Third Party Evaluation Report FY2024
Ministry of Foreign Affairs of Japan

Regional Evaluation of ASEAN Connectivity Support Centered on the "Japan-ASEAN Connectivity Initiative"

March 2025

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International Development Center of Japan Inc.

Preface

This report is a Regional Evaluation of ASEAN Connectivity Support Centered on the "Japan-ASEAN Connectivity Initiative", and was commissioned to International Development Center of Japan Inc. by the Ministry of Foreign Affairs of Japan (MOFA) in fiscal year 2024.

Since its commencement in 1954, Japan's Official Development Assistance (ODA) has contributed to the development of partner countries while tackling global issues. Today, the international community acknowledges the necessity to improve the effectiveness and efficiency of ODA. MOFA regularly conducts ODA evaluations, of which most are conducted at the policy-level with two main objectives: to improve the management of ODA, and to ensure its accountability. These evaluations are commissioned to external third parties to enhance transparency and objectivity.

This Evaluation reviewed the "Japan-ASEAN Connectivity Initiative", Japan's policy toward ASEAN. The objectives were to obtain recommendations and lessons learned for the Government of Japan in formulating policies for future cooperation with ASEAN and for serving as a reference for effective and efficient implementation, as well as to fulfill its accountability to the public by widely publicizing the evaluation results.

The Evaluation Team in charge of this study consisted of a chief evaluator (Dr. Manabu Fujimura, Professor of College of Economics at Aoyama Gakuin University), an advisor (Dr. Fukunari Kimura, Professor Emeritus and Senior Professor of Keio University), and consultants from International Development Center of Japan Inc. Professor Fujimura supervised the entire evaluation process and Professor Kimura provided advice and input on research, analysis, and report writing as an expert on the ASEAN economies. In addition, to complete this study, we have received support from MOFA, the Japan International Cooperation Agency (JICA), and local ODA Task Forces, as well as government agencies, project implementation agencies, other donors, non-governmental organizations (NGOs), and private companies in Cambodia and Indonesia. We would like to take this opportunity to express our sincere gratitude to all those who supported this study.

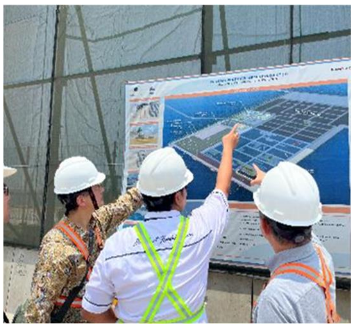
Finally, the Evaluation Team wishes to note that the opinions expressed in this report do not necessarily reflect the views or positions of the Government of Japan.

March 2025
International Development Center of Japan Inc.

Note: This English version is a translation of the Japanese Evaluation Report of Regional Evaluation of ASEAN Connectivity Support Centered on the "Japan-ASEAN Connectivity Initiative"

Regional Evaluation of ASEAN-Japan Connectivity Support, Centered on the Japan-ASEAN Connectivity Initiative <Brief Summary>

Evaluators (Evaluation Team)



･Chief Evaluator: Dr. Manabu Fujimura, Professor, College of Economics, Aoyama Gakuin University
･Advisor: Dr. Fukunari Kimura, Professor Emeritus and Senior Professor, Keio University
･Consultant: International Development Center of Japan Inc.
Evaluation Period: Japanese Fiscal Year (JFY) 2020 - 2023
Period of the Evaluation Study: June 2024 - February 2025
Field Survey Countries: Cambodia and Indonesia

Background, Objectives and Scope of the Evaluation

Japan and the Association of Southeast Asian Nations (ASEAN) have been working closely together for peace, stability, development and prosperity in the Asia-Pacific region, and celebrated 50th years of friendship and cooperation in 2023. This evaluation was conducted on Japan's cooperation with ASEAN, targeting cooperation policies and cooperation which support ASEAN's efforts to strengthen connectivity, which were implemented based on the Japan-ASEAN Connectivity Initiative (announced in November 2020).

Summary of the Evaluation Results

●Development Viewpoints

(1) Relevance of Policies

The Japan-ASEAN Connectivity Initiative is a set of ASEAN policies in which infrastructure development/improvement projects are formed and implemented in a way that contributes to physical connectivity, while soft cooperation such as technical cooperation is provided in a way that contributes to institutional and people-to-people connectivity. The Initiative is consistent with Japan's Foreign Policy of Free and Open Indo-Pacific (FOIP) and the priority policies outlined in the Development Cooperation Charter, which is the upper-level policy of Japan's ODA.

Although the Japan-ASEAN Connectivity Initiative is not intended to promote collaboration with other donors, it was confirmed that several projects implemented under the Initiative were designed to promote collaboration or differentiation with other donors while taking into account Japan's comparative advantage. The comparative advantages of Japanese ODA projects implemented under the Initiative include: comprehensive support that effectively combines hard component (infrastructure construction) and soft component (maintenance and management, human resource development through technical cooperation projects, etc.); highly transparent and sustainable infrastructure development; implementation of projects based on upstream master plan studies; and support for human resource development at multiple levels.

(Rating: Highly Satisfactory)

(2) Effectiveness of Results

The Japan-ASEAN Connectivity Initiative consists of a total of 65 projects in 10 ASEAN member countries: 22 "Land Corridors," 9 "Sea and Air Corridors," and 34 "soft cooperation projects that contribute to enhancement of connectivity". In Cambodia and Indonesia, case study countries for this study, it was confirmed that the planned projects are being steadily implemented or have been implemented. It is also understood that other ASEAN member countries are steadily implementing or have been implementing the projects. As the outcome and the impact, an increase in intra-regional GDP and the deepening of international production networks can also be confirmed. In addition, the steady progress was observed in achieving the goals of the initiative, together with the contribution to the long-term human resource development, benefits to the Japanese private sector, and impact on the planning of policies by other donor agencies.

(Rating: Highly Satisfactory)

(3) Appropriateness of Processes

As evaluated above in this section on the “Appropriateness of Process”, process regarding the Japan-ASEAN Connectivity Initiative, including policy formulation, implementation, and monitoring, have continuously contributed to "Quality Infrastructure Investment" in terms of both physical and non-physical aspect, while staying close to ASEAN member countries that value ASEAN connectivity, and providing higher value-added support. On the other hand, it is necessary to organize brief and clear explanation of Japanese contribution to the Master Plan on ASEAN Connectivity (MPAC) 2025 through the Initiative for better recognition of the projects of the Japan-ASEAN Connectivity Initiative.

(Rating: Satisfactory)

*Note Rating: Highly Satisfactory, Satisfactory, Partially Satisfactory, Unsatisfactory)

●Diplomatic Viewpoints

(1) Diplomatic importance: Importance regarding Japan's national interest and the "prime water effect” leading international policy collaboration

In 2019, ASEAN released the ASEAN Outlook on the Indo-Pacific (AOIP), which sets forth the unity and centrality of ASEAN, and since the AOIP shares fundamental principles with the Japan’s FOIP, Japan quickly expressed its support for the AOIP. By 2023, the United States, Australia, the European Union, India, South Korea, and even China had announced their support for the AOIP, and it can be understood that Japan's immediate announcement of support for the AOIP served as a catalyst for other countries to support the AOIP (so to speak, a "prime water effect” for policies collaboration"). Furthermore, the initiative has contributed to Japan's three national interests, namely: (1) "Ensuring Japan's existence" (2) "Achieving Japan's prosperity", and (3) "Maintaining international order". Thus, support under the ASEAN Connectivity Initiative was important.

(2) Diplomatic impact: the most trusted partner and "prime water effect” leading economic impact

In the Joint Vision Statement for the 50th Anniversary of ASEAN-Japan Friendship and Cooperation, the subtitle is "Trusted Partners". Also, an independent report published by ISEAS (Yusof Ishak Institute), an independent research institute in Singapore, which included the survey results of ASEAN expert (academicians, governmental officials and other experts) reported that "Japan is the most trusted partner" for six consecutive years. It was confirmed by the study in this evaluation, including field study in two case study countries, that the industrial base is expanding, which is an impact of the ODA provided by Japan, and thus it can be concluded the "prime water effect” leading economic impact has been realized. Furthermore, the expansion of exchanges at the governmental, private and civilian levels was also confirmed.

Recommendations

< Development Viewpoints >

1. Planning infrastructure assistance and intellectual assistance for multi-country infrastructure development/ improvement
   (Symbolic transportation infrastructure; planning for power grid support; training and other intellectual support; etc.)
2. Assistance for institutional improvements in the international transportation network
   (Digitalization of customs clearance; standardization of systems in multiple countries; etc.)
3. Continuation of the combination of physical assistance and non-physical (human resource development)

(Support for field and high-level human resource development and policy research)

4. Addressing the common issues between ASEAN and Japan as collaborative partners
   (Climate change; natural disasters; public health, aging society; and the use of third-country training scheme; etc.)
5. Clarifying Japan's ODA contribution in a context of ASEAN's strategy for connectivity.

< Diplomatic Viewpoints >

6. Support and respect the unity and centrality of ASEAN
   (Contribute to maintain and enhance reliability toward Japan)
7. Lead the international community by demonstrating universal values in the FOIP
   (Promote rule of law and free trade)

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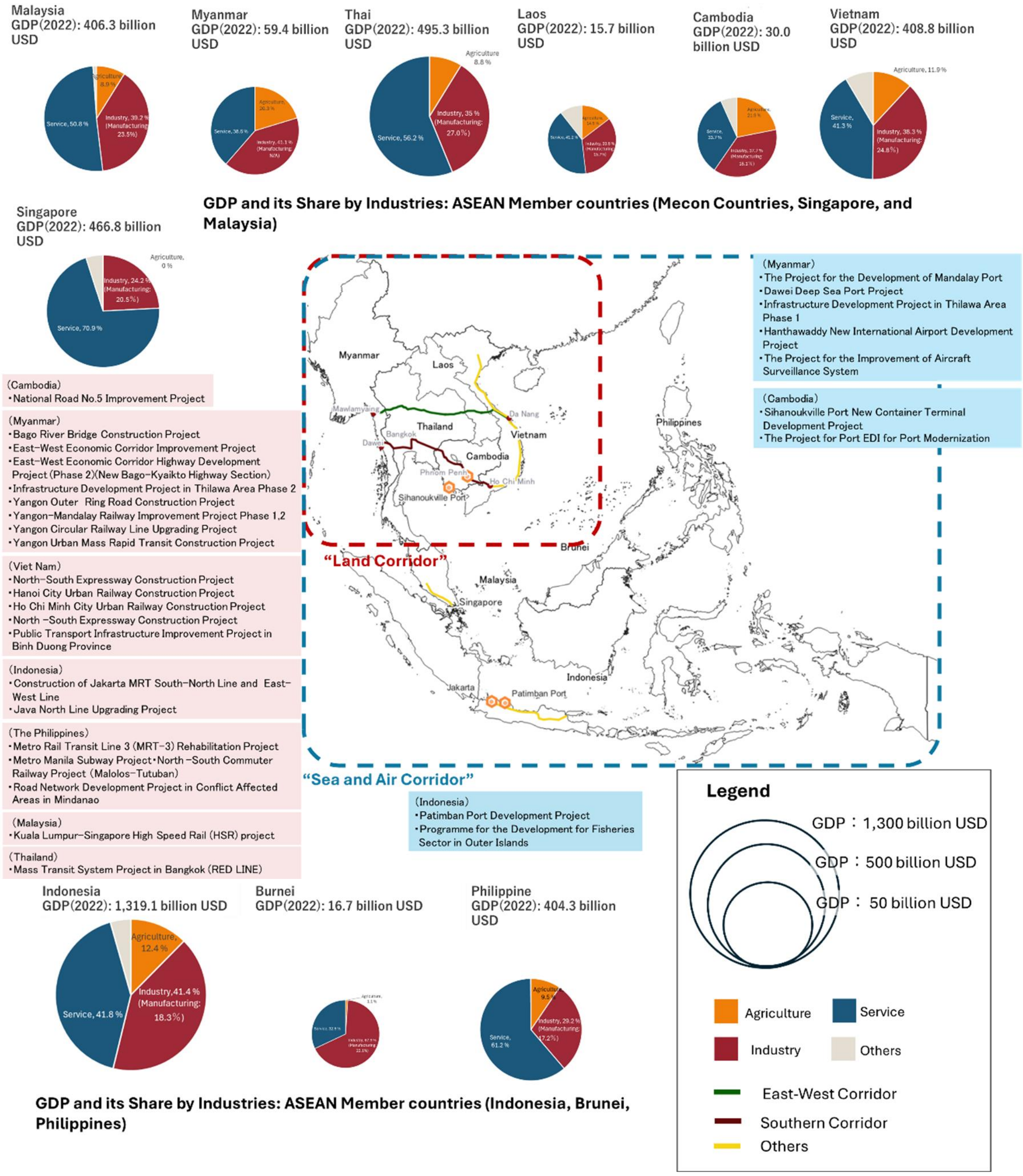
Abbreviations

ACMECS	Ayeyarwady Chao Phraya Mekong Economic Cooperation Strategy
ACSP	ASEAN Connectivity Strategic Plan
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AOIP	ASEAN Outlook on the Indo-Pacific
ASEAN	Association of South East Asian Nations
CADP	The Comprehensive Asia Development Plan
DAC	Development Assistance Committee
ERIA	Economic Research Institute for ASEAN and East Asia
EU	European Union
FOIP	Free and Open Indo-Pacific
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IMF	International Monetary Fund
IPEF	Indo-Pacific Economic Framework for Prosperity
IPNs	International Production Networks
JAIF	Japan-ASEAN Integration Fund
JBAC	Japanese Business Association of Cambodia
JDS	The Project for Human Resource Development Scholarship
JETRO	Japan External Trade Organization
JFY	Japanese Fiscal Year
JICA	Japan International Cooperation Agency
MOFA	Ministry of Foreign Affairs of Japan
MPAC	Master Plan on ASEAN Connectivity
MRT	Mass Rapid Transit
MRTJ	MRT Jakarta
NGO	Non-governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
RCEP	Regional Comprehensive Economic Partnership
SDGs	Sustainable Development Goals
TOD	Transit Oriented Development
USAID	United States Agency for International Development

Location map of Japan-ASEAN Connectivity Initiative and GDP of each country/ratio of each industry



Sources: Open Street Map, administrative maps of each country, Ministry of Foreign Affairs data, Japan-ASEAN Connectivity Initiative (November 2020), Compiled from Open street map, administrative map, and the World Bank Development Indicator

Chapter 1 Background, Objectives and Evaluation Framework

1 Background and Objectives of the Evaluation

Japan and the Association of Southeast Asian Nations (ASEAN) have been working closely together for peace, stability, development and prosperity in the Asia-Pacific region, and celebrated 50 years of friendship and cooperation in 2023. This evaluation was conducted based on Japan's cooperation with ASEAN, targeting cooperation policies and projects that have supported ASEAN's efforts to strengthen connectivity, which were implemented based on the Japan-ASEAN Connectivity Initiative (announced in November 2020). Specifically, the objectives of the evaluation were to obtain proposals and recommendations that can be utilized in the project formulation and implementation of the subsequent “Japan-ASEAN Comprehensive Connectivity Initiative” (announced in September 2023) and to fulfill accountability to the public by verifying and analyzing the results of the cooperation by a third party.

The Development Cooperation Charter approved by the Cabinet in June 2023 lists "quality infrastructure" as one of its priority policies. Japan promotes the development of "quality infrastructure" based on (1) transparency, (2) openness, (3) economic efficiency in view of life-cycle cost, and (4) debt sustainability by combining infrastructure development and soft cooperation. Evaluation of quality infrastructure is necessary to strategically select projects that will support the smooth business development of private companies. This evaluation was conducted based on the above background.

2 Scope of Evaluation

The scope of this evaluation was the policy formulation process of the Japan-ASEAN Connectivity Initiative announced in November 2020, as well as the projects listed in the Initiative.

This policy supports ASEAN's efforts to strengthen connectivity in order to narrow the gaps in the ASEAN region and further facilitate the integration of the ASEAN Community based on the Master Plan on ASEAN Connectivity (MPAC) 2025 and the Ayeyarwady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) Master Plan. The policy has identified "Land Corridors" (22 projects) and "Sea and Air Corridors" (9 projects) as priority areas, and states to provide approximately 2 trillion yen in assistance to strengthen connectivity in the hard areas. These land, sea and air corridor connectivity projects are complemented by soft infrastructure cooperation, including technical cooperation projects that strengthen institutional and people-to-people connectivity. Soft infrastructure cooperation covered 34 projects, with a commitment to develop 1,000 human resources over three years to help strengthen connectivity.

Table1-1 Overview of the Scope of Evaluation

Policies to be evaluated	Japan-ASEAN Connectivity Initiative (announced in November 2020)
Target projects	Projects listed in the "Japan-ASEAN Connectivity Initiative" which was announced in November 2020 (Land Corridors: 22 projects, Sea and Air Corridors: 9 projects, and 34 soft infrastructure cooperation projects that contribute to strengthening connectivity).
Succession Policy	Japan-ASEAN Comprehensive Connectivity Initiative (announced in September 2023)

Source: Prepared by the Evaluation Team

3 Evaluation Methodology

(1) Evaluation Viewpoints

The Evaluation Team comprehensively evaluated the Japan-ASEAN Connectivity Initiative by qualitatively and quantitatively analyzing the information and data collected based on "Relevance of Policies," "Effectiveness of Results," and "Appropriateness of Processes" that are the evaluation criteria from development viewpoints, as well as "diplomatic importance" and "diplomatic impact" that are the evaluation criteria from a diplomatic viewpoint based on the Ministry of Foreign Affairs' "ODA Evaluation Guidelines" (January 2024) and the "ODA Evaluation Handbook" (January 2024). Major verification items are listed in the table below.

Table 1-1 Evaluation Viewpoints

Evaluation viewpoints	Evaluation criteria	Major verification items
Development viewpoints	Relevance of Policies	・Consistency with ASEAN development plans ・Consistency with Japan's higher-level policies ・Consistency with international priority issues ・Relevance to other donors' cooperation policies ・Japan's comparative advantage
	Effectiveness of Results	・Japan's cooperation to ASEAN (inputs) ・Effectiveness of support for development agenda (outputs) ・Effectiveness of support to priority areas (outcomes) ・Overall effectiveness of this policy
	Appropriateness of Processes	・Appropriateness of processes of the cooperation policy formulation ・Appropriateness of the cooperation implementation processes ・Appropriateness of the cooperation implementation structure ・Appropriateness of monitoring and evaluation and information disclosure ・Cooperation with other donors
Diplomatic viewpoints	Diplomatic importance	・Importance to the international community and regional priorities/resolutions of global issues ・Importance of the ASEAN region to Japan ・Importance to Japan's national interest
	Diplomatic impact	・Impact in the international community

		・Impact on the Japan-ASEAN relations (government level and private sector level) ・Impact on economic relations

Source: Prepared by the Evaluation Team based on the "ODA Evaluation Handbook" (January 2024)

In describing the evaluation results, the Evaluation Team gave a rating for the three criteria according to "evaluations from development viewpoints" based on the ODA Evaluation Handbook. The rating was classified into four levels: "Highly Satisfactory," "Satisfactory," "Partially Satisfactory," and "Unsatisfactory." However, the Evaluation Team did not provide a rating for "Evaluations from Diplomatic Viewpoints."

(2) Evaluation Procedures and Methodology

This evaluation was conducted from June 2024 to February 2025. The evaluation was conducted using literature research, interviews with stakeholders in Japan, and field surveys in the case study countries of Cambodia and Indonesia. A summary of the evaluation methodology is listed below.

Table 1-2 Overview of the Evaluation Methodology

Literature research	Development Cooperation Charter (2015), Free and Open Indo-Pacific, MPAC2025, ACMECS Master Plan, the Country Development Cooperation Policies and Rolling Plans for target countries, related documents by JICA (ex-ante evaluation sheets for target projects, project completion reports, SDGs position papers, etc.), related reports and statistics by OECD-DAC and international organizations.
Interviews in Japan	MOFA, JICA, ASEAN-Japan Centre, Institute of Developing Economies, experts in the field of ASEAN connectivity, etc.
Field survey	Embassy of Japan, Mission of ASEAN to Japan, JICA office, JETRO (Japan External Trade Organization), partner country's Ministry of Foreign Affairs, Ministry of Foreign Affairs and International Cooperation, Ministry of Transport, international organizations, private companies, NGOs, project stakeholders, etc.

Source: Prepared by the Evaluation Team

(3) Evaluation Constraints

This evaluation basically targets the projects listed in the Japan-ASEAN Connectivity Initiative (November 2020), but due to time and other constraints on covering all projects, two countries, Cambodia and Indonesia, were selected as case study countries; and a field survey was conducted for a total of two weeks, one week in each country. It should be noted that the evaluation results are based on the information and site visits obtained during the field survey. In addition, due to the coup d'état that took place in Myanmar in 2021 during the implementation period of the Initiative, it was difficult to substantively include the projects targeting Myanmar in the evaluation analysis as they did not progress as originally planned. Finally, it should be noted that the projects covered by the Initiative are mainly in the infrastructure sector, which requires a long period of time from the start of the project to the start of the service, and even if the projects began during the evaluation period, not all began the service, which restricted the analysis of the project's effectiveness.

(4) Implementation Structure

In this evaluation, the consultant in charge of the evaluation analysis collected, summarized, and analyzed the information necessary for the evaluation under the supervision of the chief evaluator and the advisor. The composition of the Evaluation Team is shown in the table below. In addition, Ms. Akiko Onodera, Deputy Director of the ODA Evaluation Division, Minister's Secretariat, MOFA, participated as an observer in some areas of the field survey in Cambodia and Indonesia.

Table 1-4 Composition of the Evaluation Team

Responsibility	Name	Affiliation / Position
Chief Evaluator	Dr. Manabu Fujimura	Professor, College of Economics, Aoyama Gakuin University
Advisor	Dr. Fukunari Kimura	Professor Emeritus and Senior Professor, Keio University
Team Leader /Evaluation Analysis 1	Dr. Ryo Sasaki	Senior Researcher, Evaluation Department, International Development Center of Japan, Inc.
Deputy Team Leader /Evaluation Analysis 2	Mr. Takafumi Nakase	Senior Researcher, Economic Development Department, International Development Center of Japan Inc.
Evaluation Analysis 3	Ms. Yumiko Yamada	Researcher, Economic Development Department, International Development Center of Japan Inc.

Chapter 2 Overview of ASEAN and ODA to ASEAN Countries

1 Overview of ASEAN

(1) Society/ Political Economy

ASEAN is a regional community consisting of 10 countries located in Southeast Asia (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam). ASEAN has a total area of 4.49 million square kilometers (about twelve times that of Japan) and a total population of 650 million (about five times that of Japan), and as shown in the table below, the member countries have diverse religious, political, ethnic, and other characteristics.

Table2-1 General Information on ASEAN Countries

Country name	Population	Area	Ethnicity	Language (official language)	Religion	Politics	GDP per capita (2024/estimated)	DAC Development Classification
Brunei	440,000	5,765 ㎢	Malay 67.4%, Chinese 9.6%	Malayan	Islam (82%), Buddhism, Christian	Constitutional monarchy	34,872 USD	-
Cambodia	16.9 million	181,000 ㎢	Khmer people	Khmer language	Buddhism	Constitutional monarchy	2,744 USD	Least developed countries
Indonesia	279 million	1,920,000 ㎢	Approximately 1,300 including Javanese, Sundanese, Malays, etc.	Indonesian	Islam (87%), Christian	Presidential, Republican	4,981 USD	Upper middle income countries
Laos	7.44 million	240,000 ㎢	50 ethnic groups including the Lao	Lao	Buddhism	People's democratic republic	1,945 USD	Least developed countries
Malaysia	33.5 million	330,000 ㎢	Malay 70%, Chinese 23%	Malayan	Islam (64%), Buddhism (19%), etc.	Constitutional monarchy	13,142 USD	Upper middle income countries
Myanmar	51.14 million	680,000 ㎢	Burmese (70%), ethnic minorities	Burmese	Buddhism (90%)	Presidential, Republican	1,179 USD	Least developed countries
Philippines	109.03 million	298,000 ㎢	Malayan	Filipino, English	Christian	Republicanism	4,154 USD	Low income countries
Singapore	5.64 million	720 ㎢	Chinese 74%, Malay 14%	English, Chinese, Malay, Tamil	Buddhism, Christianity, etc.	Constitutional republic	89,370 USD	-

Thailand	66.09 million	514,000 ㎢	Thai	Thai	Buddhism	Constitutional monarchy	7,527 USD	Upper middle income countries
Vietnam	100.3 million	329,000 ㎢	Kinh (86%), 53 ethnic minorities	Vietnamese	Buddhism	Socialist republic	4,649 USD	Low income countries

Source: Compiled from the Ministry of Foreign Affairs of Japan Basic Data website, OECD website, and IMF World Economic Outlook Database October 2024

(2) Economy

A The GDP

The basic economic data for ASEAN countries, gross domestic product (GDP) for the past 10 years, although in nominal terms, has been on an upward trend in all countries except during the COVID-19 pandemic period. Regarding the per capita GDP in eight countries which are on the Development Assistance Committee (DAC) list of the Organization for Economic Cooperation and Development (OECD), excluding Singapore and Brunei, the per capita GDP of Malaysia, which aims to become a high-income country despite being an ODA recipient, was outstandingly high at 13,142 USD in 2024. It was followed by Thailand (7,527 USD). The three countries with GDP per capita below 3,000 USD were Cambodia (2,744 USD), Laos (1,945 USD), and Myanmar (1,179 USD). The GDP growth rate of each country remained high at around 5-7% until 2019, especially in Cambodia, Laos, Myanmar, and Vietnam (CLMV countries). Seven countries excluding Brunei, Laos, and Vietnam recorded negative growth in the 2020’s COVID-19 pandemic, followed by a recovery trend. The Philippines had the highest GDP growth rate of 5.5% in 2023, followed by Cambodia at 5.4%, and Indonesia and Vietnam at 5.0% respectively. Myanmar's GDP growth rate dropped sharply to -12.0% in 2021 after the COVID-19 pandemic and the coup d'état in 2021. It recorded a growth rate of 1.0% in 2023.

B Trade

The total trade value for the ASEAN region was 3,846.2 billion USD in 2022, of which 1,962.1 billion USD was exports and 1,884.0 billion USD was imports. Both exports and imports have been on the rise as a whole, excluding the COVID-19 pandemic period in 2020. Intra-regional trade value as a percentage of exports and imports has remained at 21% - 26% for exports and 21% - 23% for imports, and the share of the ASEAN region in total trade value has been maintained for the past decade.

The main trading partners of the ASEAN region for exports in 2022 were the U.S., which was slightly higher than China, followed by China, the EU, and Japan. For imports, China was the largest trading partner, followed by South Korea, Japan, and the US. The table below shows a summary of the trade by country.

Table 2-2 Overview of Trade in ASEAN Countries (million USD)

Country		Total trade value (2022)	Major trade items	Major trading partners
Brunei	Export	14,230	Mineral fuels, chemical products	Australia, Japan, China
	Import	9,184	Mineral fuels, machinery and transportation equipment	Malaysia, United Arab Emirates, China
Cambodia	Export	20,576	Clothing, electrical goods	US, China, Japan
	Import	29,042	Fuel and petroleum, knit	China, Vietnam, Thailand
Indonesia	Export	291,979	Mineral fuels, animal and vegetable oils and fats, etc.	China, US, Japan
	Import	237,337	Machinery and equipment, mineral fuels	China, Singapore, Japan
Laos	Export	8,420	Electric power, gold	Thailand, China, Vietnam
	Import	6,860	Vehicles and machinery	Thailand, China, Vietnam
Malaysia	Export	352,188	Electrical products, palm oil	Singapore, China, US
	Import	293,941	Electrical products, manufacturing equipment	China, Singapore, Taiwan
Myanmar	Export	17,085	Clothing, natural gas	Thailand, China, Japan
	Import	17,403	Essential oil, base metal	China, Singapore, Thailand
Philippines	Export	78,929	Electronic and electric products, transportation equipment	US, Japan, China
	Import	145,880	Raw materials, intermediate goods, capital goods	China, Indonesia, Japan
Singapore	Export	514,966	Machinery and transportation equipment, mineral fuels	China, Hong Kong, Malaysia
	Import	475,413	Machinery and transportation equipment, mineral fuels	China, Malaysia, Taiwan
Thailand	Export	283,820	Machinery, automotive and auto parts	US, China, Japan
	Import	305,724	Crude oil, electric equipment and electric equipment parts	China, Japan, US
Vietnam	Export	370,909	Electronic equipment and parts for electronic equipment, telephone equipment and parts for telephone equipment	US, China, Korea
	Import	358,788	Electronic equipment and electronic equipment parts, machinery and machinery equipment parts	China, Korea, Japan

Note: Data for Laos is based on 2021.

Source: World Integrated Trade Solution, JETRO, Ministry of Foreign Affairs website

2 Development Policies in ASEAN

This section provides an overview of development policies in ASEAN that are highly relevant to the Japan-ASEAN Connectivity Initiative.

(1) Master Plan on ASEAN Connectivity (MPAC) 2025

MPAC 2025 is a master plan adopted at the 28th ASEAN Summit held in Vientiane, Lao PDR in 2016. Its predecessor was MPAC 2010 which was formulated in 2010. In the MPAC 2025, connectivity refers to physical connectivity (e.g., transportation, information and communication technology (ICT), energy), institutional connectivity (e.g., trade, investment, liberalization of services), and people-to-people connectivity (e.g., education, culture, tourism). The realization of these three types of connectivity is said to support the implementation of ASEAN's higher-level policies: the ASEAN Political-Security Community Blueprint, the ASEAN Economic Community Blueprint, the ASEAN Socio-Cultural Community Blueprint and ASEAN sectoral work plans, and the Initiative for ASEAN Integration.

The vision of MPAC 2025 is to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community. Five strategic areas have been identified to achieve this vision.

MPAC 2025 is scheduled to end in 2025, and its successor, the “ASEAN Connectivity Strategic Plan (ACSP)” is being developed. This will be one of the main documents of the ASEAN Community Vision 2045, together with strategic plans for the political security, economic, and socio-cultural areas. Six priority areas will be included: 1) sustainable infrastructure, 2) smart and sustainable urban development, 3) digital innovation, 4) seamless logistics and supply chains, 5) regulatory excellence and cooperation, and 6) people-to-people connectivity.[1]

(2) ACMECS Master Plan (2019-2023)

ACMECS is an economic framework consisting of five countries. It was established in 2003 by Cambodia, Laos, Myanmar, and Thailand, with the aim of promoting economic cooperation and development in the region surrounding the Ayeyarwady, Chao Phraya, and Mekong rivers, and Vietnam joined in 2004. The ACMECS Master Plan is a medium-term plan adopted at the 8th ACMECS Summit held in Bangkok in 2018, with the vision of connecting the ACMECS member countries by 2023. The goals of the master plan are 1) seamless connectivity (e.g., development of hard and digital infrastructure), 2) economic integration (development of soft infrastructure such as trade, institutions, and finance), and 3) smart/sustainability (application of smart technology, human resource development, and environmental cooperation).

(3) ASEAN Outlook on the Indo-Pacific (AOIP)

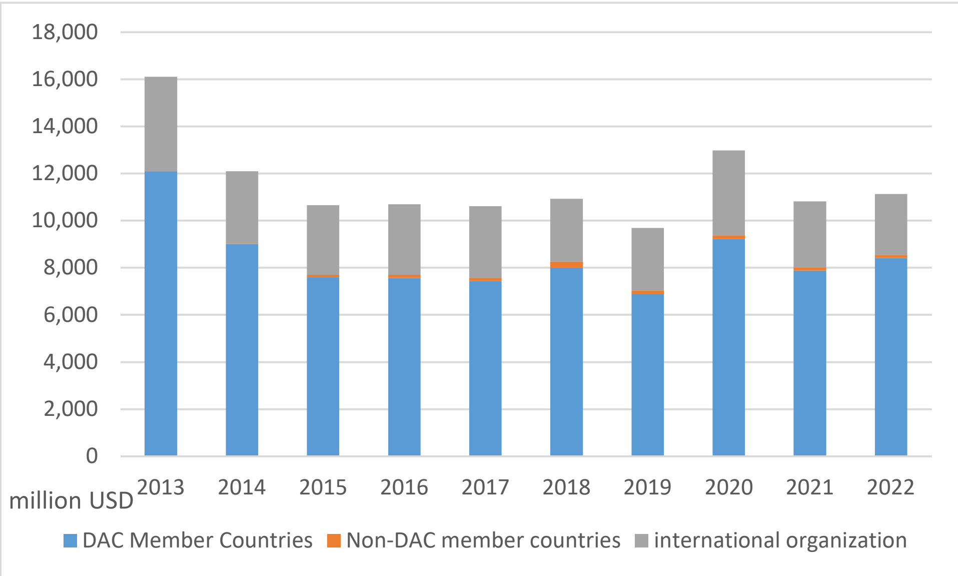
The AOIP is ASEAN's own Indo-Pacific initiative adopted at the 34th ASEAN Summit in 2019. ASEAN's unity and centrality are set as the underlying principle for promoting cooperation in the Indo-Pacific region. It is based on principles of strengthening ASEAN Centrality, openness, transparency, inclusivity, a rules-based framework, good governance, respect for sovereignty, non-intervention, complementarity with existing cooperation frameworks, equality, mutual respect, mutual trust, mutual benefit and respect for

[1] ASEAN Secretariat's press release on the successive plan: https://connectivity.asean.org/news-post/asean-intensifies-consultations-with-key-asean-stakeholders-and- external-partners-in-preparation-for-mpac-2025-successor/
Accessed on October 11, 2024.

international law, etc. In addition, four priority areas of cooperation are identified: maritime cooperation, connectivity, Sustainable Development Goals (SDGs), and economic and other possible areas for cooperation.

3 Trends in ODA to ASEAN

Figure 2-1 shows the ODA disbursements to ASEAN countries over the past ten years. ODA disbursements to ASEAN in 2022 were about 11.1 billion USD, of which more than three-quarters or about 8.4 billion USD, was disbursed by DAC member countries, and about 2.6 billion USD was disbursed by international organizations.



Source: OECD Creditor Reporting System

Figure 2-1 Trends in ODA to ASEAN Countries

In looking at the cumulative ODA disbursements by DAC member countries to ASEAN over the past ten years by country, Japan disbursed the largest amount of bilateral cooperation at approximately 36 billion USD (42.8%), followed by Germany at 10.5 billion USD (12.5%) and the US at approximately 10 billion USD (11.9%).

Table 2-3 shows the ODA disbursement to ASEAN countries by major donors in 2022, which is the most recent data for a single year. Japan ranked first in Cambodia, Myanmar, the Philippines, Thailand, and Vietnam.

Table 2-3 ODA Disbursement to ASEAN Countries (2022/ Million USD)

Country	First	Second	Third
Cambodia	Japan (497.6)	Korea (132.1)	U.S. (109.9)
Indonesia	Germany (927.3)	Japan (591.2)	Australia (207.0)
Laos	U.S. (90.7)	South Korea (78.3)	Japan (66.4)
Malaysia	Germany (12.3)	Japan (9.5)	U.S (6.4)
Myanmar	Japan (320.5)	U.S. (161.9)	Australia (66.3)
Philippines	Japan (1,468.1)	U.S. (155.7)	South Korea (125.2)
Thailand	Japan (617.6)	U.S. (64.7)	France (35.1)
Vietnam	Japan (386.8)	Germany (213.1)	France (164.0)

Source: OECD Creditor Reporting System

It should be noted that China, which shows an important presence as a donor in the ASEAN region, does not participate in the DAC and is therefore not represented in the statistical data used in this report.

Regarding the disbursement by international organizations, the World Bank and the Asian Development Bank (ADB) account for more than 60% of the support provided by international organizations, with cumulative contributions from 2013 to 2022 totaling about 11.7 billion USD for the World Bank and 7.1 billion USD for the ADB.

4 Trends in Japan's ODA to ASEAN

(1) Japan's Cooperation with ASEAN

There are various multi-layered frameworks for cooperation with ASEAN, including cooperation frameworks that include some ASEAN countries (e.g., Japan-Mekong cooperation) and cooperation frameworks that include countries other than ASEAN and Japan (e.g., ASEAN+3 cooperation), in addition to bilateral cooperation with ASEAN countries. This section provides an overview of recent cooperation, focusing on the Japan-ASEAN cooperation.

Cooperation between ASEAN and Japan began in 1973 with the forum on synthetic rubber; and the year 2023 marked the 50th anniversary of ASEAN-Japan Friendship and Cooperation. In 2023, various related meetings and events were held as part of the "50th Year of the ASEAN-Japan Friendship and Cooperation". In December 2023, the "Commemorative Summit for the 50th Year of ASEAN-Japan Friendship and Cooperation" was held, at which the Joint Vision Statement on ASEAN-Japan Friendship and Cooperation was adopted as the outcome document. The Statement is subtitled "Trusted Partners." It states that Japan and ASEAN, based on the recognition that the AOIP and the Free and Open Indo-Pacific (FOIP), and Japan's foreign policy, share relevant fundamental principles, strengthens the Comprehensive Strategic Partnership based on mutual trust and support of ASEAN unity and centrality. Specifically, the implementation plan outlines 130 specific cooperation items in line with the three pillars of "Heart-to-Heart Partners across

Generations," "Partners for Co-creation of Economy and Society of the Future," and "Partners for Peace and Stability." Connectivity is categorized under the "Partners for Co-creation of Economy and Society of the Future,"

Japan's cooperation with ASEAN includes the Japan-ASEAN Integration Fund (JAIF), which was established in the ASEAN Secretariat in 2006. Various projects to support ASEAN's efforts to integrate the establishment of the ASEAN Community and to reduce intra-regional disparities are carried out through JAIF. Other types of cooperation with the ASEAN Secretariat includes technical cooperation projects in food value chains and cybersecurity (both listed in the successor Japan-ASEAN Comprehensive Connectivity Initiative). In addition, cooperation for human resource development is carried out by utilizing various schemes, including the Project for Human Resource Development Scholarship (JDS), Knowledge Co-Creation Program for Young Leaders, SDGs Global Leaders, Knowledge Co-Creation Program / Third Country Training Program, and the ASEAN University Network / Southeast Asia Engineering Education Development Network (AUN/SEED-Net).

(2) Japan's ODA to ASEAN

Japan's cumulative ODA disbursement to ASEAN amounts to 20,754.4 billion yen, of which ODA loans are 17,488.0 billion yen, that accounts for the majority; grant aid is 1,753.1 billion yen, and technical cooperation is 1,513.2 billion yen. The largest recipients of ODA loans are Indonesia, the Philippines, and Vietnam; Myanmar, the Philippines, and Indonesia are for grant aid; and Indonesia, the Philippines, and Thailand are for technical cooperation.

The below table shows the disbursement in Japanese fiscal year 2022, the most recent year for which data is available. ASEAN received 791.1 billion yen for ODA loans, 22.5 billion yen for grant aid, and 27 billion yen for technical cooperation. The Philippines and Indonesia received the largest amount of ODA loans, due to the large-scale infrastructure projects (the North South Commuter Railway Project in the Philippines and the Construction of the Jakarta Mass Rapid Transit (MRT) Project, and the Patimban Port Development Project in Indonesia). The largest amount of grant aid was provided to Cambodia, amounting to 8.29 billion yen, of which a large portion supported water supply and sewage system expansion projects in various regions. "Chapter 3.1 Evaluation from Development Viewpoints (2) Effectiveness of Results" discusses in detail the ODA related to connectivity, which is the target of this evaluation.

Table 2-4 Japan's ODA to ASEAN Countries (Unit: million yen)

Country name		ODA loan	Grant aid	Technical cooperation
Cambodia	Cumulative total	275,030	244,560	102,620
	Fiscal Year 2022	41,390	8,290	3,850
Indonesia	Cumulative total	5,597,440	294,240	380,500
	Fiscal Year 2022	273,860	300	4,080
Laos	Cumulative total	48,440	177,650	87,180
	Fiscal Year 2022	-	4,070	2,310
Malaysia	Cumulative total	923,810	15,350	122,000
	Fiscal Year 2022	-	40	950
Myanmar	Cumulative total	1,378,470	365,380	114,660
	Fiscal Year 2022	-	4,840	1,290
Philippines	Cumulative total	4,032,870	313,930	278,840
	Fiscal Year 2022	407,020	2,630	7,060
Thailand	Cumulative total	2,428,900	173,580	244,370
	Fiscal Year 2022	50,000	680	2,790
Vietnam	Cumulative total	2,803,050	168,450	18,306
	Fiscal Year 2022	18,870	1,660	4,680
ASEAN Total	Cumulative total	17,488,020	1,753,150	1,513,220
	Fiscal Year 2022	791,140	22,490	27,010

Note 1: In principle, cumulative amounts are based on Loan Agreements for ODA loans, on Exchange of Notes for grant aid, and on actual expenditures in the budget year for technical cooperation. Note 2. In principle, fiscal year and its amount are based on an Exchange of Notes for ODA loans and grant aid, and actual expenditures in the budget year for technical cooperation. Note 3. Totals may not always match due to the rounding off of the figures.

Source: ODA Data Book by Country, 2023, MOFA

Chapter 3 Evaluation Results

1 Evaluations from Development Viewpoints

This chapter discusses the evaluation results for "Relevance of Policies," "Effectiveness of Results," and "Appropriateness of the Process" as evaluations from development viewpoints.

(1) Relevance of Policies

A Consistency with ASEAN's Development Plans

Connectivity has been recognized as a priority area in the ASEAN region for many years. Strengthening connectivity is one of the five priority areas in the ASEAN Economic Community (AEC) Blueprint 2025 by AEC. MPAC 2025, which is the master plan for strengthening connectivity, sets physical connectivity, institutional connectivity, and people-to-people connectivity as its three pillars, and the ACMECS Master Plan also identifies connectivity as a goal. The Japan-ASEAN Connectivity Initiative is consistent with these ASEAN policies because infrastructure development projects are formed and implemented in a manner that especially contributes to physical connectivity, and soft cooperation such as technical cooperation is carried out in a manner that contributes to institutional and people-to-people connectivity.

In addition, Japan quickly expressed its support for the AOIP proposed by ASEAN in 2019. Since one of the four priority areas listed in the AOIP is connectivity, the Japan-ASEAN Connectivity Initiative is consistent with the priority areas of the AOIP, forming a part of the ASEAN-Japan and AOIP cooperation.

For case study countries, the "Rectangular Strategy Phase 4" (2018-2023) in Cambodia and the "National Medium-Term Development Plan" (2020-2024) in Indonesia are positioned as national medium-term plans during the evaluation period. The Rectangular Strategy Phase 4 identifies economic diversifications (improving logistics systems and enhancing transport, energy, and digital connectivity) as one of the four priority areas; and the National Medium-Term Development Plan identifies infrastructure development to support the promotion of economic growth as a priority area. Therefore, the Japan-ASEAN Connectivity Initiative is highly relevant to the national development plans of both countries. The Initiative can be said to be highly consistent not only at the regional level of ASEAN, but it is also consistent with national development plans in the case study countries.

B Consistency with Japan's High-level Policies

Japan's foreign policy, FOIP, calls for the maintenance and strengthening of a free and open maritime order based on the rule of law. Specifically, it promotes economic prosperity by strengthening connectivity through quality infrastructure development based on international standards. The Japan-ASEAN Connectivity Initiative contributes to and is consistent with FOIP.

The former Development Cooperation Charter (2015) and the current Development Cooperation Charter (2023) were formulated and implemented during the evaluation period as ODA's high-level policies. The former Development Cooperation Charter targeted "quality growth" and poverty eradication through growth priority issues, and the development of industrial infrastructure aimed at achieving quality growth that was inclusive, sustainable, and resilient. In addition, it clearly stated that hard and soft infrastructure included the enhancement of connectivity for the ASEAN region as priority policy issues by region. The Japan-ASEAN Connectivity Initiative is therefore consistent with the priority issues and priority policy issues by region according to the former Development Cooperation Charter.

The priority policies of the current Development Cooperation Charter also include "quality growth" in the new era and poverty eradication through such growth; and the promotion of "quality infrastructure" is listed as an area to be strengthened. Quality infrastructure refers to infrastructure that is transparent, open, economically efficient in view of life-cycle cost, and sustainable in terms of debt. This is linked to one of the basic policies of the Development Cooperation Charter, which promotes the dissemination and implementation of international rules and guidelines based on inclusiveness, transparency, and fairness. The Japan-ASEAN Connectivity Initiative clearly states that quality infrastructure development is promoted based on international standards endorsed in the "G20 Principles for Quality Infrastructure Investment," which is in line with the promotion of quality infrastructure and the implementation of international rules as stated in the Development Cooperation Charter.

Lastly, the Evaluation Team checked for consistency with the Country Development Cooperation Policies and Rolling Plans of case study countries. The Country Development Cooperation Policy for Cambodia (July 2017 version, which corresponds to the evaluation period) targeted further strengthening of economic and social infrastructure as a basic assistance policy, and enhancing connectivity by developing both hard and soft logistics networks as priority areas. As the projects listed in the Initiative are being implemented under the "program for promotion of logistics facilitation," the Initiative and the Rolling Plan were seen to be consistent. The Country Development Cooperation Policy for Cambodia was revised in April 2024, and the new policy also positions the enhancement of connectivity through the facilitation of logistics as a priority area; and projects to improve logistics, port facilities and operational capacity are being implemented under the "program for strengthening connectivity." This indicates that the Country Development Cooperation Policy for Cambodia is consistent not only with the Initiative but also with the succeeding Japan-ASEAN Comprehensive Connectivity Initiative, indicating that it is consistently in line with the connectivity initiatives.

The Country Development Cooperation Policy for Indonesia (the September 2017 version) also supports improving international competitiveness through quality infrastructure development as a basic assistance policy, and support for quality infrastructure such as transportation, logistics, energy, communication networks are priority areas. Various projects under the "program for infrastructure development for logistics, transport, and transportation" are consistent with the Japan-ASEAN Connectivity Initiative.

For consistency with the Country Development Cooperation Policies and Rolling Plans of ASEAN countries other than Cambodia and Indonesia, Table 3-6 summarizes connectivity in the Development Cooperation Policies and Rolling Plans of each ASEAN country.

C Consistency with International Priorities

Regarding consistency with international priorities, although the Initiative does not include a description of the SDGs and the AOIP, the Government of Japan has expressed its support to promote connectivity, and has identified the SDGs as one of its priorities. JICA, the implementing agency of the Initiative, has also formulated a Position Paper on SDGs and it is implementing projects in line with the Position Paper. Therefore, the Initiative is also being implemented in line with the SDGs.

In addition, the Initiative clearly states that it follows the “G20 Principles for Quality Infrastructure Investment,” which the Government of Japan emphasized as important in international trends in infrastructure development and were approved at the G20 Osaka Summit in 2019. As described in section "E Japan's Comparative Advantages" in this chapter, the high transparency and resilience of Japan's infrastructure projects are recognized by recipient countries as a characteristic of Japan’s cooperation. It can be said that the Initiative is being carried out according to these principles.

D Relevance to Other Donors' Cooperation Policies

Although the Japan-ASEAN Connectivity Initiative is not intended to promote collaboration with other donors, it was confirmed that several projects implemented under the Initiative were designed to promote collaboration or differentiation with other donors. For example, in Jakarta Metropolitan MRT East-West Line Project in Indonesia, the tunnel and system parts which require Japanese technology were financed by Japan, while the elevated parts were financed by the Asian Development Bank (ADB) in line with Japan's comparative advantage. In addition, in the "The Project for Improving the Logistics System" in Cambodia, support was provided to prepare a

"Logistics Master Plan" in collaboration with the World Bank. The Government of Cambodia is formulating a "Comprehensive Intermodal Transport and Logistics Master Plan 2023-2033" by integrating the master plan prepared with JICA and the World Bank, along with plans and studies in the transport sector. Other examples include the "North-South Commuter Railway Extension Project" in the Philippines, where Japan financed the rolling stock and system part of the project, while the ADB financed the civil works. Collaboration with other donors is carried out in accordance with Japan’s strengths. In recent years, the "Japan-U.S.-Mekong Power Partnership" (JUMPP) was also launched jointly with the U.S. and Mekong countries to help meet the increasing demand for electricity.

For ASEAN countries, China, which has invested in numerous infrastructure projects under the Belt and Road Initiative is also an important development partner.

E Japan's Comparative Advantage

This section examines the comparative advantage of Japanese ODA projects implemented under the Japan-ASEAN Connectivity Initiative. As a general conclusion based on field surveys and interviews with relevant stakeholders in Japan, ODA projects implemented under the Japan-ASEAN Connectivity Initiative have effectively combined hard (infrastructure construction) and soft (maintenance and management, human resource development through technical cooperation, etc.) components, which are often listed as a comparative advantage of Japan’s cooperation and have provided comprehensive assistance. As described in "D. Relevance to Other Donor’s Cooperation Policies" above, in terms of the hard component, recognition of Japan's highly transparent and sustainable infrastructure development based on the “G20 Principles for Quality Infrastructure Investment” and advanced technological capabilities is growing among ASEAN member countries, which is a comparative advantage for Japan. This is also reflected in the division of co-financing with other donors. Another characteristic is that projects undertaken by JICA implement ODA loans and other projects based on the upstream master plan studies, as well as involving other donors. An example of this is the logistics master plan that JICA supported in its formulation in "The Project for Improving the Logistics System" in Cambodia.

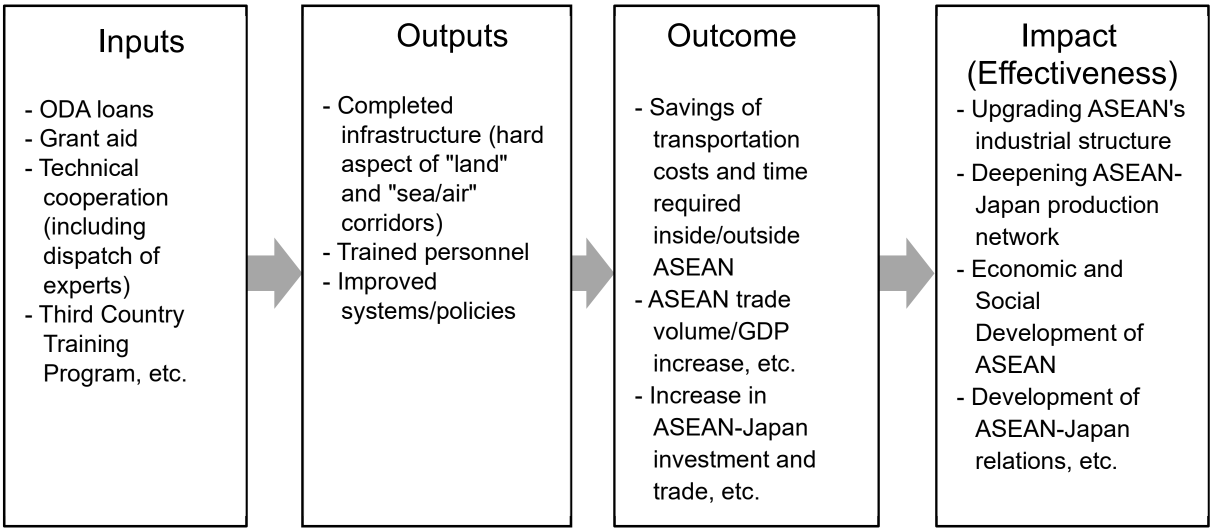
In the field survey, counterpart country officials listed Japan's long-standing support for human resource development at multiple levels as a comparative advantage. Examples include soft components for infrastructure development through long-standing dispatch of experts to ministries, training and technical cooperation in addition to the hard component support. Support for study abroad through schemes such as JDS and government-sponsored study abroad, and intellectual support through the Economic Research Institute for ASEAN and East Asia (ERIA) are other examples.

These are considered to have contributed to a higher level of trust in Japan. This high level of trust is reflected in the fact that Japan has been ranked the top "trustworthy" country in the ISEAS survey[2] for six consecutive years, and the fact that "trusted partners" was announced at the Commemorative Summit for the 50th Year of ASEAN-Japan Friendship and Cooperation (see BOX 3 below for details of the survey by ISEAS).

The Japan-ASEAN Connectivity Initiative is highly consistent with ASEAN's development plans and Japan's higher-level policies, and its support is in line with international trends. The projects that reflect Japan's comparative advantage are implemented in a complementary manner with other donors. Hence, the Evaluation Team concluded that the Relevance of Policies is **"Highly Satisfactory."**

(2) Effectiveness of Results

The Effectiveness of Results was evaluated on the following logical composition (theory of change or logic model).



Note: ASEAN means both ASEAN as a whole and ASEAN member countries.

Source: Prepared by the Evaluation Team

A ODA Projects Related to the Japan-ASEAN Connectivity Initiative (Inputs)

The Japan-ASEAN Connectivity Initiative is comprised of a total of 65 projects from ten ASEAN member countries: 22 projects from the "Land Corridor," 9 projects from the "Sea and Air Corridor," and 34 "soft cooperation projects contributing to strengthening connectivity." The top three countries with the highest number of projects,

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[2] The State of Southeast Asia: 2024 Survey Report https://www.iseas.edu.sg/centres/asean-studies-centre/state-of-southeast-asia-survey/the- state-of-southeast-asia-2024-survey-report/ (viewed 3.12.2024)

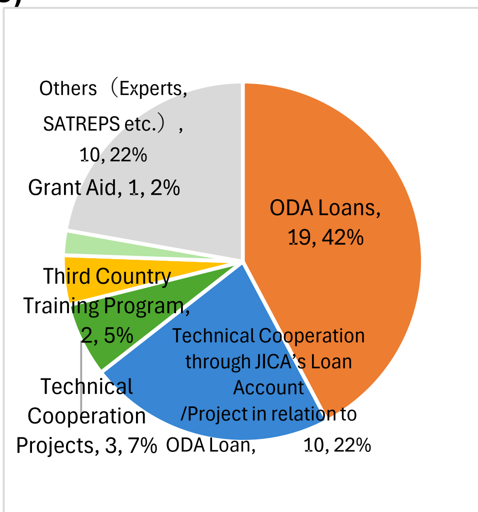
excluding Myanmar, are the Philippines (10 projects), Indonesia (9 projects), and Cambodia (8 projects).

The infrastructure projects related to the "Land Corridor" and "Sea and Air Corridors" are carried out based on ODA loans. Strengthening institutional and operational capacity for these projects was carried out by using Technical Cooperation through JICA's Loan Account, technical cooperation projects, and the dispatch of individual experts.

Table 3-1 Projects Related to the Japan-ASEAN Connectivity Initiative (by Country, Number of Projects)

Country	Land corridor	Sea and Air Corridor	Soft cooperation	Total
Brunei	0	0	0	0
Cambodia	1	2	5	8
Indonesia	2	2	5	9
Laos	0	0	3	3
Malaysia	1	0	2	3
Myanmar	8	5	6	19
Philippines	4	0	6	10
Singapore	0	0	1	1
Thailand	1	0	5	6
Vietnam	5	0	1	6
Total	22	9	34	65

Source: Compiled from MOFA data.



Source: Prepared from JICA ODA website and Ex-Ante Evaluation Reports

Figure 3-1 Projects Related to the Japan-ASEAN Connectivity Initiative by Scheme

The Initiative also includes a commitment to "build the capacity of 1,000 individuals to enable their contribution to enhancing connectivity," and study abroad, JICA training programs, and Third Country Training Program are also supported and implemented. Third Country Training Program under the Japan-ASEAN Connectivity Initiative is sometimes conducted by Singapore and Malaysia, countries that have transitioned to graduating or graduated from ODA, indicating that they have moved from the traditional relationship as donor and recipient countries to that of partners contributing to third countries.

B Effectiveness of the Japan-ASEAN Connectivity Initiative (Outputs)

(A) Overall Progress of the Outputs

The Evaluation Team checked and assessed the progress of individual projects as of JFY2023 as output. In order to check their progress, the Evaluation Team collected and checked JICA reports (ex-ante evaluation reports, project completion reports, ex-post evaluation reports, etc.) as much as possible.

Table 3-2 shows the results of 46 projects excluding Myanmar. Of the 46 projects, 32.6% of the total projects were under implementation as of the end of JFY2023 and 52.2% were completed on a planned basis. The number and percentage of projects in progress and completed as of the end of 2023 on an "actual basis," which was updated as much as possible by obtaining information on recently released Rolling Plans, are also included. The overall number of projects slightly increased as the projects that were newly recognized as part of the Initiative were added.

Table 3-2 Progress of the Projects Listed in the Japan-ASEAN Connectivity Initiative

	Planned progress by JFY2023 (Planned basis)		Progress by the end of JFY2023 (Actual basis)	
	Number of projects	Proportion	Number of projects	Proportion
Implementation phase	15	32.6%	22	34.4%
Completed	24	52.2%	26	56.3%
Unknown	7	15.2%	6	9.4%

Note 1: Excluding Myanmar. Note 2: Projects covering multiple countries are excluded from the total.

Source: Ex-ante evaluation report, Rolling Plans of ASEAN countries

Verification and evaluation results of the collected reports indicate that with Japan's cooperation, the infrastructure development related to connectivity in ASEAN member countries has generally been completed and operational as previously planned.

However, the coup d'état in Myanmar in 2021 and the ensuing unrest in the country have affected the progress of connectivity projects that target Myanmar and parts of the country. In other countries, there have also been examples of minor modifications of plans in response to local conditions. One example includes Mass Rapid Transit (MRT) in Indonesia, where there were reports of delays (continued failures) in the bidding procedure. All other projects that the Evaluation Team checked during the field survey are being implemented according to the plan described in the ex-ante evaluation reports which have been already disclosed. It was confirmed that both the inputs of funds and human resources (inputs) and construction, deployment of equipment and materials, and human resources training (outputs) were implemented as planned. There is an expectation that the projects will be implemented as planned, and even if there are delays in the implementation of the projects, Japan will work with its counterparts to examine and respond firmly, complete the project, and implement it to ensure its effectiveness. These are characteristics of Japan’s cooperation that have led to gaining the trust of partner governments and institutions.

(B) Summary of the Evaluation of the Sample Projects

The Evaluation Team visited a total of seven projects as case studies for this evaluation in Cambodia and Indonesia as shown in the table below (half of these projects are currently under implementation or construction, and the other half have already been implemented). "Chapter 4: Case Studies: Japan-ASEAN Connectivity Initiative in Cambodia and Indonesia” describes details about the evaluation of the projects in the two countries.

Table 3-3 Summary and Current Status of the Sample Projects

Country	Project name and year of implementation (year indicated in the project implementation plan)	Current status at the time of the site visit and effectiveness (in case already completed and operational)
Indonesia	1. Patimbang Port Development Project	This project supports the same project in the first and second phases and is progressing as planned, including Phase 1.
	2. The Project for Review the Study for Maritime Traffic Safety System Development Plan	Project completed in January 2023. All originally planned activities have been implemented.
	3. Construction of Jakarta Mass Rapid Transit Project	Phase 1 has already opened in March 2019. The project will be completed when all facilities are in service in July 2029 and it is progressing as planned (some bids for the North-South Line have reportedly been unsuccessful).
Cambodia	1. Sihanoukville Port New Container Terminal Expansion Project	Detailed design of the new container terminal expansion is undergoing. The project just started, and results are not yet available.
	2. The Project for the Development of Port Electric Data Interchange（EDI）System for Port Modernization	All planned projects have been completed in 2022. Targeted indicators have been achieved (October 2024).
	3. National Road No.5 Improvement Project	The overall picture of the ODA loans is as follows

		(1) "Battambang - Sri Sophorn" (known as "North Section") (May 2013: Phase I L/A signed; March 2017: Phase II L/A signed) (2) ODA loan "National Road No. 5 Improvement Project (between Prek Kdam and Thlea Ma'am)" (known as "South Section") (July 2014: Phase I L/A signed; March 2016: Phase II L/A signed; March 2020: Phase III L/A signed; June 2023: Phase IV (additional loan) L/A signed) (3) ODA loan "National Road No. 5 Improvement Project (Thlea Ma'am - Battambang and Sri Sophorn - Poipet)" (known as "Central Section") (March 2015: Phase I L/A signed, March 2020: Phase II L/A signed, July 2024: Phase III L/A signed) Progress of the above (3) is as follows. (A) ODA loan project: construction in progress (B) Project in relation to ODA loan: in progress
	4. Project for Improving the Logistics System of Cambodia	The project has been completed, and a project completion report has been prepared and published.

Source: Prepared by the Evaluation Team based on the field survey

It was confirmed in the Ex-Ante Evaluation Reports that both the input of funds and human resources (inputs) and construction, deployment of equipment and materials, and human resources training (outputs) were implemented as planned.

In particular, the ongoing project, the National Road No. 5 in Cambodia, an example of a "Land Corridor," and the Patimbang Port in Indonesia, including the development of container handling facilities, an example of a "Sea and Air Corridor," were highly evaluated by counterpart country officials. In addition, the Sihanoukville Port in Cambodia, which contributes to the "Sea and Air Corridors," recorded a significant increase in transportation volume, and the MRT, which contributes to the development of public transportation in Indonesia, recorded passenger volume exceeding the target (revised value after the COVID-19 pandemic), which was highly evaluated as an achievement developed through Japan's cooperation.

The Evaluation Team confirmed that the ongoing project of National Road No. 5 has brought about significant results, or outcomes in strengthening the connectivity between Thailand, Cambodia and Vietnam by land, as it is located on the Southern Economic Corridor connecting Bangkok (Thailand), Phnom Penh (Cambodia), and Ho Chi Minh City (Vietnam). The Patimbang Port, while accepting some cargo from the increased volume handled by the Port of Tanjung Priok, is making strategic efforts such as developing industrial parks in the surrounding area in advance to prevent future competition between the two ports. For example, the first automobile certification testing center in ASEAN that meets UN standards will be established in Bekasi Province, West Java with the support of the Government of Japan. This may further promote the production and export of Indonesian-made Japanese cars and is expected to enhance the country's function as an automobile export hub.

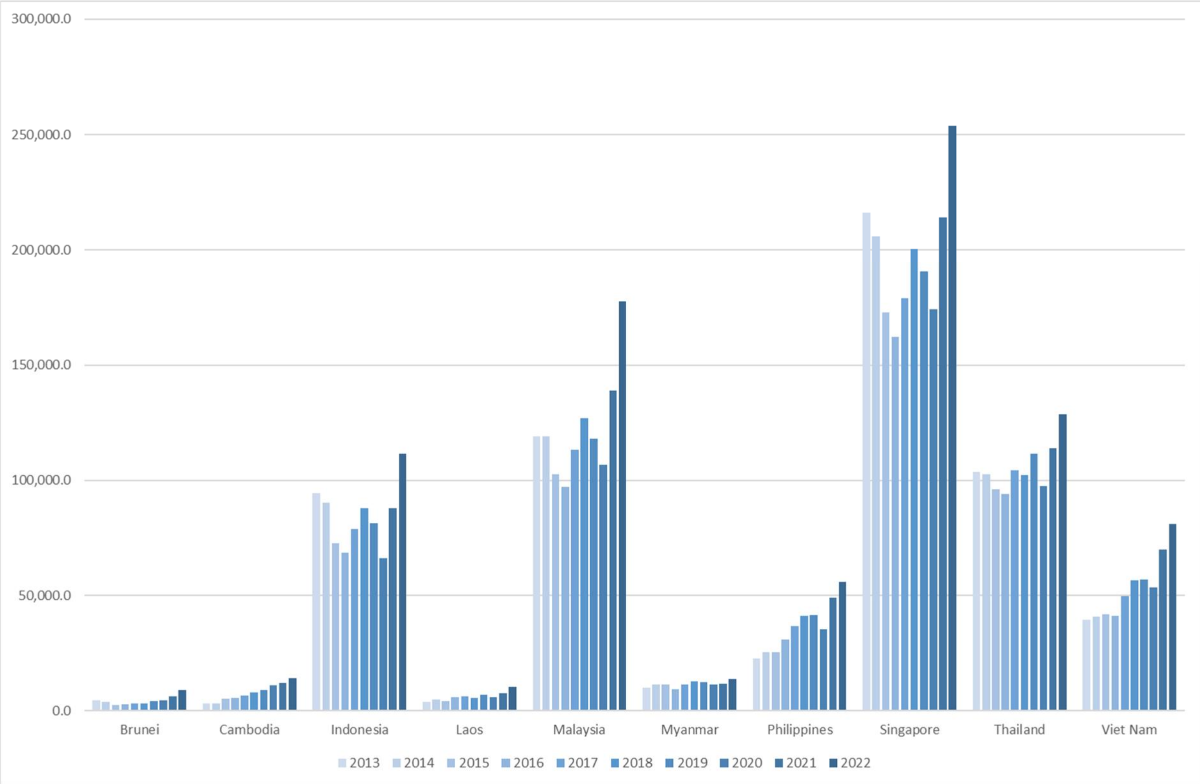
C Outcome and Impact of the Japan-ASEAN Connectivity Initiative

The Japan-ASEAN Connectivity Initiative covers "land connectivity," "sea and air connectivity," and the soft cooperation that contributes to the connectivity. The related infrastructure and human resource development realized by such cooperation are the outputs of ODA activities, and the final outcome and impact of these outputs are important. Outcomes and impacts are mainly due to the economic growth of ASEAN but also include the strengthening of regional integration.

This section examines the outcome and impact of the Japan-ASEAN Connectivity Initiative in terms of changes in export value, the strengthening of international production networks, and contribution to GDP.

Firstly, the figure below shows the change in the value of exports to the ASEAN region by ASEAN member countries. Although there was a temporary decline around 2020, when the COVID-19 pandemic led to global movement restrictions, by and large, exports within the ASEAN region by member countries are on growth trend, indicating that trade within the region is becoming more active.

Box 1 below is a comparison of theoretical and actual trade values in a regression analysis of bilateral machinery trade by Ando, Kimura, and Yamanouchi (2022). It indicates that the international production networks in the machinery industry are growing in ASEAN countries other than Singapore, Malaysia, and Thailand, which have been included in the international production networks since the 1990s. In the Japan-ASEAN relationship, the actual trade value exceeds the theoretical value by more than 100%, indicating an increasing importance in the international production network.



Source: ASEAN Statistical Yearbook 2023

Figure 3-2 Change in Value of Exports to the ASEAN Region by ASEAN Member Countries (2013-2022, million USD)

BOX 1 Involvement of ASEAN Countries in International Production Networks (IPNs)

International production networks (IPNs), spearheaded by the machinery industry (including general machinery, electrical machinery, transportation machinery, and precision machinery), have enabled the international division of labor by task and production process rather than by industry or sector, and have provided new possibilities for international trade between countries and regions at different income levels and stages of development. However, thus far the countries that have been able to participate in IPNs are limited to East Asian countries, including Northeast and Southeast Asia, some Eastern European countries, Mexico and Costa Rica.

The involvement of ASEAN countries in IPNs has increased. Since the economies of individual ASEAN countries are not that large, their trade figures tend to get lost in the aggregate. However, when the degree of involvement is measured by taking into account the size of each economy, it is clear that the level of commitment is one of the highest in the world. Table 1 shows the trade matrix of major countries and regions, or the value of machinery trade between the two countries/regions, with each row representing the exporting country/region and each column representing the importing country/region. “The worldwide standard of predicted bilateral trade between the two countries” is calculated, taking into account the economic size of the importing and exporting countries and the distance between the two countries, using a regression analysis based on a standard gravity model, using the available statistical data in bilateral trade in machinery for 181 countries. The ratio between the actual bilateral trade volume and the predicted bilateral trade volume is shown in Table 1[3]. In other words, if the ratio between the actual trade value and the theoretical value is above (or below) 100%, the commitment to IPNs is interpreted as above (or below) the standard. The total value for the 10 ASEAN countries is high, indicating 247% for exports to the world and 182% for imports from the world. ASEAN's ties with China, Japan and Korea are high for both exports and imports. The intra-ASEAN trade is also high at 271%, which is much higher than the three North American countries at 104% and Europe at 117%. The majority of the intra-ASEAN machinery trade is in machinery parts, indicating that IPNs are spread throughout East Asia and that their involvement is particularly strong in the ASEAN countries.

Table 1: Actual and Predicted Machinery Trade Values for Regional Comprehensive Economic Partnership (RCEP) and Other Countries: 2019

Exporter/Importer	Value (millions US$, %)	China	Japan	Korea	ASEAN	Australia and New Zealand	India	North America	Europe	Rest of the world	Total (World)
China	Actual (A)		75,889	58,515	161,657	7,708	37,831	296,546	249,381	476,571	1,364,100
	Predicted (B)		118,568	65,893	72,285	9,463	50,069	163,984	177,079	295,714	953,054
	(A)/(B) (%)		*64*	*89*	*224*	*81*	*76*	*181*	*141*	*161*	*143*
Japan	Actual (A)	81,031		20,245	59,962	2,582	5,817	126,272	64,669	110,199	470,778
	Predicted (B)	74,293		22,386	21,715	3,928	7,176	64,147	60,411	84,697	338,752
	(A)/(B) (%)	*109*		*90*	*276*	*66*	*81*	*197*	*107*	*130*	*139*
Korea	Actual (A)	84,679	9,161		54,181	744	6,551	66,569	36,682	77,051	335,618
	Predicted (B)	45,860	24,865		8,639	1,307	2,996	21,772	22,348	35,613	163,400
	(A)/(B) (%)	*185*	*37*		*627*	*57*	*219*	*306*	*164*	*216*	*205*
ASEAN	Actual (A)	83,070	39,456	24,559	122,552	4,107	17,733	117,662	83,934	151,101	644,176
	Predicted (B)	39,799	18,528	6,644	45,225	2,846	8,388	34,797	38,940	65,409	260,576
	(A)/(B) (%)	*209*	*213*	*370*	*271*	*144*	*211*	*338*	*216*	*231*	*247*
Australia and New Zealand	Actual (A)	114	57	66	373	11	45	1,215	930	8,395	11,206
	Predicted (B)	2,694	1,766	531	1,521	300	540	7,916	5,269	13,322	33,859
	(A)/(B) (%)	*4*	*3*	*12*	*25*	*4*	*8*	*15*	*18*	*63*	*33*
India	Actual (A)	1,971	792	566	9,107	228		13,273	11,687	27,601	65,224
	Predicted (B)	56,238	12,864	4,836	18,953	2,042		32,905	45,745	87,819	261,402
	(A)/(B) (%)	*4*	*6*	*12*	*48*	*11*		*40*	*26*	*31*	*25*
North America	Actual (A)	63,106	28,621	23,338	43,379	5,678	9,328	617,230	161,678	177,220	1,129,577
	Predicted (B)	105,297	65,732	20,088	42,259	15,982	18,806	591,802	291,501	327,579	1,479,047
	(A)/(B) (%)	*60*	*44*	*116*	*103*	*36*	*50*	*104*	*55*	*54*	*76*
Europe	Actual (A)	144,804	37,144	30,659	64,599	8,846	24,562	286,773	1,517,637	428,107	2,543,132
	Predicted (B)	122,616	66,879	22,266	51,213	11,851	27,976	318,751	1,298,753	542,040	2,462,344
	(A)/(B) (%)	*118*	*56*	*138*	*126*	*75*	*88*	*90*	*117*	*79*	*103*
Rest of the world	Actual (A)	92,501	22,859	16,508	60,029	8,727	21,201	95,207	180,288	192,063	689,382
	Predicted (B)	137,665	59,758	23,082	55,204	17,478	38,627	227,839	380,672	360,433	1,300,757
	(A)/(B) (%)	*67*	*38*	*72*	*109*	*50*	*55*	*42*	*47*	*53*	*53*
Total (World)	Actual (A)	551,277	213,978	174,456	575,838	38,631	123,069	1,620,747	2,306,885	1,648,311	7,253,193
	Predicted (B)	584,462	368,959	165,726	317,013	65,196	154,578	1,463,914	2,320,719	1,812,625	7,253,192
	(A)/(B) (%)	*94*	*58*	*105*	*182*	*59*	*80*	*111*	*99*	*91*	*100*

Note 1: 'Actual (A)' denotes the actual values of specific country/region pairs, 'Predicted (B)' denotes th corresponding predicted values, and '(A)/(B) (%)' denotes the ratio of actual to predicted values in percentage.

Note 2: North America refers to Canada, Mexico, and the United States; Europe refers to the 27 EU member countries and the United Kingdom; and 'Rest of the world' refers to 129 countries and regions, including Hong Kong, Macao, and Taiwan.

Courtesy of Mitsuyo Ando, Fukunari Kimura, and Kenta Yamanouchi.

[3] For more details on the analysis, see the original paper, Mitsuyo Ando, Fukunari Kimura, and Kenta Yamanouchi (2022), "East Asian Production Networks Go Beyond the Gravity Prediction," *Asian Economic Papers*, 21(2): 78-101.

Table 2 looks at the 10 ASEAN countries individually. Singapore, Malaysia, and Thailand have been the main players in the IPNs since the 1990s, and the Philippines has also shown that it has a large pipeline to certain countries, particularly in the electronic components sector. Although not shown in this table, Vietnam's unique development stands out in terms of changes in the 2010s. Indonesia has been called a latecomer to IPNs, but by 2019, its auto exports to the Philippines, Vietnam, and other countries are growing, indicating that IPNs are expanding and intensifying within ASEAN.

Table 2: Actual and Predicted Machinery Trade Values for ASEAN Individual Countries: 2019

Exporter\Importer	Value (millions US$, %)	Singapore	Brunei	Malaysia	Thailand	Indonesia	Philippines	Vietnam	Laos	Cambodia	Myanmar	ASEAN	China, Japan, and Korea	Total (World)
Singapore	Actual(A)		393	13,234	3,955	5,543	4,543	3,470	30	338	815	32,321	34,364	156,011
	Predicted (B)		128	5,444	678	1,469	274	210	34	59	150	8,446	6,468	34,514
	(A)/(B) (%)		309	243	583	377	1,657	1,653	88	572	543	383	531	452
Brunei	Actual(A)	90		55	4	2	0	4	0	0	0	155	42	250
	Predicted (B)	74		70	25	38	19	10	1	2	6	245	327	1,416
	(A)/(B) (%)	122		79	15	5	1	38	2	0	0	63	13	18
Malaysia	Actual(A)	19,879	110		6,593	1,785	1,609	2,958	8	97	86	33,125	27,355	147,174
	Predicted (B)	8,476	188		1,486	2,124	269	214	36	62	161	13,015	6,308	38,377
	(A)/(B) (%)	235	59		444	84	598	1,384	22	156	54	255	434	383
Thailand	Actual(A)	3,786	49	4,377		3,574	3,860	4,798	915	1,581	827	23,768	22,145	113,417
	Predicted (B)	1,310	82	1,844		1,114	435	513	231	283	538	6,348	11,006	44,997
	(A)/(B) (%)	289	59	237		321	888	935	397	559	154	374	201	252
Indonesia	Actual(A)	3,471	40	1,210	2,311		3,226	1,851	21	91	147	12,367	4,551	30,530
	Predicted (B)	3,323	150	3,087	1,305		691	455	71	109	171	9,361	16,248	70,177
	(A)/(B) (%)	104	26	39	177		467	407	30	83	86	132	28	44
Philippines	Actual(A)	5,852	2	1,497	2,189	473		1,061	0	10	6	11,090	17,663	62,111
	Predicted (B)	608	74	383	499	678		239	32	44	65	2,623	9,235	27,307
	(A)/(B) (%)	962	3	391	438	70		445	0	23	9	423	191	227
Vietnam	Actual(A)	1,718	20	1,493	2,535	1,122	1,073		105	295	244	8,606	40,332	131,657
	Predicted (B)	492	40	322	623	472	252		225	162	85	2,674	11,129	28,431
	(A)/(B) (%)	349	51	464	407	238	425		47	182	286	322	362	463
Laos	Actual(A)	6	0	8	397	4	0	27		1	0	444	82	770
	Predicted (B)	45	3	30	159	42	19	127		17	19	462	814	2,460
	(A)/(B) (%)	13	0	28	250	9	0	21		8	1	96	10	31
Cambodia	Actual(A)	8	0	16	202	1	62	47	1		2	341	346	1,403
	Predicted (B)	91	6	62	225	74	30	107	19		10	624	658	2,906
	(A)/(B) (%)	9	0	27	90	2	206	44	7		18	55	53	48
Myanmar	Actual(A)	133	0	13	113	6	11	60	0	0		336	205	852
	Predicted (B)	304	19	209	564	153	60	74	30	13		1,426	2,777	9,993
	(A)/(B) (%)	44	0	6	20	4	19	81	0	1		24	7	9
ASEAN	Actual(A)	34,944	614	21,904	18,299	12,510	14,385	14,276	1,082	2,412	2,126	122,552	147,085	644,176
	Predicted (B)	14,723	690	11,451	5,563	6,163	2,050	1,948	679	752	1,205	45,225	64,971	260,576
	(A)/(B) (%)	237	89	191	329	203	702	733	159	321	177	271	226	247
China, Japan, and Korea	Actual(A)	49,071	427	34,230	41,200	31,174	25,148	86,404	995	2,485	4,664	275,800	329,520	2,170,496
	Predicted (B)	18,495	1,609	11,602	16,517	20,509	11,853	14,692	1,893	1,236	4,234	102,639	351,865	1,455,207
	(A)/(B) (%)	265	27	295	249	152	212	588	53	201	110	269	94	149
Total (World)	Actual(A)	154,458	1,729	86,621	81,632	58,174	57,501	119,042	2,257	6,313	8,112	575,838	939,711	7,253,192
	Predicted (B)	72,025	5,168	47,512	50,633	65,241	27,378	28,933	4,342	4,069	11,713	317,013	1,119,147	7,253,192
	(A)/(B) (%)	214	33	182	161	89	210	411	52	155	69	182	84	100

Note: 'Actual (A)' denotes the actual values of specific country/region pairs, 'Predicted (B)' denotes the corresponding predicted values, and '(A)/(B) (%)' denotes the ratio of actual to predicted values in percentage.

Courtesy of Mitsuyo Ando, Fukunari Kimura, and Kenta Yamanouchi.

The enhancement of physical and institutional connectivity and the development of industrial clusters and urban functions, spearheaded by Japan's ODA and the activities of Japanese companies especially since the late 1980s explain the formation of IPNs in the ASEAN countries. While Japan's contribution does not explain everything, it can be concluded that Japan has clearly played a leading role in the development of the economic environment that supports the IPNs.

ERIA's Comprehensive Asian Development Plan (CADP) 2.0 estimates the effect of a GDP boost stemming from the development of infrastructure and improvement of connectivity.

The economic effects were estimated using the Institute of Developing Economics' "Geospatial Simulation Model" (IDE-GSM), including upgrading of roads, railroads, ports (including the development of new shipping routes), airports, and border posts, the development of special economic zones, and the reduction of non-tariff barriers for each of the eight development scenarios.

CADP 2.0 not only covers the projects that comprise the Initiative, but also includes projects supported by other donor agencies. According to the estimate by CADP 2.0, "if all infrastructure planned for the period 2021-2030 were put in place, it would boost the regional GDP of the 10 ASEAN countries by 42.08% (from a 2010 baseline).[4] Compared to Japan's comparable figure of 1.39%, the magnitude of the boost can be regarded as large. The estimate including Cambodia's Sihanoukville Port (Scenario 1. Mekong-India Economic Corridor) is expected to have the largest positive impact, including on Japan.

Table 3-4 Accumulated Economic Impact of 10 Years (from 2021-2030, %)

Table 7.2. Grand Table: Economic Impact in 10 Years Cumulation (2021–2030, %)

Economy	MIEC	EWEC	NSEC	IMT	IMT+	BIMP-EAGA	BIMP-EAGA+	BIMSTEC	All Infra.	NTB	SEZ	All-All
Australia	0.52	0.00	0.02	0.08	0.15	0.22	0.33	0.65	1.28	0.84	-0.04	2.10
Bangladesh	0.48	0.00	-0.01	-0.04	-0.05	-0.05	-0.07	11.45	11.51	8.48	0.02	20.56
Bhutan	5.84	0.00	-0.03	0.06	0.07	0.02	0.07	3.91	104.90	4.75	-0.01	109.81
Brunei Darussalam	1.95	0.01	-0.29	0.39	0.61	1.00	1.41	1.93	5.32	82.07	-0.12	88.33
Cambodia	144.45	0.00	-0.58	-0.02	-0.02	-0.03	-0.06	-0.26	24.86	8.44	125.39	160.30
China	0.15	0.00	0.00	0.00	-0.01	-0.01	-0.02	0.06	0.10	7.74	0.02	7.99
India	0.56	0.00	0.00	0.02	0.03	0.02	0.03	6.61	6.59	12.21	-0.01	19.28
Indonesia	0.07	0.00	0.00	2.20	35.01	27.30	57.88	0.07	91.87	25.86	0.03	118.50
Japan	0.52	0.00	0.02	0.10	0.12	0.18	0.22	0.57	1.39	1.29	-0.03	2.67
Korea	0.71	0.03	0.03	0.11	0.15	0.33	0.36	0.55	1.74	2.44	-0.03	4.17
Lao PDR	-1.58	25.55	2.69	-0.03	-0.04	-0.03	-0.04	-0.09	61.85	12.85	79.06	156.58
Malaysia	1.64	0.04	0.02	0.54	0.75	0.25	0.69	1.47	3.46	54.36	-0.01	58.55
Myanmar	9.80	44.27	5.54	-0.05	-0.06	-0.07	-0.09	76.70	89.19	25.35	70.54	193.82
Nepal	0.13	0.00	0.00	0.00	0.00	0.00	0.00	1.25	6.10	8.33	0.00	14.69
New Zealand	0.56	-0.01	0.03	0.09	0.13	0.17	0.24	0.71	1.29	0.28	-0.06	1.52
Philippines	0.19	0.00	-0.01	-0.04	0.46	0.97	13.08	0.07	13.76	25.10	0.03	39.82
Singapore	3.74	0.15	0.04	1.25	1.50	0.67	1.36	4.86	7.86	6.06	-0.11	13.92
Sri Lanka	6.43	0.00	0.01	0.00	0.01	-0.01	0.03	6.15	8.20	29.30	0.02	40.82
Taiwan	0.75	0.04	0.06	0.12	0.16	0.34	0.40	0.64	1.80	1.79	-0.04	3.57
Thailand	4.64	0.02	0.51	0.11	0.22	0.05	0.18	0.44	7.86	41.68	0.02	51.58
Viet Nam	57.57	1.05	-0.20	-0.01	-0.02	-0.03	-0.03	0.20	17.14	47.47	56.86	124.81
United States	0.27	0.00	0.00	0.02	0.04	0.04	0.04	0.19	0.52	0.88	-0.01	1.39
Russia	-0.05	0.00	0.00	0.00	0.00	0.00	0.01	-0.03	-0.03	0.56	0.00	0.54
European Union	-0.15	0.00	0.01	0.07	0.09	0.09	0.15	0.01	0.86	0.88	-0.03	1.72
ASEAN10	6.11	1.34	0.23	1.06	13.37	10.37	23.16	2.92	42.08	31.19	6.33	80.87
EAS16	1.02	0.15	0.04	0.16	1.52	1.23	2.65	1.25	5.93	7.87	0.68	14.73
World	0.34	0.04	0.01	0.08	0.49	0.40	0.84	0.46	2.20	2.94	0.19	5.41

BIMP-EAGA = Brunei Darussalam–Indonesia–Malaysia–The Philippines East ASEAN Growth Area, BIMP-EAGA+ = BIMP-EAGA and surrounding regions, BIMSTEC = Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, EWEC = East–West Economic Corridor, IMT = Indonesia–Malaysia–Thailand Growth Triangle, IMT+ = IMT and surrounding regions, MIEC = Mekong–India Economic Corridor, NSEC = North–South Economic Corridor, NTB = non-tariff barrier, SEZ = special economic zone.
Source: IDE/ERIA-GSM simulation result.

Source: CADP2.0, Chapter 7 Geographical Simulation Analysis

As previously mentioned, this CADP 2.0 simulation includes infrastructure projects that are not part of the projects listed in the Initiatives. Considerable progress has been observed in the projects listed in the CADP 2.0, especially in major projects in urban and capital cities. The development of port facilities that contribute to an increase in

[4] The 42.08% is the cumulative annual GDP increase that occurred between 2021 and 2030 divided by the GDP in 2010. It is not the simple increase, compared with the two period from 2021 to 2030.

the volume of imports and exports and the trunk roads in each country are also progressing as expected with the exception of Myanmar. This progress suggests that the estimated boost is quite realistic. However, this is a long-term projection through 2030, and it may be greatly affected by changes in the domestic situation of member countries and their major trading partners as well as tariffs during that period. While a rigorous analysis will have to await future academic studies, it is presumed that at least the recent increase in intra-ASEAN trade, the deepening of international production networks, and the increase in GDP may be due to the impact of infrastructure development projects including those supported by Japan in ASEAN.

In addition, field surveys in the case study countries revealed that Japan’s cooperation assumes the strategic planning and implementation of projects, taking into account the industrial clusters in the surrounding areas and the situation of neighboring ports as discussed below. From these analyses, it can be inferred that Japan's cooperation is helping to boost economic impact on a steady and long-term basis.

D Other impact

(A) Evaluation of Policy Support

The ongoing intellectual support for ASEAN by ERIA, which is located close to the ASEAN Secretariat (headquarters) in Jakarta, Indonesia and supported mainly by Japan, is highly evaluated. The ASEAN Secretariat also greatly appreciated the fact that ERIA's published policy analysis reports from CADP 1.0 to 3.0 were used to formulate ASEAN's development strategies such as MPAC 2010 and MPAC 2025. However, it should be noted that the results of the intellectual contribution did not come solely from Japan as ERIA accepts support from other countries such as Australia. Japan's contribution through ERIA is described in Box 2 below.

BOX 2: Intellectual Genealogy of the Effect Analysis on “Connectivity”

An applied analysis that explicitly incorporates the findings of spatial economics into international trade theory is based on the intellectual genealogy behind an analysis of the "connectivity" effect of ASEAN and other Asian countries. In the area of support for ASEAN connectivity by the Japanese public and private sectors, the intellectual contribution of Japanese researchers, particularly at the initial stage, has been significant. They have contributed to the conceptualization of the new world-class research institute ERIA and the preparation of sample research outputs. They have also contributed to nurturing researchers from ASEAN. Today, many research projects in ERIA have been entrusted to ASEAN researchers, and the ERIA also produces research and sends practical personnel to the ASEAN Secretariat.

From the time of ERIA's launch to its stand-alone status, "intellectual transfers" from Japanese researchers have borne fruit.

ERIA is currently focusing its research on Digital Transformation (DX) and Zero Emissions and the public and private sectors in Japan dispatch human resources. It is understood that "intellectual transfers" from Japan are further expected in these areas to improve ASEAN's connectivity.

Abbreviated history of ERIA, CADP 1.0~3.0, and MPAC

2008: Establishment of ERIA (since then, the following Comprehensive Asian Development Plans (CADPs) have been prepared and published)
2010: CADP1.0 published => Contribution to MPAC2010 (announced in 2010)
2015: CADP 2.0 published => Contribution to MPAC 2025 (announced in 2016)
2020: CADP 3.0 published＝> Understood to contribute to the formulation of MPAC 2045

(Source: Based on the field survey interview results by the Evaluation Team)

(B) Contribution to Long-term Human Resource Development

Although not included in the projects of the site visit, ongoing human resource development (acceptance of foreign students, training programs in Japan, Third Country Training Program, etc.) was also highly evaluated and appreciated by the partner country governments. A good example is Cambodia. Japan’s Ministry of Education, Culture, Sports, Science, and Technology has long provided scholarships to Cambodia; and there are 1,500 graduates. One of these graduates was appointed as a minister in a recent cabinet formation (Minister of Labor and Vocational Training, Heng Suo. He holds a master's degree from Hitotsubashi University). In addition, two graduates of the International University of Japan (IUJ) located in Niigata Prefecture, Japan have also become ministers (Minister of Industry, Science, and Innovation Hem Bandi and Minister of Mining and Energy Keolatanak). Many of the senior officials in each ministry have experience studying in Japan, and this fact underscores the impact of supporting the study abroad program, such as the government-sponsored Project for Human Resource Development Scholarship (JDS) that has been continued for 20 years.

The descriptions about the effectiveness explained below are mainly information and evaluations obtained from case studies of this evaluation and the degree of impact may vary depending on the individual circumstances of each country. However, similar information was obtained in the country assistance evaluations for Laos and Thailand that were conducted in the last two years[5]. Hence the descriptions are generally applicable to ASEAN member countries.

(C) Impact on Private Companies, etc.

The development/improvement of infrastructure through Japanese assistance has led to a continuous increase in investment by Japanese companies (e.g., construction of automobile and other production plants), which is another outcome and impact of Japanese assistance. For example, interviews with local Japanese companies and the local office of Japan External Trade Organization (JETRO) in the case study country revealed that the highways and port facilities, including container handling facilities, developed and assisted by Japanese ODA have enabled the establishment of supply chains for automobile production among ASEAN member countries, as well as benefiting Japanese companies. Needless to say, this has also led to a steady increase in local employment (executive-level personnel and factory workers), contributing to higher income levels and expansion and upgrading of the economic scale in the target countries.

(D) Impact on Policy Planning for Other Donor Agencies

Other donor agencies such as the World Bank, the Asian Development Bank, and U.S. Agency for International Development have also highly evaluated Japan's assistance. Japan's stance for cooperation that supports ASEAN's autonomy and independence was greatly appreciated along with the continuous and long-term development/improvement of infrastructure. The case studies in this evaluation confirmed that other donor agencies also followed Japan's policy. As discussed in detail in Chapter 3.2 Evaluations from Diplomatic Viewpoints, this can be seen as Japan's influence on the planning of policies by other donor agencies.

(E) Capacity Building through Adherence to Strict Guidelines

JICA's bidding guidelines were well received during interviews in the case study countries for this evaluation. Implementing agencies of the partner governments utilized the guidelines to select project contractors without intervention from various stakeholders. This contributed to establishing practices such as ensuring transparency and the rule of law. This point is often overlooked, and this should be properly

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5 See the MOFA's ODA evaluation (third-party evaluation) website. See the "Effectiveness of Results" chapter of the country assistance evaluation report.
https://www.mofa.go.jp/mofaj/gaiko/oda/kaikaku/hyoka/yotei_anken.html

evaluated along with the sincerity of Japanese aid workers in their work and their attitude toward their counterparts. Of course, other donor agencies are likely to have such manuals in place, but it is important to note that the Japanese bidding guidelines were cited specifically.

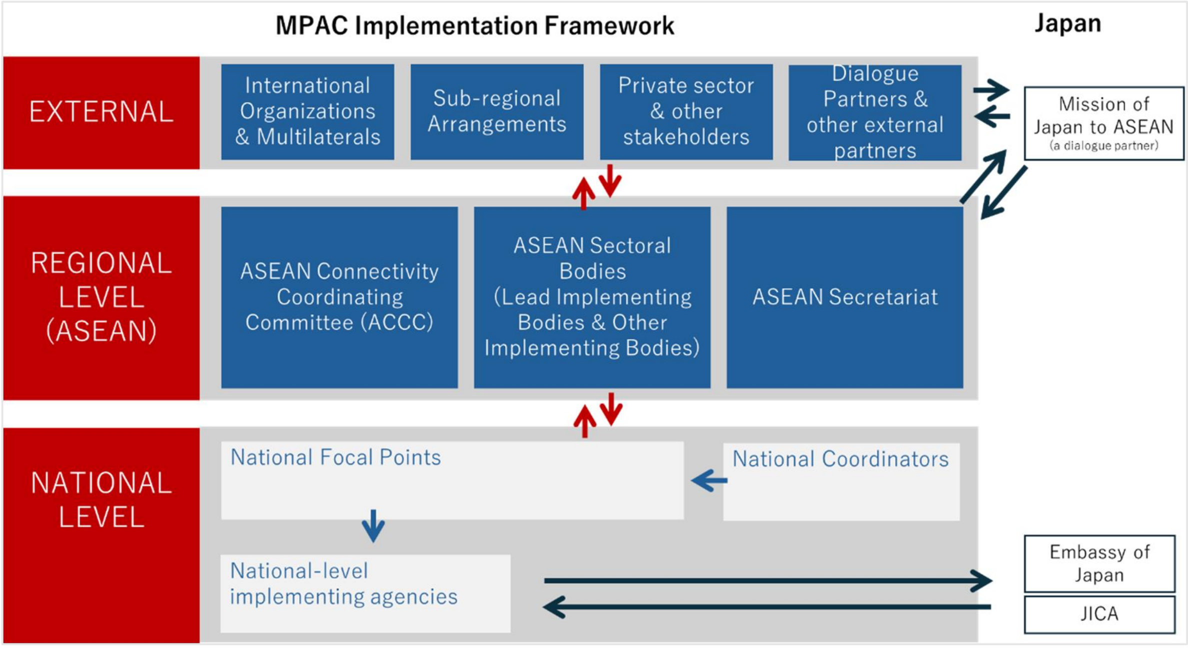
The Japan-ASEAN Connectivity Initiative consists of a total of 65 projects in 10 ASEAN member countries: 22 "Land Corridors," 9 "Sea and Air Corridors," and 34 "soft cooperation projects that contribute to enhancement of connectivity." In Cambodia and Indonesia, the case study countries for this study, it was confirmed that the planned projects are being steadily implemented or have been implemented. It was also understood that other ASEAN member countries were steadily implementing or have been implementing the projects. In the area of outcome and impact, an increase in intra-regional GDP and the deepening of international production networks were also confirmed. In addition, steady progress in achieving the goals of the initiative was observed, together with long-term human resource development, benefits to the Japanese private sector, and impact on the policy planning of other donor agencies. The Evaluation Team concludes that the overall evaluation results on the effectiveness of the results are **"Highly Satisfactory."**

However, it should be noted that (1) only two countries were visited as case studies, and (2) the conclusions are based on information obtained in this study (Rolling Plans, ex-ante evaluation reports, completion/ex-post evaluation reports, etc.).

(3) Appropriateness of Processes

Since ASEAN is a regional community across countries, the assessment of the Japan-ASEAN Connectivity Initiative in this section should include such perspectives. According to the MPAC 2025, the activities of the strategy are carried out at two levels: the regional level and the national level. The Mission of Japan to ASEAN as a dialogue partner at the regional level and the Embassy of Japan and JICA at the country level have contributed directly and indirectly to ASEAN connectivity.

In this section, the evaluation on "the Appropriateness of Processes," particularly in (3) A. and (3) B. will examine the initiative and formulation and implementation process of the Country Assistance Policy and ODA projects based on the above perspectives.



Source: Compiled from ASEAN Connectivity website

Figure 3-3 MPAC Implementation Framework and Japanese Stakeholders

In addition, the evaluation on the Appropriateness of the Process includes efforts to achieve “quality infrastructure” as an important perspective in the domestic and field surveys. G20 Principles for Quality Infrastructure Investment approved at the G20 Finance Ministers and Central Bank Governors Meeting on June 8 and 9, 2019, emphasizes 4 out of 6 principles, (1) openness of infrastructure, (2) transparency, (3) economic efficiency in terms of life cycle costs, and (4) debt sustainability as shown in Table 3-5. The field surveys in Cambodia and Indonesia examined the efforts made to realize these four principles.

Table3-5 "G20 Principles for Quality Infrastructure Investment (Summary)”

Relevant Key Principles	Summary
Principle 2: Economic efficiency in terms of life-cycle cost	Quality infrastructure investment should attain value for money. It is important to take into account the total cost of infrastructure construction, including its operation and maintenance (O&M). The risks of delays and cost overruns should be considered. Innovative technologies should be leveraged.
Principle 6: Strengthen infrastructure governance (openness and transparency in procurement, debt sustainability, etc.)	• Openness and transparency in procurement, anti-corruption efforts and access to information and data are important. • In addition to financial sustainability for each project, macro-level debt sustainability needs to be considered.

Source: MOFA, "G20 Principles for Quality Infrastructure Investment (Summary)

A Appropriateness of the Formulation Processes of ODA Policies and Program

(A) ASEAN Level: Appropriateness of the Formulation Processes of the Japan-ASEAN Connectivity Initiative

Preparations for the Japan-ASEAN Connectivity Initiative began several months before its announcement in November 2020. The formulation process was primarily conducted in Japan. The MOFA led the process and coordinated relevant departments within the Ministry; neither the ASEAN Secretariat nor relevant government organizations in the case study countries indicated that they were consulted during the formulation process. Embassies of Japan and JICA country offices responded to inquiries for information when asked by Headquarters.

The Mission of Japan to ASEAN as a dialogue partner works with the ASEAN Secretariat, the resident representatives of the 10 ASEAN member countries, and the government representatives of other countries, and also provides briefings and the necessary coordination in ASEAN connectivity to the ASEAN Secretariat and other relevant countries.

(B) Bilateral Cooperation Level: Development Cooperation Policies, Rolling Plan, Country Assistance Programs

The Evaluation Team reviewed and organized the Development Cooperation Policies and Project Rolling Plans of ASEAN Member Countries that were available on the Internet.

Table 3-6 ASEAN Country Development Cooperation Policy and Projects Rolling Plan in Relation to "Connectivity"

	Country Development Cooperation Policy			Rolling Plan			
	Relevance	Priority areas	Formulated on	Background & measures of the Program	Relevance of Program to the connectivity	Number of Program with projects of the Initiative.	Formulated on
Indonesia	○	×	2017 Sep	×	△ (2)	2	2021 Apr.
Cambodia	○	◎	2017 Jul.	○	◎(1)	1	2022 Apr.
Vietnam	○	×	2017 Dec	○	◎(2)	2	2017 Nov.
Laos	○	◎	2019 Apr.	○	◎(1)	1	2022 Apr.
Thailand	○	◎	2020 Feb.	○	◎(2)	3	2020 Feb.
Malaysia	△	◎	2017 May	○	◎(1)	1	2020 Apr.
Philippines	×	×	2018 Apr.	○	○(1)	3	2018 Apr.

Note: initiative: Japan-ASEAN Connectivity Initiative, program: Japan's Assistance Program

◎: There is a description of "connectivity" in priority areas or in Japan's Assistance Programs aimed at ASEAN connectivity in the Rolling Plan

○: There is a direct description of ASEAN connectivity as well as in any Japan Assistance Program that takes ASEAN connectivity into consideration.

△: Although there is no direct language against connectivity, consideration for connectivity was identified in the context of the national development plan of the countries.

Source: Prepared by the Evaluation Team

For the countries listed in the table above, the Country Development Cooperation Policies had been formulated prior to the announcement of the Japan-ASEAN Connectivity Initiative in November 2020. All of them except the Philippines contained direct references to connectivity in the section on "Relevance of Assistance" or "Priority areas" or in both or Rolling Plans. Japan has been formulating Development Cooperation Policies, Rolling Plans, and Assistance Programs based on the plans of each country's government that emphasized connectivity. Field surveys in Cambodia and Indonesia confirmed this point.

B Appropriateness of the Implementation Processes in Accordance with ODA Policies

(A) ASEAN Level: Appropriateness of the Processes for Implementing the Japan-ASEAN Connectivity Initiative

The ASEAN-Japan Connectivity Coordination Committee (ACCC) consisting of resident representatives of the 10 ASEAN member countries plus dialogue partners, reports annually on the progress of efforts related to the Japan-ASEAN Connectivity Initiative. The ASEAN-Japan Joint Cooperation Committee (AJJCC), which meets once a year at the ambassadorial level, is also used as an opportunity to review the progress of the Japan-ASEAN Connectivity Initiative.

As a result of the above efforts, it was well recognized by the ASEAN Secretariat and the Ministries of Foreign Affairs of Cambodia and Indonesia that the Japan-ASEAN Connectivity Initiative has been formulated and implemented as the Government of Japan's contribution to ASEAN connectivity.

(B) Bilateral Cooperation Level: Japan's Development Cooperation Policy, Rolling Plan, Assistance Programs

The formation of projects under the Japan-ASEAN Connectivity Initiative has been discussed with partner governments through the ODA Task Force. This process has been continued after the announcement of the Japan-ASEAN Connectivity Initiative.

As discussed later in the case study, Japan has been proposing and implementing projects to partner governments not merely to ensure consistency with the partner government's plans, but also from a broader and deeper, unique Japanese perspective about achieving ASEAN connectivity. For example, in Cambodia, the ODA taskforce has continuously recognized and emphasized the importance of developing national roads connecting Vietnam, Thailand and Myanmar through Cambodia, which is called the Southern Economic Corridor. Sihanoukville Port and Patimban Port projects have also been formulated and implemented with strategic focus on cost-effectiveness, the environment in neighboring ports and sea routes as well as creating industry agglomeration near the project area to avoid unintended competition between ports in the country.

As discussed in the above two sections, Japan's support has been formulated and implemented effectively at the regional and bilateral levels and is expected to continue.

When evaluated critically, the ASEAN Secretariat and other governments did not recognize Japan’s bilateral projects listed in the Japan-ASEAN Connectivity Initiative as having contributed to ASEAN connectivity. To add more value to Japan’s contribution to the Japan-ASEAN Connectivity Initiative, it is suggested that a clear explanation about Japanese projects in line with the ASEAN’s strategy of the ASEAN Connectivity (MPAC2025 and the upcoming strategy after the MPAC) be provided.

C Appropriateness of the Implementation Structure for Japanese Assistance

There is no local coordinating structure in the ODA Task Force that specializes in "ASEAN Connectivity Support." However, Development Cooperation Policies and the Rolling Plans of Japan in ASEAN member countries have already recognized ASEAN connectivity in the documents even before the advent of the Japan-ASEAN Connectivity Initiative. Hence the existing structure of the ODA Task Force has been able to formulate and implement projects that take connectivity into consideration, thereby achieving "Quality Infrastructure."

Another approach that makes this effort more realistic and effective is the collaboration with ODA Task Forces and Japanese Business Associations in these countries. In both Indonesia and Cambodia as case study countries, the ODA Task Force understand the issues and concerns of the private sector through its work with the Associations and take advantage of this knowledge in policy dialogue and project formulation. Cambodia and Japan, in particular, have formed a "public-private dialogue," headed by the Deputy Prime Minister in charge of investment and the Japanese Ambassador to Cambodia. Such active high-level dialogue was highly appreciated by Japanese private companies.

D Appropriateness of Monitoring and Evaluation and Information Disclosure

One of the public relations activities of the Japan-ASEAN Connectivity Initiative was the ASEAN Japan Fair, held as part of the 50th Year of ASEAN-Japan Friendship and Cooperation. In Indonesia, the fair introduced on-going projects of the Japan-ASEAN Connectivity Initiative in 10 ASEAN member countries.

At the bilateral level, the Japan-ASEAN Connectivity Initiative projects are actively publicized as part of public-relations for these individual projects. Effort is also being made to cultivate the understanding of the press through press tours.

E Cooperation with Other Donors, etc.

At the regional level, the Mission of Japan to ASEAN continued its effort to consult and coordinate with ASEAN dialogue partners and other development partners. At the bilateral level, the Evaluation Team confirmed the efforts made to continue coordination with other donors regularly through the field survey. At the project implementation level, efforts were also being made to achieve improved effectiveness, by demarcating the construction section by area of specialty as in the case of the project with the ADB.

F Efforts regarding "Quality Infrastructure"

Japan's projects have been formulated and implemented even before the publication of the Japan-ASEAN Connectivity Initiative, since the Government of Japan continues to adhere to an alignment with government's plans that emphasize connectivity.

By steadily implementing procurement procedures, the project maintained the openness and transparency of its infrastructure and debt sustainability. On the physical aspect, Japan not only strategically planned and implemented projects based on its own perspective and knowledge, including strengthening regional connectivity, but also sought to enhance operational efficiency and other aspects of infrastructure projects by implementing complementary soft capacity-building measures such as Technical Cooperation Projects and Technical Cooperation through JICA's Loan Account. Thus, in projects related to the Japan-ASEAN Connectivity Initiative, Japan endeavored to realize their value for money.

As evaluated earlier in this section on the "Appropriateness of Process," the process regarding the Japan-ASEAN Connectivity Initiative, including policy formulation, implementation, and monitoring, have continuously contributed to "Quality Infrastructure Investment" in terms of both physical and non-physical aspect, while remaining close to ASEAN member countries that value ASEAN connectivity and providing higher value-added support. However, it is necessary to organize and provide brief and clear explanations about Japan's contribution to MPAC 2025 through the Initiative to better recognize the projects under the Japan-ASEAN Connectivity Initiative. It is on this basis, the Appropriateness of Processes is evaluated as **"Satisfactory."**

2 Evaluations from Diplomatic Viewpoints

In this section, evaluations from diplomatic viewpoints were conducted in terms of "diplomatic importance" and "diplomatic impact."

(1) Diplomatic Importance

A Importance to the Priority Issues for the International Community

Japan's early and long-term support for ASEAN has influenced other countries' support for ASEAN. While China's "Belt and Road Initiative" has been a hot topic in recent years, Japan announced the concept of the FOIP in 2016 and proposed cooperation for quality infrastructure. This has influenced the United States' advocacy of the Indo-Pacific Economic Framework (IPEF) and its support for ASEAN. Other countries, including European countries and Australia, followed the United States by formulating the Indo-Pacific concept, though under different names. This is a rare example of Japan leading global diplomacy, and there is no other comparable case.

In 2019, ASEAN released the AOIP, a set of guidelines for ASEAN's engagement in the Asia-Pacific and Indian Ocean region. Since the AOIP shares essential principles with the FOIP, Japan was quick to express its support for the AOIP. By 2023, the United States, Australia, the European Union, India, South Korea, and even China had expressed their support for the AOIP. Japan's earliest support for the AOIP encouraged other countries to support the AOIP (a "pump-priming” effect for policies collaboration).

B Importance to the ASEAN Region

Although the U.S.-China confrontation has been intensifying and they are competing for ASEAN's inclusion, ASEAN's position does not depend on either side. Japan's continued support for the AOIP and the accumulation of specific cooperation projects that contribute to the fundamental principles shared by FOIP and the AOIP will help maintain trust in Japan. Since the U.S. may change its ASEAN policies as its administration changes, Japan's role will become more important in this context.

MPAC 2025 is scheduled to end in 2025, and its successor, the ASEAN Connectivity Strategic Plan (ACSP) targeting 2045, is currently being formulated. As the name suggests, connectivity is the main theme of the ACSP. Since the ACSP will be the framework for ASEAN's future development strategy, it is important to update the Japan-ASEAN Comprehensive Connectivity Initiative, the successor to the Japan-ASEAN Connectivity Initiative, in line with the ACSP's content.

C Importance to Japan's National Interest (1) Japan's Existence, (2) Japan's Prosperity, and (3) Maintenance and Protection of the International Order)

ASEAN is a large market with a population of 650 million, and according to the International Monetary Fund's latest World Economic Outlook, it is expected to overtake Japan's GDP by 2026. ASEAN is also a large market for Japanese companies. Simultaneously, Japanese companies have been investing in ASEAN; and the region has become a production base for manufacturing industries including automobiles and motorcycles. An integrated supply-chain for the production of parts and the assembly of vehicles has been well established within ASEAN. In short, ASEAN has become important for Japan in terms of both market and production base. ASEAN is a region that directly contributes to **"achieving Japan's prosperity,"** which is one of Japan's national interests among the three national interests defined in the National Security Strategy of Japan and the Development Cooperation Charter which are the policies of the Government of Japan. In this context, the Japan-ASEAN Connectivity Initiative contributes to strengthening and deepening connectivity (movement of goods and people) among ASEAN member countries and contributes to realizing Japan's national interest.

Although the "existence of Japan" is not described as the national interests in the Development Cooperation Charter, the stability of ASEAN as a transit point for imports and exports to and from regions west of India such as the Middle East and Europe is vital to the **"existence of Japan"** and **"prosperity of Japan"** among the national interests defined in the National Security Strategy of Japan, which is the policy of the Government of Japan. In particular, oil and petroleum products are imported to Japan from the Middle East through the waters of ASEAN member countries, so the stability of ASEAN is directly related to Japan's national interests. The Japan-ASEAN Connectivity Initiative, which contributes to strengthening and deepening the connectivity (movement of goods and people) among ASEAN member countries, is a major contribution to the realization of this stable ASEAN.

D Another Importance: Historical Relations, New Foreign Policies, Shared Values

While we cannot forget the history of Japan's ODA policies that started as compensation after World War II, it can be said that one of Japan's three national interests, **"maintenance of international order"** and the values of "rule of law, freedom of navigation, and free trade" are widely shared with ASEAN and ASEAN member countries. The maritime law enforcement capacity building and human resource development, which are implemented under the Japan-ASEAN Connectivity Initiative, are also consistent with securing Japan's national interest (see BOX 3).

(2) Diplomatic Impact

A Impact on the International Community

First, it is a great achievement of Japanese diplomacy that the concept/framework of FOIP set forth by Japan has become a leading trend in global diplomacy. In light of this, the fact that Japan was the first to express its support for the AOIP, which upholds the unity and centrality of ASEAN and shares fundamental principles with the FOIP, and that the United States and other countries followed suit, can be considered an impact of Japan's diplomacy. The Japan-ASEAN Connectivity Initiative is also consistent with the FOIP concept and framework.

B Impacts on Japan-ASEAN Relations (Government Level)

As indicated by the subtitle "Trusted Partners" in the Joint Vision Statement on the 50th Year of ASEAN-Japan Friendship and Cooperation, the relationship of trust between Japan and ASEAN has been achieved through cooperation carried out over the years. In the field survey, the government officials in Cambodia and Indonesia cited Japan's longstanding cooperation as a comparative advantage. Various projects listed in the Japan-ASEAN Connectivity Initiative, consisting of not only support for infrastructure but also “soft infrastructure cooperation” such as human resource development, seems to have contributed to the building of this relationship of trust.

C Impacts on Japan-ASEAN Relations (Private and Citizen Levels)

The Japan-ASEAN Connectivity Initiative and projects related to this Initiative have undoubtedly contributed to the continuous increase in trade and investment between Japan and ASEAN. This was expressed in interviews with those involved in the projects. At the public level, Japanese NGOs have also expressed their appreciation for the initiative's projects since national roads improved the efficiency of their local activities and hence the effectiveness of the projects.

D Impacts on Economic Relations (including Economic "Priming" Effects)

According to interviews with local Japanese companies and the country office of JETRO in Cambodia, the country is experiencing an expansion of supporting industries, such as the production of parts, due to factors such as the maturation of the market in neighboring countries. Simply put, an economic pump-priming effect has been achieved due to the impact of Japanese assistance. Related to the connectivity support, visible effects due to the rehabilitation of National Route 5 were reported and evaluated, such as the shortening of travel time, the increase of factories, service industries, and residential areas in local urban areas. Expectations about the completion of the entire section were expressed by several stakeholders.

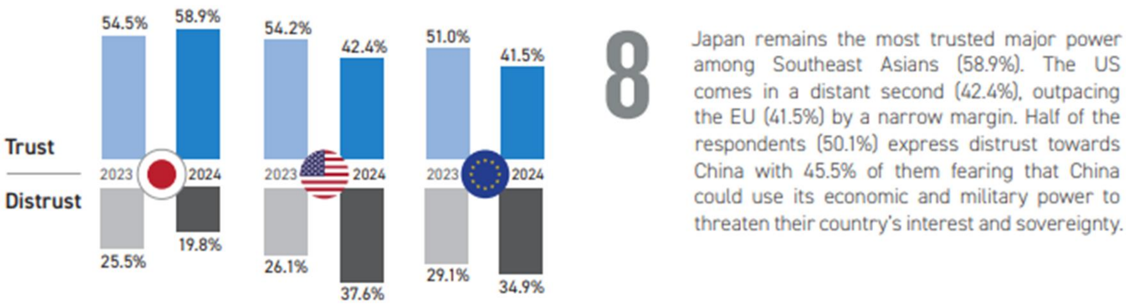
A local Japanese NGO was also positive about Japan's assistance, including the development/improvement of infrastructure for transportation. However, the NGO pointed out that in recent years there have been many social issues that cannot be resolved by a single ASEAN member country (e.g., the origin country where refugees come from and the country where they are accepted is different). The Evaluation Team also recognized that it was also important to support NGO activities that addressed such issues over countries.

BOX 3 Southeast Asia Survey Report (2024)

ISEAS (Yusof Ishak Institute), an independent research institute located in Singapore, conducts an annual survey of Southeast Asian experts, asking a total of 51 questions in six sections. The six sections are (I) demographics of respondents, (II) international development, (III) key regional influences and leadership, (IV) U.S. and Chinese competition and their influence, (V) perceptions of trust, and (VI) soft power.

A total of 1,994 survey participants were selected from five categories: (a) academics/ think tanks/researchers, (b) private sector representatives, (c) civil society/NGO/media representatives, (d) government staff, and (e) officials of regional or international organizations.

In the 2024 report, the following was reported. **Japan is the most reliable** partner for the sixth consecutive year.



(Source) The State of Southeast Asia 2024, https://www.iseas.edu.sg/wp-content/uploads/2024/03/The-State-of-SEA-2024.pdf (p. 5, p. 62-63 of the same report).

Chapter 4 Case Study: Japan-ASEAN Connectivity Initiative in Cambodia and Indonesia

1 Indonesia

(1) Japan-ASEAN Connectivity Initiative in Indonesia

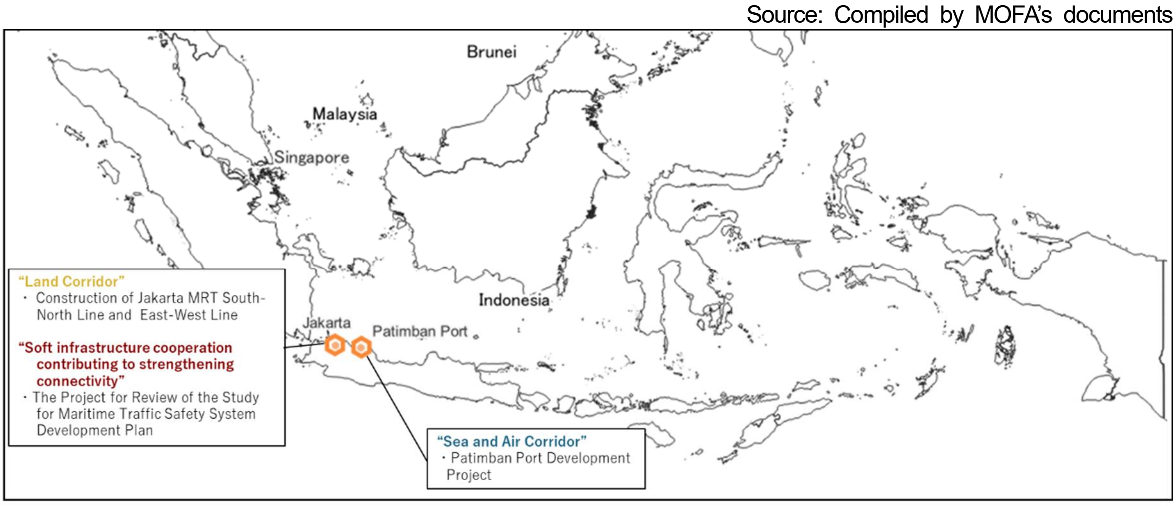
The 10 projects registered under the Japan-ASEAN Connectivity Initiative are shown in the table below: 3 projects for sea and air connectivity, 2 projects for land connectivity, and 5 technical cooperation projects that contribute to connectivity. Of these, the field survey for this evaluation included visits to the three projects shown in the map.

Table 4-1 Initiative Component Projects in Indonesia

Land corridor	Construction of Jakarta Mass Rapid Transit Project (Phase 2) (1)
	Java North Trunk Railway Semi-High Speed Project
Sea and Air Corridor	Patimban Port Development Project (1)
	Patimban Port Development Project (2)
	Programme for the Development for Fisheries Sector in Outer Islands
Soft infrastructure cooperation contributing to strengthening connectivity	The Project for Review the Study for Maritime Traffic Safety System Development Plan
	Port Development Policy Advisor
	Expert on Road Policy
	JABODETABEK Urban Transportation Policy Integration Phase3
	Project for Technical Cooperation for Improvement of Regency/Municipality Roads Governance

Note: The Patimban Port Development Project was counted as one project in each of the two phases.

Source: Compiled by MOFA's documents



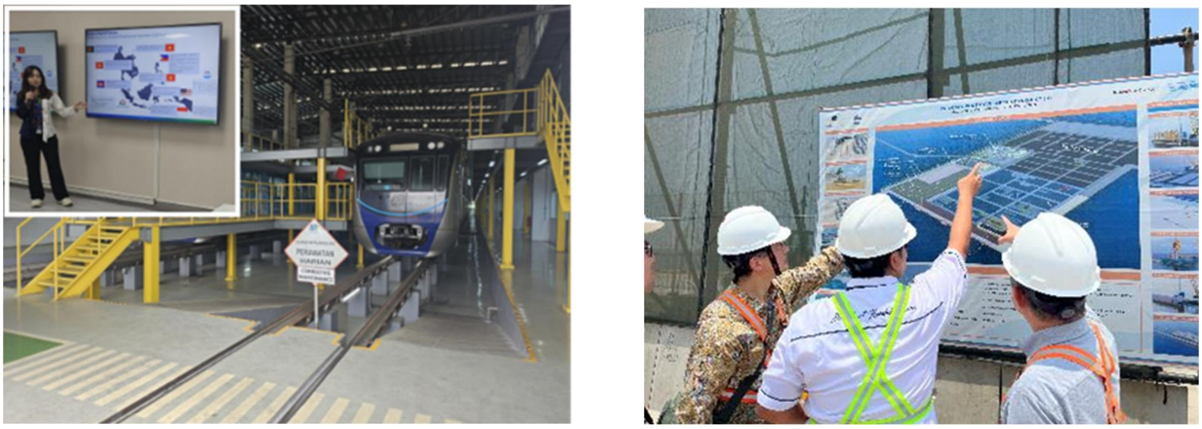
Source: Prepared by the Evaluation Team

Figure 4-1 Location of Projects Visited

The Patimban Port Development Project will construct a new port (container terminal, car terminals, etc.) in Patimban located in the eastern part of the Jakarta metropolitan area in order to meet container demand that exceeds the handling capacity of the existing Tanjung Priok port. The project aims to strengthen the logistics function of the metropolitan area and contribute to further economic growth by improving the investment environment in Indonesia.

The Construction of Jakarta MRT Project aims to meet the increasing transportation demand in the Jakarta metropolitan area and to shift the mode of transportation from automobiles to public transportation by constructing an urban rapid transit system in the metropolitan area. The project will also contribute to alleviating traffic congestion, improving the investment environment, and reducing the burden on the metropolitan area environment.

The Project for Review of the Study for Maritime Traffic Safety System Development Plan is a technical cooperation project aimed at supporting the revision of the plan (period covered: 2003-2020), which was formulated between 2000 and 2002 with the cooperation of JICA in light of the increased volume of vessel traffic due to the country's economic growth. The project aims to contribute to the navigational safety of vessels in Indonesian territorial waters.



Left: Construction of Jakarta MRT Project, Right: Patimban Port Development Project

(2) Evaluation from Development Viewpoints

A Relevance of Policies

Indonesia's National Medium-Term Development Plan 2015-2019 set forth policies for improving international competitiveness, development of infrastructure, and reducing regional disparities with the aim of achieving balanced development, including the creation of a multimodal and intermodal transportation system for national connectivity and the creation of an urban mass transit system. In the successive National Medium-Term Development Plan 2020-2025, connectivity was similarly identified as one of the key development issues.

Japan's Country Development Cooperation Policy for Indonesia as of 2020 when the

Japan-ASEAN Connectivity Initiative was announced, was formulated in 2017. Unlike Cambodia in next section, the 2017 Country Development Cooperation Policy does not directly use the word "connectivity" in its section about the priority area, but the section on policy aim states that "Japan will support Indonesia's efforts to strengthen ASEAN connectivity and improve its ability to respond to international challenges" in line with the above Mid-term Development Plan. Its priority areas to "support improvement of Indonesia's international competitiveness," address the development of quality infrastructure, such as transportation and logistics, and human resource development for ASEAN connectivity.

B Effectiveness of Results

All of the projects were generally implemented as initially planned. Although there were some bidding irregularities in the Construction of Jakarta MRT Project, these were the result of sound process in accordance with the bidding rules, which is evidence that the bidding was conducted fairly and with transparency in accordance with the rules. The construction of Jakarta MRT Project is expected to alleviate traffic congestion and promote extensive urban development based on public transportation, as experienced in other ASEAN cities.

The Patimban Port Development Project is currently under implementation (construction), but part of the automobile terminal has already opened and is operated by a company wholly owned by a Japanese company. Although the project impacts have not been realized fully, some of the already-opened terminals are having an effect, and the volume of automobiles handled is steadily increasing, as a trend of shifting automobile production and export bases within ASEAN to Indonesia has been observed. Although the container terminal is scheduled to be opened in the future, the field survey confirmed that the project impact on the Indonesian economy is expected to be significant due to the steady increase in container handling volume.

The Evaluation Team confirmed that the Project for Review of the Study for Maritime Traffic Safety System Development Plan revised the master plan as expected. Although budgetary constraints still make it difficult for the Government of Indonesia to implement all the planned items, the government will raise its budget to establish a coastal radio station to communicate with ships navigating in the vicinity (location: the Komodo Island).

C Appropriateness of Processes

(A) Appropriateness of Processes for Formulation of ODA policies

As mentioned above, it was confirmed that the MOFA in Tokyo led the formulation process of the Japan-ASEAN Connectivity Initiative. Interviews with the Embassy of Japan and JICA officials in Indonesia also confirmed that they responded to requests for information from MOFA.

In addition, interviews with officials in the Ministry of Foreign Affairs of Indonesia indicated that although Japan's contribution to infrastructure assistance was recognized as bilateral assistance, it was not recognized having contributed to the ASEAN connectivity.

In the area of formulating bilateral cooperation projects, the ODA Task Force has been able to formulate projects aligned with the Indonesian national development plan through dialogues with officials from the Government of Indonesia in accordance with the Country Development Cooperation Policy and Rolling Plan.

Among such projects, the support for the "JABODETABEK Integrated Urban Transport Policies Project" in the Jakarta Metropolitan Region was recognized as a project contributing to the ASEAN connectivity by ERIA. The support was designed according to the concept of industrial agglomeration and the foundation of the Construction of Jakarta Mass Rapid Transit Project.

According to the interview with ERIA, industrial agglomeration is an important concept included in the study of the international production network (global value chain), and the urban transportation system connecting Bogor, a satellite city in the south of Jakarta, and Karawang (where Toyota and Honda factories are located) in the east of Jakarta will enable engineers living in Bogor to commute to Karawang for work. In addition, transportation-related support for logistics will help to reduce logistics costs. Through this kind of policy support, Japan has been able to formulate and implement value-added infrastructure support with the Government of Indonesia.

(B) Appropriateness of Processes for Implementation Based on ODA Policies

As mentioned above, prior to the formulation of the Japan-ASEAN Connectivity Initiative, the Embassy of Japan in Indonesia and JICA Indonesia Office have been conducting policy dialogue and forming projects by establishing priority areas consistent with the plans of the Government of Indonesia.

The MRTJ, which is implementing the Construction of Jakarta MRT Project, has been promoting the development of the area around the MRT station as a Transit Oriented Development (TOD). According to an interview with MRTJ, negotiations with the private sector for TOD during the outbreak of COVID-19 pandemic were difficult due to the declining demand for public transit services in the city; however, land use possibilities increased, and the city was able to coordinate with the local administration to promote urban development.

The outbreak had a negative economic impact, but MRTJ, together with Japanese experts, responded flexibly to the situation. These efforts fostered confidence and ownership of the project, which in turn led to increased trust in Japan.

(C) Appropriateness of Monitoring and Evaluation and Information Disclosure

In Indonesia, as in Cambodia, information on related projects is actively publicized through newspapers, Facebook, and other media rather than publicizing the Japan-ASEAN Connectivity Initiative itself. In particular, in June 2023, his Majesty the Emperor Naruhito's visit to the rail yard of the MRTJ was widely reported in various media. In addition, the groundbreaking ceremony for its East-West Line held in the presence of the former President Joko Widodo was also widely reported in Japan as well as in Indonesia.

In addition, the Japan-ASEAN Fair was held for the Japan-ASEAN 50th anniversary and publicized Japan's JICA projects in all 10 ASEAN member countries.

(D) Cooperation with Other Donors, etc.

Japanese infrastructure projects are implemented in consultation with the ADB, the World Bank, European donors, Korea, and other countries. For example, in the construction of the Jakarta Mass Rapid Transit Project, the ADB is responsible for construction of the elevated sections, while JICA is responsible for the tunnels, systems, and other sections requiring Japanese technology through ODA loans. In this way, effective cooperation is being implemented, such as the demarcation according to the technical advantage of each party.

(E) Efforts toward " Quality Infrastructure

It was confirmed that all of the projects for the Japan-ASEAN Connectivity Initiative in Indonesia were planned and implemented in close cooperation with the Japanese counterparts, including JICA experts. It was also confirmed that cooperation conducted in a sincere and fair manner on a daily basis between the Japanese experts and Indonesian counterparts has led to a high level of trust in Japanese assistance. In addition, efforts have begun to share the experience of Japan's assistance in Indonesia to neighboring countries through third-country cooperation, such as in the case of the MRT.

The Patimban Port was planned as a new port to meet container demand exceeding the handling capacity of the Tanjung Priok port. However, it can be surmised that the two ports will become future competitors for the same container demand. This is the reason why the creation of demand in the neighboring area of the port was planned strategically.

As mentioned above, the Construction of the Jakarta Mass Rapid Transit Project is planning projects that will contribute to the industrial agglomeration in the Jakarta metropolitan area. Furthermore, it was confirmed that MRTJ, as a counterpart entity, has visited counterparts in Bangladesh and Vietnam to provide technical guidance. The experience of developing metropolitan transportation networks in developing countries is valuable and cannot be accumulated unless a country has experienced a certain degree of economic growth and development. This was an important act to extend quality infrastructure to the neighboring countries that will contribute to the industrial agglomeration in other countries and strengthen connectivity within the ASEAN region.

Table 4-2 Status of "Quality Infrastructure" in Indonesia

	Patimban Port Development Project	Construction of Jakarta Mass Rapid Transit Project
Openness and transparency of infrastructure	Achieved through various procurement procedures during the implementation of the project.	
Debt sustainability	Conducted prior to implementation of projects.	
Economic efficiency in terms of life cycle costs	Projects are planned and implemented with the necessary action to avoid possible future competition with the other ports.	The sections are to be demarcated based on Japan and ADB's areas of expertise. The project is expected to contribute to the industrial agglomeration of the Jakarta metropolitan area. The project also contributed to adding more value by developing the urban area around the MRT station.

Source: Interviews conducted during field survey

(3) Evaluations from Diplomatic Viewpoints

During the field survey in Indonesia for this evaluation, the Indonesian Ministry of Foreign Affairs as well as the ASEAN Headquarters were interviewed for their diplomatic viewpoints in addition to the development viewpoints. In addition, an interview was conducted with ERIA as the entity contributing to the strengthening of ASEAN connectivity from an intellectual viewpoint. From these interviews, the Evaluation Team positively felt the pride of Indonesia as an ASEAN leader and the following discussions were held from the perspective of ASEAN as a whole.

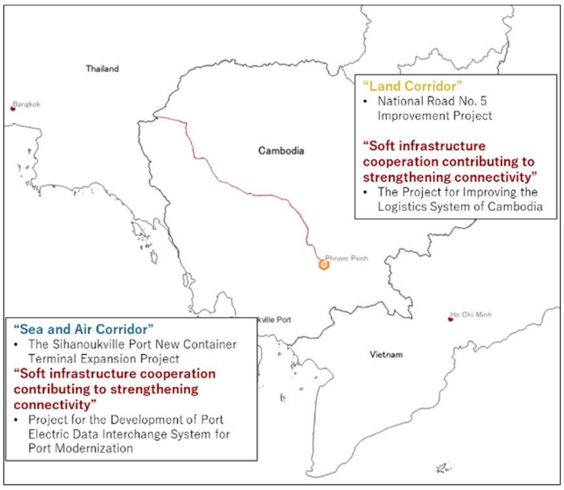
- It was noted that the Initiative should be revised in accordance with the creation of a successor strategy to MPAC 2025 that is currently in its final stages.
- There was an opinion that Japan should support "ASEAN driven projects" (projects initiated by ASEAN). This can be seen as an opinion that Japan should continue to support ASEAN's initiative, which in turn will lead to trust in Japan.

The Evaluation Team also visited the ADB and the U.S. Embassy (and the U.S. Agency for International Development, (USAID)) as donor agencies to hear their perceptions and observations on Japan's cooperation with Indonesia.

- In relation to the above, it was pointed out that there was a need to organize how bilateral assistance contributes to the ASEAN region; as far as ASEAN connectivity is concerned, there was a need to clarify how Japanese assistance contributes to the ASEAN

Connectivity Master Plan.

- Japanese aid is highly appreciated in Indonesia, especially in the development/improvement of infrastructure, and it is more influential than China's Belt and Road Initiative. An opinion was expressed that they would like to continue to cooperate with Japan in the future.
- It was confirmed that ADB implements projects that are clearly demarcated from JICA. Japan is the largest investor in the ADB, and Japanese taxpayers' funds support Indonesia's infrastructure development through the ADB.



Source: Website of MOFA, GeoFabrik and the Humanitarian Data Exchange

Figure 4-2 Projects of Japan-ASEAN Connectivity Initiative

2 Cambodia

(1) Japan-ASEAN Connectivity Initiative in Cambodia

During this evaluation's field survey, interviews were conducted with counterpart organizations in the four projects registered under the Japan-ASEAN Connectivity Initiative. The map below shows the four projects.

The National Road No. 5 Improvement Project is an ODA loan project that is categorized as "land corridor" assistance in the Initiative. The national road is part of the Southern Economic Corridor connecting Dawai of Myanmar, Bangkok of Thailand and Phnom Penh of Cambodia and Ho Chi Minh of Vietnam.

The Sihanoukville Port New Container Terminal Expansion Project is an ODA loan project that is seen as the "Sea and Air Corridor" in the Initiative. The project aims to expand the new container terminal at Sihanoukville Port. The port is the only large deep-water port in Cambodia, which is expected to become an important logistics and distribution hub for the Cambodian economy.[6]

The Project for Improving the Logistics System of Cambodia supported the development and implementation of a logistics master plan and improved cross-border transportation procedures at the Thai and Vietnamese borders in Cambodia. The Project for the Development of Port Electric Data Interchange (EDI) System for Port Modernization supported the introduction of electronic processing of vessel entry and departure applications and approvals.

[6] JICA HP on Sihanoukville Port New Container Terminal Expansion Projects (Phase I)" (Japanese) https://www.jica.go.jp/oda/project/CP-P27/index.html Accessed on December 7, 2024.

Left: National Road No. 5 Improvement Project,
Right: Sihanoukville New Port Container Terminal Expansion Project

(2) Evaluation from Development Viewpoints

A Relevance of Policies

During the period covered by the Japan-ASEAN Connectivity Initiative, the Rectangular Strategy IV functioned as a national medium-term development strategy. The Government of Cambodia is currently operating the Pentagonal Strategy since August 2023. Japan's Country Development Cooperation Policy for Cambodia applied during this period was formulated in 2017. These relevant policies were examined in this evaluation, taking into account the timing of their content and when they were published.

The Rectangular Strategy has been updated every five years, and the Rectangular Strategy IV (released in 2018), the last version of the Strategy, recognizes the need to "Strengthening Cambodia’s Capacity to further promote its Integration into the Regional and Global Economy" as a precondition for implementing the Strategy in the surrounding environment, and to establish the means of "Improving the Logistics System and Enhancing Transport, Energy, and Digital Connectivity" in the "Rectangle 2. Economic Diversification." In the Pentagonal Strategy currently in operation, "connectivity" is one of the areas of continued emphasis, although there have been minor modifications such as the addition of the water supply sector.

In the Rectangular Strategy III released in 2013, one of its four priority areas was continued investment in transport infrastructure and improving trade facilitation to develop a vibrant logistics system by developing a multi-modal transport network system to ensure connectivity within the country and with other countries in the region and rest of the world.

Japan's Country Development Cooperation Policy for Cambodia was formulated the year before the release of the Fourth Rectangular Strategy, but even prior to that the Third Rectangular Strategy also called for strengthening connectivity. Japan’s Country Development Cooperation Policy mentioned connectivity in the "Aims" section at the beginning of the policy, and identified "industrial promotion support" as one of its priority areas.

Table 4-3 Country Development Cooperation Policy/ Rolling Plan and Connectivity

	Country Development Cooperation Policy			Rolling Plan			
	Relevance	Priority areas	Formulated in	Background & measures of the Program	Program relevance to connectivity	Number of programs with projects of the initiative.	Formulated in
Cambodia	○	◎	2017 Jul.	○	◎(1)	1	2022 Apr.

Note: initiative: Japan-ASEAN Connectivity Initiative, program: Japan's Assistance Program

◎: There is a description of "connectivity" in priority areas or Japan's Assistance Programs aimed at ASEAN connectivity in the Rolling Plan.

○: There is a direct description of ASEAN connectivity or in any Japan's Assistance Program that takes ASEAN connectivity into consideration.

Source: Prepared by the Evaluation Team based on the Cambodia's Country Development Cooperation Policy and Rolling Plan.

Namely, Japan's ODA Task Force has long adopted a policy that aligned with the Cambodian government's strategies that emphasized connectivity even before the Japan-ASEAN Connectivity Initiative was announced.

B Effectiveness of Results

During the field survey in Cambodia, the Evaluation Team visited and interviewed counterpart organizations involved in the National Road No. 5 Improvement Project, the Project for Improving the Logistics System of Cambodia, the Project for the Development of Port EDI System for Port Modernization, and the Sihanoukville Port New Container Terminal Expansion Project. The Evaluation Team also visited the facilities in the project of Sihanoukville port. As for the National Road No. 5 Improvement Project, the Evaluation Team visited the road in Phnom Penh and its surrounding areas, taking advantage of the time available between interviews.

Construction works in the National Road No. 5 Improvement Project had been completed, with the exception of a section near the border with Thailand. According to information from a counterpart department of the Ministry of Public Works and Transport, NGOs, and private companies that had used National Road No. 5, the economic impact of its improvement can now be seen. In towns and cities along Route No. 5, bypasses were built to avoid noise and other negative environmental impact stemming from the constructed roads, but people are now moving to the bypass area and factories are being built. In addition, the number of Petroleum Authority of Thailand (PTT) gas stations and an attached Amazon Café have increased along the bypass signifying emerging economic opportunities.

The Sihanoukville Port New Container Terminal Expansion Project had not started construction at the time of the field survey, therefore the project's impact could not be confirmed. However, through an interview with the counterpart organization, the Evaluation

Team confirmed that the projects related to the Sihanoukville Port were designed and implemented with the intention to enhance connectivity with other countries. For example, a plan to increase the port's water depth will allow Panamax-type ships with higher carrying capacity to enter the port. The project was intended to strengthen connectivity with other countries. In addition, a special economic zone built near the Sihanoukville port has led to Japanese investment, such as a logistics and warehousing company established in the AEON Mall.

The Project for Improving the Logistics System of Cambodia and the Project for the Development of Port EDI System for Port Modernization have strengthened the management capacity of these infrastructural facilities to be used more efficiently. For example, at the Vietnam border (Babette) on National Road No. 1, the number of containers passing through per hour increased from 50 to 80.

C Appropriateness of Processes

(A) Appropriateness of Processes in the Formulation of ODA policies

The Evaluation Team enquired about the involvement of the MOFA and local diplomatic missions of Japan, JICA officials, and the Cambodian Ministry of Foreign Affairs and International Cooperation in the process of formulating the Japan-ASEAN Connectivity Initiative through interviews.. The Evaluation Team confirmed that the formulation of the Japan-ASEAN Connectivity Initiative was carried out at the MOFA level, and that the Embassy of Japan in Cambodia and the JICA Cambodia Office only responded to requests for information from MOFA. The ODA Task Force formed by the Embassy of Cambodia and JICA Cambodia Office held a series of policy dialogues closely with the Government of Cambodia. In the formulation of the Country Development Policy, the ODA Task Force drafted Japan's policy ideas and shared them with the Government of Cambodia.

Even after policy dialogues with the Ministry of Economy and Finance, the policy-making authority in Cambodia, discussions have continued with relevant ministries regarding the form of support including individual projects, apart from policy discussions.

(B) Appropriateness of Processes for Implementation Based on ODA Policies

As mentioned above, even before the formulation of the Initiative, the Embassy of Japan in Cambodia and the JICA Cambodia Office have been conducting policy discussions and formulation of projects for connectivity according to the priority areas consistent with the Rectangular Strategies. Rather than merely planning assistance in alignment with Cambodian national strategies, the JICA Cambodia office has maintained a unique perspective and stance that emphasizes the Southern Economic Corridor that is contributing to ASEAN connectivity. The Embassy was continuously aware of the need to improve the road from Vietnam to Thailand and Myanmar through Cambodia using the Corridor.

Specifically, the Embassy has been supporting the Corridor using National Road No. 1 and the Neak Loeung Bridge (also known as the "Tsubasa Bridge") over the National Road, which connects to National Road No. 5.

In Cambodia, regular consultations are held with the Government of Cambodia through “the series of the Cambodia-Japan Government - Private Sector Dialogue.” These dialogue opportunities were established after the signing of the investment agreement between Cambodia and Japan in 2007. The regular consultations are held twice a year. In the consultation meetings, participants hold active discussions and exchanges of opinions on a regular basis. After each consultation, working groups continue discussions to resolve issues raised in the dialogue. The consultation is led and co-chaired by the Japanese ambassador and the deputy prime minister in charge of investment, and the participating members consist of the Japanese Business Association of Cambodia (JBAC) from the Japanese side, and relevant ministries and agencies from the Cambodian side.

Table 4-4 The Cambodia-Japan Government - Private Sector Dialogue Summary

Name	Feature	Members
The Cambodia-Japan Government - Private Sector Dialogue	Discussions and review of progress on agreed items (2 meetings per Japanese Fiscal Year (JFY).	Japanese side: Ambassador (representative), companies registered with JBAC, JICA Government of Cambodia: Deputy Prime Minister for Investment (representative), related ministries and agencies

Source: Interviews during field survey

The high "transaction cost" including customs clearance procedures has always been a problem in Cambodia. The concerns of the private sector are shared with the Government of Cambodia and discussed in detail through consultation and working groups meetings. These exercises have encouraged efforts to search for solutions against shared concerns. Connectivity has also been raised as an agenda item at the consultation meetings and policy dialogues by the ODA Task Force. These dialogue efforts appear to make the outcome and the benefits of the support provided by the Japan-ASEAN Connectivity Initiative more viable.

In interviews with the Government of Cambodia, the Evaluation Team confirmed that the government is strongly aware of these efforts. Among them, the Ministry of Foreign Affairs and International Cooperation appreciated the dialogue opportunities with the Government of Japan. The Japanese private sector also sees the dialogue as a very useful and valuable example of Japanese public-private partnerships.

(C) Appropriateness of Monitoring and Evaluation and Information Disclosure

It was confirmed that the Japan-ASEAN Connectivity Initiative itself was not publicized, unlike the actively publicized projects listed under the Initiative.

In addition to publicizing the project through its Facebook account (255,000 followers as of the interview day), the Embassy and the JICA office have been conducting press tours to promote better understanding of Japanese policies by the media. These tours also contribute to improving the understanding of the Cambodian people about Japanese support. Infrastructure assistance is appreciated immediately after its completion but becomes less noticeable over time. To address this challenge, the Embassy and the JICA office utilize the advantages that press tours provide. In the last tour, participants visited ODA-related facilities in Phnom Penh, Battambang, and Siem Reap for three days. In addition, newspaper articles were published five times in 2021.

JICA also publishes an E-Newsletter once a quarter and shares it with the local media and private sector. Information is disseminated through social media (63,000 followers on Facebook as of the interview day) and through the “Kizuna Festival,” which focuses on Japanese culture as well as projects that contribute to the Initiative.

(D) Cooperation with Other Donors

The Embassy of Japan regularly participates in the monthly meetings among the heads of the economic units at each embassy and the heads of international organizations, where views are exchanged and information on Japanese assistance is shared. Information about Japanese projects is also shared at donor meetings.

(E) Efforts toward "Quality Infrastructure”

This section summarizes Japan’s efforts toward quality infrastructure in Cambodia with regard to related projects of the Japan-ASEAN Connectivity Initiative. In Cambodia, the development/ improvement of infrastructure (“physical aspect”) was strategically planned based on the purpose and significance of the projects; and this was carried over into the implementation phase. “non-physical” support was provided through technical cooperation projects and Technical Cooperation through JICA's Loan Account to enhance the operational efficiency of the infrastructure built by the “physical assistance” project. Thus, Japan has continued efforts to consider and implement measures to achieve value for money in projects related to the Japan-ASEAN Connectivity Initiative.

In addition, by steadily implementing procurement procedures, the openness and transparency of the infrastructure were maintained. In particular, it is worth mentioning that the counterpart government gained knowledge and experience about the procedures through these administrative processes.

Table 4-5 Implementation of "Quality Infrastructure" in Cambodia

	National Road No. 5 Improvement Project	Sihanoukville Port New Container Terminal Expansion Project
Openness and transparency of infrastructure	This was achieved through various procurement procedures during the implementation of the project. Some of the division heads in charge said that through the implementation of such procedures, they recognized the importance of open and transparent procurement procedures and gained practical experience.	
Debt sustainability	Conducted prior to implementation of projects.	
Economic efficiency in View of Life-Cycle Cost	A series of infrastructure assistance has been designed from the perspective of the Southern Economic Corridor. Technical cooperation contributed to more effective usage of the infrastructure.	Taking into account the situation of ports in neighboring countries, the support is planned/implemented with a view to improving the contribution of Cambodia's largest port to domestic logistics, as well as to logistics in ASEAN and other regions. In addition, through Technical Cooperation provided through Loan Account, the project will enhance the operational capacity of the constructed port.

Source: Interviews conducted during field survey

(3) Evaluations from Diplomatic Viewpoints

During the Cambodian field survey in this evaluation, the Ministry of Foreign Affairs and International Cooperation of Cambodia shared their observations from diplomatic viewpoints in addition to expressing appreciation for Japan's assistance to date. It can be said that the opinions were well prepared in advance, and specific items that they would like Japan to support in the future were presented from the perspective of not only Cambodia but also ASEAN as a whole.

- The focus should be on strengthening quality, cross-border infrastructure. This should include development/improvement of infrastructure, digitization, and connectivity throughout the region.
- Japan should support strengthening the technical capacity for cross-border connectivity. This will facilitate investments for economic growth and regional development.
- Sustainable development/ improvement of infrastructure should be further supported.
- Human resource development and capacity (Human Capital Development) should be supported. A kind of "connection" with Japanese human resources will be established by participating in research and development programs and exchange programs.
- Cultural Exchange Programs and Educational Cooperation will involve more people.
- The air service agreement should be signed to promote trade and sustainable tourism.
- Build a smart ASEAN power grid to achieve sustainable, resilient, and flexible electricity. The ASEAN Power Grid currently uses transmission lines from Laos, Thailand, Malaysia, and Singapore. Currently, ASEAN also has a working group at the energy ministerial level, led by Laos, Cambodia, and Malaysia. Japan should join this working group.

Chapter 5 Recommendations

Based on the Evaluation Results of the previous chapters, the recommendations of this evaluation are described below. These recommendations were prepared by the Evaluation Team based on discussions with research institutions and experts, government officials from ASEAN headquarters and case study countries, private companies, and other relevant agencies in Japan and other countries.

<Recommendations from development viewpoints>

1. Planning infrastructure assistance and intellectual assistance for multi-country infrastructure development/ improvement

Japan has long supported the development/improvement of infrastructure in ASEAN member countries with good outcomes. Going forward, it is recommended that Japan focus on the development/improvement of infrastructure that straddles national borders. This could include: (1) support for symbolic transportation and transport infrastructure linking multiple countries across borders including effective use of existing assets such as maintenance of international roads and bridges, improvement of cross-border traffic, management of international port, etc., (2) support with respect to the development of electricity grids among ASEAN member countries, (3) other support such as joint operation of customs clearance facilities. These supports may include not only physical assistance, but also intellectual support such as the dispatch of Japanese experts and training programs (including third-country training programs). Regarding the power grid, a Memorandum of Cooperation (MoC) signed with the ASEAN Energy Center may provide a good background to justify support for this.

2. Assistance for institutional improvements in the international transportation network

Japan's assistance in transport infrastructure has produced outcomes and impact. It is important to support institutional improvements (e.g., elimination or reduction of non-tariff barriers) for more effective use or management of the supported infrastructure. Specifically, this includes (1) further support for the digitization of customs clearance and (2) support for the standardization and commonization of systems among ASEAN member countries. The latter, in particular, is a support that makes the most of Japan's established reputation as a "trusted partner."

3. Continued support through a combination of physical assistance and non-physical assistance (human resource development)

It was confirmed that the combination of support for development/improvement of infrastructure (physical aspect) through grant aid and loan assistance, and support for human resource development (non-physical aspect), including Technical Cooperation Projects and training, is a comparative advantage of Japan that is highly appreciated by ASEAN. This combined support should be continued in the future. In terms of “non-physical assistance, there are needs for (1) human resource development at the field level for infrastructure construction, operation, and maintenance, as well as long-term high-level human resource development, and (2) "policy research" in ASEAN member countries. It is desirable that support is considered in these areas where Japan has abundant knowledge and experience.

4. Addressing the common issues between ASEAN and Japan as collaborative partners

ASEAN's economy continues to grow, and it is expected that some countries will graduate as recipients of international aid in the future. In addition, as symbolized by the inclusion of digital and sustainability goals in the ACSP, the successor strategy to MPAC 2025, the direction ASEAN is taking increasingly includes global-scale issues such as decarbonization and digitalization. In light of this, Japan should gradually strengthen its relationship as a collaborative partner on an equal footing to address the common issues, in addition to its donor relationship to recipient countries. Areas of possible cooperation include (1) climate change (e.g., global warming prevention measures), (2) response to natural disasters (including dispatching international medical teams), (3) response to public health crises including infectious diseases, and (4) response to an aging society (e.g., smart city concept). These issues are common to both Japan and ASEAN member countries. Japan can share abundant knowledge based on its experience in these issues. Furthermore, (5) Japan should support attempts by the advanced ASEAN member countries to support neighboring member countries thorough training programs in third countries. In addition, it is also worth considering the strengthening of human and financial support for the ASEAN Secretariat in order to address common issues as collaborative partners.

5. Clarifying Japan's ODA contribution within the context of ASEAN’s strategy for connectivity.

Rather than compiling information about Japan's support to ASEAN connectivity, it is important to explain how this support contributes to ASEAN connectivity in line with ASEAN's strategy document (currently MPAC2025). This will help to gain better understanding of ASEAN member countries, the Secretariat, and partner countries, which will in turn allow Japan's support to achieve further synergistic effects and contribute to achieving connectivity in a more positive way. This is especially important in 2025 when the successor strategy document to MPAC 2025 is being formulated. It is high time for Japan's support to be seen in this way.

<Recommendations from a Diplomatic Perspective>

6. Support and respect for the unity and centrality of ASEAN

Japan should continue to support and respect the unity and centrality of ASEAN as expressed in the AOIP, which guides ASEAN diplomatic relations. This will lead to maintaining and enhancing trust in Japan that will ultimately serve Japan's national interest.

7. Leading the international community by demonstrating universal values at FOIP

The FOIP concept/framework supports the ASEAN Connectivity Initiative and demonstrates the value of the rule of law and free trade. It is recommended that this continue to be promoted. This concept/framework has been widely followed by other donors , and it has served as "priming water" for policy collaboration; and it is a good example of Japan's leadership in the international community. It is hoped that Japan will continue to actively lead discussions in the international community. Needless to say, the Japan-ASEAN Connectivity Initiative is in line with this concept and framework, and its continued promotion is recommended.

Recommendations	Organization	Timeframe
<Development Perspectives>		
1. Planning infrastructure assistance and intellectual assistance for multi-country infrastructure development/ improvement (Symbolic transportation infrastructure; planning for power grid support; training and other intellectual support; etc.)	MOFA, JICA	Medium-term (3 - 5 years)
2. Assistance for institutional improvements in the international transportation network (Digitization of customs clearance; standardization of systems in multiple countries; etc.)	MOFA, JICA	Medium-term (3 - 5 years)
3. Continuing the combination aid of physical assistance and non-physical assistance (human resource development) (Support for field and high-level human resource development and policy research)	MOFA, JICA	Medium-term (3 - 5 years)
4. Addressing the common issues between ASEAN and Japan as collaborative partners	MOFA, JICA	Long-term (10 years)

(Climate change; natural disasters; public health, aging society; and the use of third-country training schemes; etc.)		
5. Clarifying Japan's ODA contribution in the context of ASEAN's strategy for connectivity.	MOFA, JICA	Short-term (1 year)
<Diplomatic Perspectives>		
6. Support and respect for the unity and centrality of ASEAN (Contribute to maintaining and enhancing reliability toward Japan)	MOFA	Long-term (10 years)
7. Lead the international community by demonstrating universal values in the FOIP (Promote rule of law and free trade)	MOFA	Long-term to very long term (10 - 20 years)

Source: Prepared by the Evaluation Team