housing
   - Timeline: ✓

3. **Trans Sumatera Railway Project**
   - Project: Trans Sumatera railway project is new routes of railway networks along Lampung Province- Aceh Province. The new route reconstruction of land corridors aims to improve intra Sumatera connectivity.
   - Cost: 819.54
   - Funding Source: National Government
   - Project Lead: Ministry of Transportation
   - Timeline: ✓

4. **Balinka- Matur- Ngarai Sianok Tunnel Construction**
   - Project: The project identifying on bluebook 2015-2019, output of project is to make available tunnels, bridge and road construction that connect Balinka-Matur-Ngarai Sianok with approximately 5 km, the project located in West Sumatera.
   - Cost: 183.75
   - Funding Source: National Government
   - Project Lead: Ministry of Public Work and Housing
   - Timeline: ✓

5. **Pekanbaru - Padang Toll Road construction**
   - Project: The project is part of 3 corridors of new proposed and additional toll road improvement projects in Sumatera, the project has 240 km toll road development and construction targeted will be finished on 2024.
   - Cost: 3,609.00
   - Funding Source: National Government
   - Project Lead: Ministry of Public Work and Housing
   - Timeline: 2024

6. **Light Rail Transit (LRT) - North Sumatera**
   - Project: The project connectivity along the airport of Sultan Mahmud Badaruddin II- Metro City Palembang and Jakabaring sport centre. Moreover, the project aims to support the Asean Games 2018, the project located in North Sumatera.
   - Cost: 937.73
   - Funding Source: National Government
   - Project Lead: Ministry of Transportation
   - Timeline: ✓

**Sub-total Roads, Railways and Bridges:** 12,274.14

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### MALAYSIA

1. **Bridge Link at Tak Bai- Pengkalan Kubor Second Bridge Link at Sungai Golok-Rantau Panjang**
   - Project: The detail design completed. MOW ready to start the procurement process in 2017. Approval by EPU is now subjected to written commitment by NESDB or Thailand’s Senior Official that the budget to construct the bridges have been approved.
   - Cost: 19 (In process of National Budget)
   - Funding Source: MOW
   - Project Lead: MOW
   - Timeline: ✓ ✓ ✓ ✓ ✓

2. **Second Bridge Link at Sungai Golok-Rantau Panjang**
   - Project: Second Bridge Link at Sungai Golok-Rantau Panjang
   - Cost: 28 (In process of National Budget)
   - Funding Source: MOW
   - Project Lead: MOW
   - Timeline: ✓ ✓ ✓ ✓ ✓

3. **The Chuping Valley Industrial Area**
   - Project: A Public Private Partnership (PPP) or Private Finance Initiative (PFI) project to develop an inland port. Total area of 500 acres with full fledged port facilities which design to handle 2 million TEUs per annum with modern and state-of-art port infrastructure.
   - Cost: 37 (Partly National Budget)
   - Funding Source: NCIA
   - Project Lead: NCIA
   - Timeline: ✓ ✓ ✓ ✓ ✓

**Sub-total Roads, Railways and Bridges:** 84
### Hat Yai – Sadao Intercity Motorway

- As one among the main PPP projects under Highways Department, the Motorway which is approximately 59.2 km. in length is prepared to link north of Hat Yai to the conjunction of highway no. 4 / new Sadao CIQS which is currently under construction on the right of existing border post. The motorway is also planned for a branch linking to Hat Yai international airport and a spur road link to Padang Besar CIQ.
- Feasibility study and detailed design had been finalized. While the public-private participation for investment of the project has been under study and due to finish by March 2018.
- The road link from highway no. 4 to new Sadao CIQ is under construction by Highways Department.
- The project has been planned to ease traffic of lorry and other vehicles from Hat Yai directly to Sadao CIQ and also some affects to Padang Besar CIQ as well as to facilitate traffic from Hat Yai and from the border of Thailand-Malaysia to Hat Yai international airport which is now finished in first phase rehabilitation with a new expanded terminal and will also be further expanded.
- After the completion of PPP study conducted along the same period with EIA in early 2018, the construction period will take approximate 3 years from 2018-2021.

### Double Track Rail Linking between Surat Thani – Hat Yai – Songkhla

- To increase rail line capacity in southern Thailand, to increase speed of rail transportation from nation-wide together with the IMT-GT transport network to southern Thailand as well as to increase security in transportation, reduce environmental effect of existing rail transportation, increase transport channels, expand over all transport network, and to induce economic growth and inclusiveness to the southern region of Thailand and the connected IMT-GT areas.
- Environmental Impact Assessment Report of the project had been presented for approval since 2016 and expected to be finalized by 2017. Double track rail system approximately 324 km. in length between Surat Thani to Hat Yai and from Hat Yai to Songkhla had been planned to be constructed during 2017-2022.

### Electrified Double Track Rail Linking between Hat Yai – Padang Besar

- To increase rail line capacity in southern Thailand utilizing opportunity to link with electrified double track rail system in Malaysia which is linking between Ipoh to Padang Besar (329 km. in length / officiate in September 2015) to link across border to Thailand at Padang Besar CIQ to Hat Yai.
- To increase speed of rail transportation from IMT-GT transport network to southern Thailand as well as to increase security in transportation, reduce environmental effect of existing rail transportation, increase transport channels, expand over all transport network, and to induce economic growth, increase volume of border trade between Thailand and Malaysia, and bring about inclusiveness to the southern region of Thailand and the connected IMT-GT areas.
- Environmental Impact Assessment Report of the project had been presented for approval since 2016 and expected to be finalized by 2017 with further approval by cabinet.
- Electrified double track rail system approximately 45 km. in length between Padang Besar to Hat Yai has been planned to be constructed during 2017-2019.
<table>
<thead>
<tr>
<th></th>
<th>Project Details</th>
<th>Funding</th>
<th>Responsible Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>New Bridge Link Across Golok River at Tak Bai, Narathiwat, Thailand – Pengkalan Kubor, Kelantan, Malaysia</td>
<td>165.0</td>
<td>National government funding</td>
</tr>
<tr>
<td></td>
<td>• To construct new bridge link across Golok River at Tak Bai, Narathiwat province and Pengkalan Kubor, Kelantan. The bridge will compose of 3 parts: (1) part 1 bridge (international linkage across border to new Tak Bai CIQ) with approximate length at 1.134 km, (2) part 2 bridge connecting from new CIQ linking across the island between Golok River and Bang Nara River and (3) part 3 bridge connecting across Bang Nara River. Part 2 and 3 of the project are inside Thailand.</td>
<td></td>
<td>Highways Department</td>
</tr>
<tr>
<td></td>
<td>• The project on Thailand side will also cover new CIQ at the connecting point of part 1 and part 2, and also other connecting roads within Thailand with total cost approximately at 165 US$ million covering land expropriation cost. The cost of part 1 of the bridge which will be shared by Thailand and Malaysia is approximately 24 US$ million excluding connecting roads and facilities in Malaysia.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>• The new bridge will promote traffic between Thailand and Malaysia along Asian Highway No 18 with direct link between Muang Narathiwat, Narathiwat province and Kota Bharu, Kelantan state.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The project will also further facilitate development of Narathiwat Special Economic Zone.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Highways Department of Thailand had been responsible for feasibility study and detailed design which have both been finalized.</td>
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<tr>
<td></td>
<td>• Detailed Design had been presented to Ministry of Works of Malaysia and had been approved in early 2017. Official Technical Committee covering agencies from both sides is expected to meet and officially finalize the project DD by approximately June 2017.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• With approval from Malaysia, both sides will start official discussion on sharing of bridge cost, ToR for international bidding, and timeline for bridge construction.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ground breaking ceremony of this bridge together with new Sungai Golok-Rantau Panjang bridge had been set for H.E. Prime Minister of Thailand and H.E. Prime Minister of Malaysia at the middle of 2017 but due to appropriate rearrangement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The Second Bridge Link Across Golok River at Sungai Golok, Narathiwat, Thailand – Rantau Panjang, Kelantan, Malaysia</td>
<td>5.0</td>
<td>National government funding</td>
</tr>
<tr>
<td></td>
<td>• To construct paralleling bridge with the existing bridge link at Sungai Golok, Narathiwat province – Rantau Panjang, Kelantan state with approximate length at 70 metre.</td>
<td></td>
<td>Narathiwat province / Highways Department</td>
</tr>
<tr>
<td></td>
<td>• The bridge will further facilitate development of “Security/Prosperity/Sustainable Triangle” with one proposed node of development in Sungai Golok as well as facilitate development of Narathiwat Special Economic Zone.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ministry of Works, Malaysia had been responsible for feasibility study and detailed design which had been both finalized.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Highways Department of Thailand had proposed comment on the alignment of the bridge, taking into consideration the exact border line in Golok river, into to the report of DD conducted by Malaysia and is waiting for official response from Malaysia.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• With approval from Malaysia, both sides will start official discussion on sharing of bridge cost, drafting of ToR for international bidding, and timeline for bridge construction.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Narathiwat province of Thailand had secured budget for the bridge construction from 2016 for 5 US$ million under the “Security/Prosperity/Sustainable Triangle” program covering also land preparation on Thailand side.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ground breaking ceremony of this bridge together with Tak Bai – Pengkalan Kubor bridge had been set for H.E. Prime Minister of Thailand and H.E. Prime Minister of Malaysia at the middle of 2017 but due to appropriate rearrangement.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Construction of New Bridge Linking Satun Province – Perlis State

- The only existing land linking between Satun province and Perlis state is via Wang Prachan CIQ and Wang Kelian checkpoint, with delaying on upgrading of Wang Kelian checkpoint to be a full facility ICQ, while the end of the study on Highway-tunnel link between Satun province-Perlis state had shown its unfeasibility.
- Therefore, to prepare for future connectivity between Satun province and Perlis state to accommodate future growth of goods and passengers including tourists utilizing the land link by coastal areas along Andaman coast from Malaysia through Satun up to Trang, Krabi and Phuket, the new bridge linking between Satun province and Perlis state has been proposed.
- The first initiative for a bridge link between Satun province and Perlis state had been initiated in 1990’s with interest from both Thailand and Malaysia to link Tammalang of Satun and Bukit Putir of Perlis with finishing of road construction in Malaysia side link from Padang Besar to Bukit Putir. Nevertheless, as the EIA on Thailand side had shown unavoidable environmental effects during construction via water catchment in Satun, therefore the project had been cancelled in 2007.
- As the effect of ASEAN Community 2025, the ASEAN Connectivity has been highlighted to be backbone for further economic growth and equitably sharing of benefit to all stakeholders, Satun province then proposes new initiative for construction of this bridge to provide sufficient link between the southern region of Thailand and the northern region of Malaysia through new land linkage via Satun province and Perlis state which will avoid creating environmental effects to both sides.
- The study will cover feasibility study on economic and financial viability, EIA, detailed design of the most suitable routes relate terms of construction, travelling fairs and expected budget and timeline for construction.
- Budget for FS, EIA and Detailed Design is approximately US$ 1.5 million, while approximate cost of construction, if feasible, is expected at US$ 1 billion.
- NESDB, Thailand and Satun province would request cooperation with relevant agencies from Malaysia as well as Perlis state in conducting this study by appointing of members for joint steering committee in due course.
### II. INLAND TRANSPORT (e.g., inland container depots, distribution centre, etc)

#### MALAYSIA

<table>
<thead>
<tr>
<th>No</th>
<th>Project Name</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Perlis Inland Port (PIP)</td>
<td>A private led initiative to develop a modern logistical hub designed to accommodate various trade and economic activities.</td>
<td>tba</td>
</tr>
</tbody>
</table>

#### Sub-total Roads, Railways and Bridges

#### THAILAND

<table>
<thead>
<tr>
<th>No</th>
<th>Project Name</th>
<th>Description</th>
<th>Funding</th>
<th>Source</th>
</tr>
</thead>
</table>
| 1  | Thungsong Cargo Distribution Centre, Nakhon Si Thammarat Province | • Initiated in 2009 with technical support from Cities Development Initiatives for Asia (CDIA), Asian Development Bank (ADB), the project had been planned in linkages with action plan for logistics development of Thailand focusing on uplifting of economic growth, infrastructure improvement and expansion and environmental sustainability in southern Thailand.  
• The project focuses on development of cargo distribution centre (CDC) including activities on drainage and flood defences and also railways and access roads to create multi modal link for IMT-GT logistics network with links to Kantang seaport in Trang province (approximately 89.5 km. by rail and 94 km. by road), to Nakleua seaport in Trang province (approximately 122 km. by road) and also rail link to Padang Besar CIQ in Songkhla province.  
• During phase I, the project area including road access to the planned CDC had been finished including container yard in 2011, while detailed design of the CDC had been finalized in 2012. Railway access directly to the CDC had been also finalized in 2012.  
• In 2015, the land preparation work for CDC (phase I) including the CDC main building equipped with relevant facilities had been finalized.  
• In 2016, the budget for cargo building with important facilities had been secured, while the project contractor had started constructing works for the cargo building.  
• During 2010-2016, the CDC had invested on preliminary work for approximately 4.5 US$ million. While in 2017, with approximately 2 US$ million, the construction of extended container area as well as lighting system is in progress. Together, the excess road to CDC is under construction to be extended to 4 traffic lanes.  
• In 2016, Sri Trang Logistics Co. Ltd has started to operate logistics network between CDC and Kantang port with total investment for 4.3 US$ million along its cession period from 2016-2021.  
• In 2018, Nakhon Si Thammarat province has planned for construction of extended rail link to the CDC with the cost at approximately 1.5 US$ million.  
• The CDC had been planned to be uplifted as full facility inland container depot (ICD) during the next phase by 2030. | 12.3 | local government funding | Nakhon Si Thammarat province / Thungsong Municipality |

#### Sub-total Inland Transport | 12.3 |
### III. AIRPORTS

#### INDONESIA

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Sub-total</th>
<th>Funding Source</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop of HAS Hanandjoedin, Tanjung Pandan</td>
<td>Part of National Strategic Projects (PSN) in Bangka Belitung Province. The project aims to support for tourism destination in Bangka -Belitung, the airport also proposed to be the international airport in Bangka-Belitung province.</td>
<td>58.73</td>
<td>National government</td>
<td>Ministry of Transportation</td>
</tr>
</tbody>
</table>

#### MALAYSIA

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Sub-total</th>
<th>Funding Source</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrading of Kota Bharu Airport</td>
<td>Upgrading of terminal building and parking bays</td>
<td>110</td>
<td>Yes (National Budget)</td>
<td>MOT</td>
</tr>
</tbody>
</table>

#### THAILAND

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Sub-total</th>
<th>Funding Source</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Betong Airport, Yala province</td>
<td>New airport in Betong district, Yala province had been approved by Thailand’s cabinet in 2015. The new airport which is approximately 12 km. from Betong has been planned to serve 300,000 passengers per year. The new airport will also serve passengers from Malaysia travelling through Betong - Pengkalan Hulu CIQS. The constructing has been on-going with contractor in place and due to finalize its construction in 2018 with total cost at approximately 371 US$ million.</td>
<td>37.1</td>
<td>Government funding</td>
<td>Airport Department</td>
</tr>
<tr>
<td>Expansion of Hat Yai International Airport, Songkhla province</td>
<td>Hat Yai International airport is the major southernmost hub airport in Thailand situating in Hat Yai, Songkhla province. For current capacity, the airport could handle more than 1,500,000 passengers, 9,500 flights and 12,000 tons of cargo per year. Expansion plans are in progress as the airport, designed for 2.5 million passengers, had to accommodate expected volume up to 5.1 million passengers, 34,404 flights in 2020, further to 6.6 million passengers, 44,735 flights in 2025, further to 8.4 million passengers, 56,444 flights in 2030 and up to 9.9 million passenger, 66,636 flights in 2035. Therefore, the airport had been planned to be expanded to serve more services. Master plan on expansion of Hat Yai International Airport will cover 2016-2035. Phase I during 2016-2025, with approximate investment cost at 270 US$ million will uplift its capacity to serve up to 8.3 million passenger until 2030. Main activities will cover expansion of parking areas to serve 18 airplanes, passengers building and parking lot to serve 1,500 vehicles. Phase II during 2026-2030, with approximate investment cost at 130 US$ million will further uplift its capacity to serve up to 10 million passenger until 2035, further extended passengers building with parking areas for 25 airplanes and extended parking lots for 3,500 vehicles.</td>
<td>27.0</td>
<td>Government funding</td>
<td>Airports of Thailand Plc.</td>
</tr>
</tbody>
</table>

Sub-total Airports: 64.1
### IV. SEAPORTS

#### INDONESIA

<table>
<thead>
<tr>
<th>No.</th>
<th>Port Name &amp; Details</th>
<th>Project Details</th>
<th>Budget (National)</th>
<th>Funding Agency</th>
<th>Government Ministry</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kuala Tanjung Development port, South Sumatera</td>
<td>Part of National Strategic Projects (PSN) in South Sumatera to support of special industry zone of Kuala Tanjung project</td>
<td>33.76</td>
<td>National government</td>
<td>Ministry of Transportation</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Belawan Port</td>
<td>Part of Sumatera port development project continued project from IB 2012-2016</td>
<td>104.75</td>
<td>National government</td>
<td>Ministry of Transportation</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Melaka Dumai Economic Corridors Multimoda Transport Project</td>
<td>The projects is continued from Implementation Blueprint IB 2012-2016 to develop and reconstruction of Dumai port and Pekanbaru-Dumai Road</td>
<td>875.2</td>
<td>National government</td>
<td>Ministry of Transportation</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Sub-total Seaports** 1,013.71

#### MALAYSIA

<table>
<thead>
<tr>
<th>No.</th>
<th>Port Name &amp; Details</th>
<th>Project Details</th>
<th>Budget (National)</th>
<th>Funding Agency</th>
<th>Government Ministry</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Melaka – Dumai RoRO</td>
<td>Construction terminal RoRo ferry at Tanjung Beruas, Melaka</td>
<td>4.5</td>
<td>Yes (National Budget)</td>
<td>UPEN Malacca</td>
<td></td>
</tr>
</tbody>
</table>

**Sub-total Seaports** 4.5

#### THAILAND

<table>
<thead>
<tr>
<th>No.</th>
<th>Port Name &amp; Details</th>
<th>Project Details</th>
<th>Budget (National)</th>
<th>Funding Agency</th>
<th>Government Ministry</th>
<th>Status</th>
</tr>
</thead>
</table>
| 1   | The Second Songkhla Deep Sea Port | • To conduct feasibility study and environmental impact assessment on the potential area in Songkhla province for construction of the second deep sea port as the existing Songkhla deep sea port has been reached its full capacity.  
• The project has reached the arrangement of public hearing on drafting of ToR for its EIA. The latest public hearing was arranged in December 2016 in Songkhla province. | na. | Government funding | Marine Department | ✓ |

**Sub-total Seaports** 1.3
<table>
<thead>
<tr>
<th>V. CUSTOMS, IMMIGRATION &amp; QUARANTINE (CIQ) FACILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MALAYSIA</strong></td>
</tr>
<tr>
<td>1 Upgrading of Padang Besar ICQs</td>
</tr>
<tr>
<td>2 New Bukit Kayu Hitam-Sadao CIQ project</td>
</tr>
<tr>
<td><strong>Sub-total CIQ Facilities</strong></td>
</tr>
</tbody>
</table>

**THAILAND**

| 1 New Sadao CIQ, Songkhla Province  | In order to accommodate greater linkages in ASEAN Community, and to facilitate newly established Sadao Special Economic Zone, Thailand’s cabinet had approved the project on new Sadao CIQ on 20 January 2014 for 32 US$ million for land acquisition of 230 acres of land eastward of existing Sadao border post. The construction of new Sadao CIQ which will utilize the budget of approximately 46 US$ million will commence in 2016 and finalized in 2018.  | 46.0  Government funding  | Customs Department  | ✓  ✓  |
| 2 Rehabilitation of Padang Besar CIQ, Songkhla Province (Phase II)  | To extend CIQ container inspection area to facilitate increasing number of container trucks utilizing Padang Besar CIQ during the establishment of Sadao Special Economic Zone, in Sonkhla province.  | 2.2  Government funding  | Customs Department  | ✓  |
| 3 Rehabilitation of Wang Prachan CIQ, Satun Province  | To construct new CIQ complex with full facilities to respond to future expansion of traffic through Wang Prachan / Wang Kelian CIQ as the only land linkage between Satun and Perlis as another potential linkage under the road-tunnel linkage project was not feasible.  | 0.2  Government funding  | Customs Department / Satun province  | ✓  ✓  |

**Sub-total CIQ Facilities**

VI. ICT INFRASTRUCTURE

| 1  |
| 2  |
| 3  |
| 4  |
| 5  |

**Sub-total ICT Infrastructure**
### VII. ENVIRONMENT AND URBAN DEVELOPMENT (e.g., water supply, power supply, renewable energy, energy efficiency, waste management, etc)

#### INDONESIA

<table>
<thead>
<tr>
<th>#</th>
<th>Project Name</th>
<th>Description</th>
<th>Funding</th>
<th>Implementing Agency</th>
<th>Authorizing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National Urban Development Project</td>
<td>The project identifying on bluebook 2015-2019, project aims to support and develop urban infrastructure such as water supply, sanitation, building and other infrastructure support for economic and social activities, in order to realize liveable cities, green cities, as well as smart cities. The projects is basically nationwide, in Sumatera the project will be located in South Sumatera and North Sumatera Province.</td>
<td>250.00</td>
<td>National Government</td>
<td>Ministry of Public work, Ministry of National Development Planning, Ministry of Home Affairs, Ministry Of Agraria and Spatial Planning and Ministry of Transportation</td>
</tr>
</tbody>
</table>

**Sub-total Environment and Urban Development**: 250.00

### VIII. OTHERS (Industrial Park, Rubber City, Science Park, Halal Park)

#### INDONESIA

<table>
<thead>
<tr>
<th>#</th>
<th>Project Name</th>
<th>Description</th>
<th>Funding</th>
<th>Implementing Agency</th>
<th>Authorizing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sei Mangkei Special Economic Zone</td>
<td>Part of National Strategic Projects (PSN) in South Sumatera, the main project purpose is to support of palm oil and rubber industry in North Sumatera, the project is managed by PT Perkebunan Nusantara III (State owned enterprise). Besides, the project also mention to increase of tourism and logistic from domestic, regional and global.</td>
<td>383.45</td>
<td>National government</td>
<td>National secretariat KEK,</td>
</tr>
<tr>
<td>2</td>
<td>Tanjung Api-Api Special Economic Zone</td>
<td>Part of National Strategic Projects (PSN) in South Sumatera. The project also mention to support palm oil and rubber industry in South Sumatera managed by Government of South Sumatera.</td>
<td>946.15</td>
<td>National government</td>
<td>National secretariat KEK, Ministry of Trade</td>
</tr>
<tr>
<td>3</td>
<td>Tanjung Kelayang Special Economic Zone, Bangka Belitung Province</td>
<td>National Strategic Projects (PSN) in Bangka Belitung Province. Main of project purpose to support of tourism in Bangka Belitung, the projects managed by PT Belitung Pantai Intan</td>
<td>112.78</td>
<td>National government</td>
<td>National secretariat KEK</td>
</tr>
</tbody>
</table>

**Sub-total Others**: 1,442.38

#### MALAYSIA

<table>
<thead>
<tr>
<th>#</th>
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<th>Description</th>
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<th>Implementing Agency</th>
<th>Authorizing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kedah Rubber City</td>
<td>Malaysia's National Project status located in Ladang Bukit Ketapang in Kedah State</td>
<td>21</td>
<td>Yes (National Budget)</td>
<td>NCIA</td>
</tr>
<tr>
<td>2</td>
<td>Kedah Science &amp; Technology Park</td>
<td>Modern Industrial Park and global research centre</td>
<td>11.3</td>
<td>Yes (National Budget)</td>
<td>NCIA</td>
</tr>
</tbody>
</table>

**Sub-total Others**: 32.3
## THAILAND

<table>
<thead>
<tr>
<th>No.</th>
<th>Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rubber City</td>
<td>- The project had been established in 2015 inside the area of phase 3 in the Southern Industrial Estate of Industrial Estate Authority of Thailand in the area of 320 acres in Songkhla province in order to create dedicated special area for various kinds of full cycle rubber production value chains.&lt;br&gt;- The main activities are on future innovated rubber plantation, R&amp;D on rubber production, centre for rubber research operation, exhibition and human resources development centre, international standard SMEs’ industries, pilot projects on rubber production for SMEs.&lt;br&gt;- The potential rubber activities which will be high value chains will cover hygienic rubber gloves, rubber tyres, industrial rubber tubes, concentrated latex, rubber wood furniture and other support industries.&lt;br&gt;- The project had been planned to serve Thailand’s strategy to rapidly and strategically increase the volume and value of rubber products of the country as well as to change the country’s status from natural rubber producers to be the main utilizer of world rubber production by combine all important activities on rubber industries / processing to be at one stop.&lt;br&gt;- The project which also aims to be eco-industrial estate will reflect in uplifting the capacity in processing and eradicating possible bottleneck in rubber processing.&lt;br&gt;- The project had also been planned to cooperate with Malaysia’s rubber city with possible future integration with also Indonesia in rubber value chain creation.&lt;br&gt;- Environment impact assessment of this project had been approved since 2014. Total investment for the project until 2017 is approximately 34 US$ million. The project has been opened for investors since 2016 and expected to be officiate in 2017.&lt;br&gt;- The second phase of IEAT’s rubber city has also been planned to be situated in Thailand’s Special Economic Zone in Sadao district, Songkhla province in the area approximately 400 acres along highway no 4 close to border areas between Thailand and Malaysia (Sadao/Bukit Kayu Hitam CIQS).&lt;br&gt;- Currently, Industrial Estate Authority of Thailand and Tradewinds Plantation Sdn Bhd had signed Memorandum of Cooperation (MoC) on cooperation on rubber cities between both countries during the 6th Annual Consultation Meeting between H.E. Prime Minister of Thailand and H.E. Prime Minister of Malaysia on 9 September 2016.</td>
</tr>
</tbody>
</table>

| | 34.0 | Government state enterprise finding | Industrial Estate Authority of Thailand (IEAT) | √ | √ | √ | √ | √ |
Acknowledgements

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