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<td><strong>Author(s)</strong></td>
<td>Kim, Y. Y.</td>
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Asean And UNDP Cooperation

By

Y Y Kim
ADDRESS BY MR. Y.Y. KIM, REGIONAL REPRESENTATIVE OF UNDP AT THE AMIC-OANA WORKSHOP ON "ECONOMIC PERSPECTIVES OF ASEAN" AT AMIC, SINGAPORE, 2 DECEMBER 1983

ASEAN AND UNDP COOPERATION

Background

Let me begin with a quick review of history of ASEAN and UNDP's technical cooperation with it. As you know, the ASEAN formally came into being on 8 August 1967 upon the signing of the "Bangkok Declaration" by the Foreign Ministers of the five member countries with the basic "seven-point strategy":

(1) to accelerate economic growth, social progress and cultural development;
(2) to promote regional peace and stability;
(3) to promote active collaboration and mutual assistance on matters of common interest;
(4) to promote assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
(5) to collaborate more effectively for the greater utilization of agriculture, industries and trade;
(6) to promote Southeast studies; and
(7) to maintain close and beneficial cooperation with existing international and regional organizations.

Although in the first decade of its existence, ASEAN was somewhat stagnant being fraught with serious political, economic and emotional difficulties, it is remarkable that ASEAN countries were able to stick together despite the heterogenous characteristics relating to their political, social and economic structures, and differences in their cultural and colonial heritages. The "real beginnings" of ASEAN in regional economic and technical cooperation were initiated only nine years later at the Bali Summit of February 1976 when the five heads of government met in a summit conference in Bali and reaffirmed the ASEAN objectives. This occasion marked a spirited and active commitment to pursue ASEAN economic goals; it was, as it turned out, a turning point in the history of ASEAN when the member countries clearly demonstrated political will to inaugurate a new era of cooperation.

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Soon thereafter, eight technical committees were established to deal with sectoral issues, as follows:

- COTT (Singapore) - Trade and Tourism
- ODYAC (K. Lumpur) - Transport and Communications
- OST (Singapore) - Science and Technology
- ODFAF (Jakarta) - Food, Agriculture and Forestry
- OOSD (Jakarta) - Social Development
- OIME (Manila) - Industry, Minerals and Energy
- OOFAB (Bangkok) - Finance and Banking
- OOICI (Jakarta) - Culture and Information

Current Scene

As of now, ASEAN is among the most dynamic sub-regional groups in Asia and indeed in the developing world as a whole. It is generally believed that from the points of view of cohesiveness, sense of common destiny and actual performance, ASEAN is perhaps more viable than other well-known inter-governmental regional groups around the world such as East African Community and two West African groups, i.e. CEAO and ECOWAS in Africa and ANDEAN Pact and Caricom in Latin America, etc.

UNDP Cooperation

As early as 1976, a series of dialogues between ASEAN and UNDP were initiated in order to develop a programme of technical cooperation to be financed by UNDP under its Asia and Pacific Regional Programme in which all UN Specialized Agencies would participate. Because of the potentials of ASEAN, UNDP support was to be a showcase of UN cooperation with a regional institution anywhere.

During the period 1976 and 1980, several major discussions were held between UNDP and ASEAN at both macro and micro levels which resulted in a total of 36 technical assistance projects having been identified for implementation over the years 1977 to 1981. Of these, 12 were implemented at a total cost of a little over $2 million (list of projects as follows):
<table>
<thead>
<tr>
<th>Title</th>
<th>Agency</th>
<th>US$ (’000)</th>
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<tr>
<td>(1) Multilateral Trade Negotiations</td>
<td>UNCTAD</td>
<td>483</td>
</tr>
<tr>
<td>(2) ASEAN Labour-Intensive Industry</td>
<td>ILO</td>
<td>194</td>
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<tr>
<td>(3) ASEAN Climatic Atlas</td>
<td>WMO</td>
<td>145</td>
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<tr>
<td>(4) Supply and Demand of Food</td>
<td>FAO</td>
<td>368</td>
</tr>
<tr>
<td>(5) ASEAN Trade Development</td>
<td>UNCTAD</td>
<td>163</td>
</tr>
<tr>
<td>(6) Support to ASEAN Secretariat</td>
<td>UNESCO</td>
<td>78</td>
</tr>
<tr>
<td>(7) Minimum Economic Size of Steel Plants</td>
<td>UNIDO</td>
<td>189</td>
</tr>
<tr>
<td>(8) Pharmaceutical Industries</td>
<td>ESCAP</td>
<td>75</td>
</tr>
<tr>
<td>(9) Complementation of Engineering Industries</td>
<td>UNIDO</td>
<td>59</td>
</tr>
<tr>
<td>(10) ASEAN Cooperation in Tourism Development</td>
<td>WTO</td>
<td>85</td>
</tr>
<tr>
<td>(11) Standardization of Signalling Systems</td>
<td>ITU</td>
<td>134</td>
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<tr>
<td>(12) Satellite Communication</td>
<td>ITU</td>
<td>102</td>
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Then came the period of 1982 to 1986 which is the current programming cycle for UNDP. So far some 49 projects have been identified; three presently under implementation; three (1) ASEAN Banking Cooperation (COFAB); (2) Timber Standardization (COFAB); (3) Supply and Demand on Food and Other Strategic Agricultural Products on the verge of approval with a total financial commitment by UNDP of approximately $3 million. The remaining project proposals are in various stage of preparation. Some of the project ideas that have emerged include:

COCI (1) Conservation of Cultural Relics and Monuments
COFAB (1) Access to Capital Markets
(2) Cooperation in ASEAN Banking
COFAB (1) Packaging Research and Development
COIME (1) Industrial Prefeasibility Studies
(2) Technical Support to COIME Secretariat
(3) Complementation of Engineering Industries
(4) Strengthening Regulatory Mechanism for Technology Transfer
COSD (1) ASEAN Pharmaceuticals
(2) ASEAN Industrial Relations
COST (1) Technical Information Bank
(2) Anti-Pollution Technology
(3) Commercialization of Low-cost Housing Technologies
| COTAC | (1) ASEAN Maritime  
|       | (2) ASEAN Shipping and Ports  
|       | (3) Training in Meteorological Satellite  
|       | (4) Satellite Communication  
| COTT  | (1) Course on GATT Commercial Policy  
|       | (2) Access to Joint Markets  
|       | (3) Tourism  

These are project activities against the total of $7.7 million which has been allocated for this period by UNDP. This allocation represents a substantial increase over the actual expenditures in the previous five-year cycle, but is still quite modest given the importance and potentials economically, of the ASEAN which will soon have six member countries including Brunei.

**Programming Modalities**

Turning to the substance of ASEAN projects, it is useful to attempt a general definition of what this should use as criteria. First of all, from the UNDP perspective, it must be borne in mind that each of the member countries has its own Country Programme under the UNDP System. This means that needs which arise which are country-specific can be dealt with at the country level, even if the same need or similar ones, have been identified by some of the other member countries. For instance, there is no cogent reason to undertake a project in low-cost housing as an ASEAN project unless there is some aspect of it in which all five countries can make better economic use of common elements. In broad terms, it should therefore be recognized that ASEAN sectoral committees through which UNDP support is channelled are as yet striving to evolve their approaches and priorities as well as working methods. Each committee is therefore different in some ways. Committees like COTT and COFAB deal with subjects which carry economy-wide implication. Even within the more "sector-oriented" committees like COFAF, COIME and COTAC, nature and extent of inter-country linkages within ASEAN are different. COTAC and COTT projects generally render themselves well to regional cooperation.
Moving to the region as a whole, it should be remembered that the five ASEAN countries not only participate but are major beneficiaries providing very substantial host facilities, for a large part of the UNDP Asian Regional Programme. This, again, implies that there is now reason for the ASEAN countries to devote their notional $7.7 million to development activities which are of mutual concern and are given priority within a broader retinal framework. This brings us to the conclusion that the use of technical assistance funds which are placed directly at the ASEAN, should be of specific relevance to the five countries as a unified group.

Actual Performance

In describing some of the features of UNDP cooperation at the ASEAN committee level, it is time to examine some of the practical implications of this arrangement. Formulation, final agreement and approval, leading to actually putting a project on the ground, has been an inordinately slow process. It has been so slow that UNDP has become quite concerned over whether the ASEAN group will succeed in demonstrating an ability to absorb the development assistance funding potentially available to it. All of us are still in the process of learning how to make such a programme work more efficiently, and improvements, or at least a better understanding of the processes involved, are needed all around. Actual record: only 1.2 million approved out of $7.7 million (16% approval record).

TCDC - South-South Cooperation

Finally, a word on TCDC or South-South Cooperation. Slowdown and turbulence in the Industrialized Northern market economies which has been persisting since the 1970s have generated new interests both in the Industrialized North and Developing South in the possibilities of finding a new source of stable global growth in the South. The vast under-exploited resources, and untapped human potential, and the degree to which existing knowledge has not yet been applied there, all suggest that there exists a "new frontier" in the Developing South which could impart a new dynamic to the overall growth of the world economy.

Within the South, stimulated by the United Nations programmes, this new interest has taken the form of increased discussion of the TCDC and
more recently South-South cooperation. The talk is less of "collective reliance" than it is of an independent "engine of growth". If the Industrialized Northern "engine" is slowing down as it has been for some time now, can the South still use trade as an engine for its development? Must the South adjust to the Northern slowdown by cutbacks in its own investment programmes and growth, and suffer increased urban unemployment and reduced utilization of capacity which such cutbacks imply? Answers to these soul searching are clearly that a beginning has to be made towards the structural adjustment which would lessen and hopefully do away with the syndrome of over-dependence of the South on the North for its survival in times to come.

The United Nations sees possibilities for a coordinated Southern push for major reviews of the international trade and monetary systems, in which, paradoxically the South may legitimately and self-interestedly champion the new international economic order. UNDP's cooperation with ASEAN, modest as it is, must be seen against this background.