ASIAN REGION

DATA COLLECTION SURVEY ON ASEAN'S INITIATIVES FOR STRENGTHENING FOOD VALUE CHAIN

FINAL REPORT

MARCH 2023

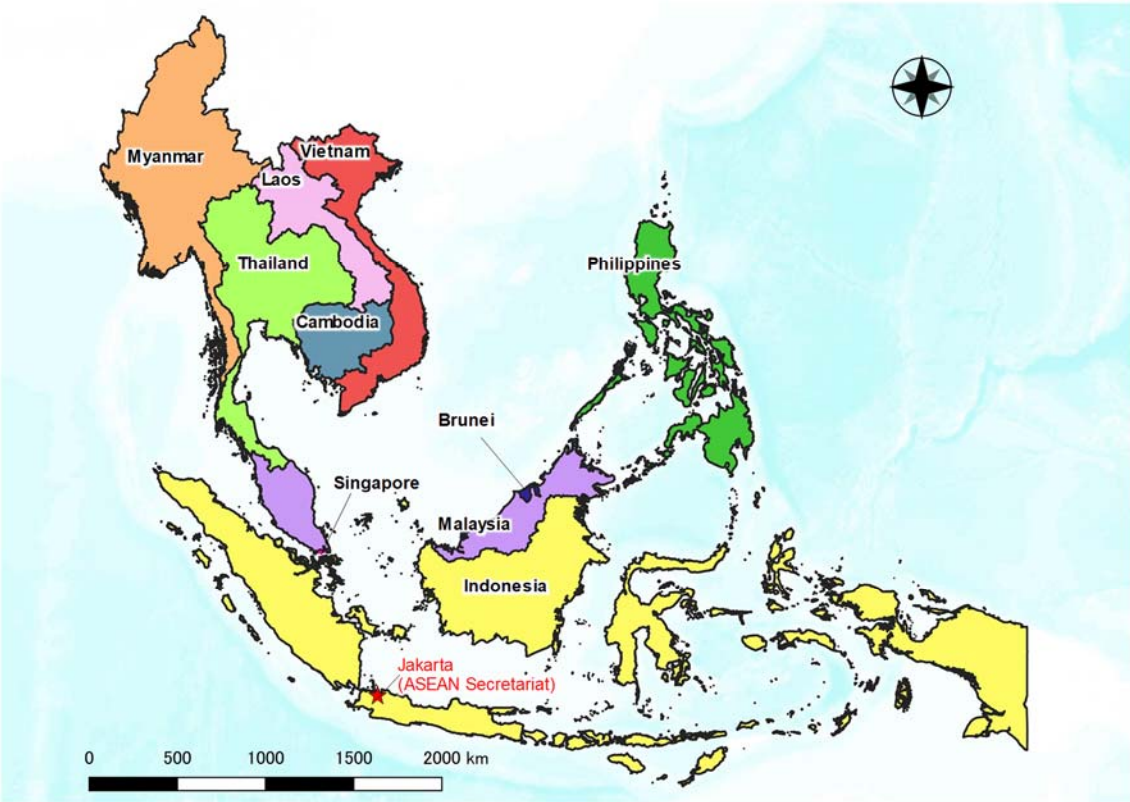
JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

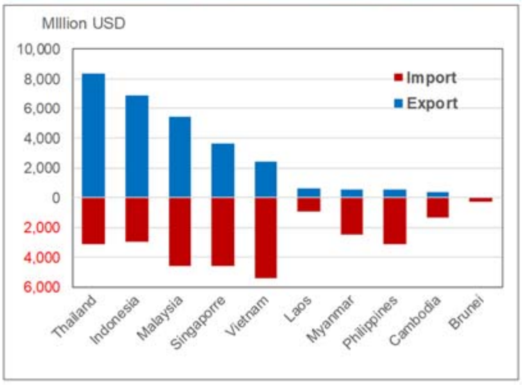
SANYU CONSULTANTS INC.
NIPPON KOEI CO., LTD.

ED
JR
23-077

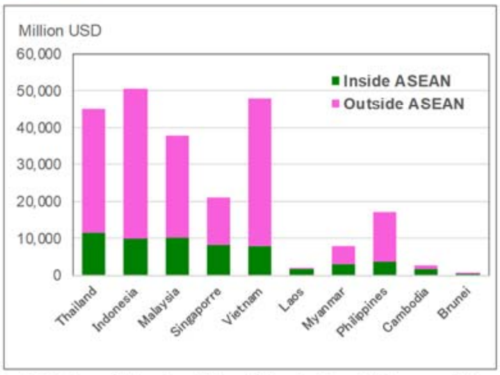
Data Collection Survey on ASEAN's Initiatives for Strengthening Food Value Chain

Subject Countries of Survey (ASEAN Member States)





Total Value of Import/Export of Food/Agricultural Commodities in ASEAN Member States



Total Value of Trade of Food/Agricultural Commodities in ASEAN Member States

Major Food/Agricultural Commodities Traded by ASEAN Member States

Country	Major Imports of Food/Agricultural Commodities	Major Exports of Food/Agricultural Commodities
Brunei	Rice, Whole dried milk, Beef	-
Cambodia	Cigarettes, Refined sugar, Malt, Maize, Barley, Soybeans cake	Rice, Rubber,Bananas, Sugar refined, Cassava starch, Palm oil, Cigarettes, Raw sugar
Indonesia	Wheat, Soybean cake, Sugar, Cotton, Soybeans, Beef, Cigarettes, Cocoa	Palm oil, Rubber, Fatty acids, Palm kernel oil, Cofee, Cigarettes, Cocoa
Laos	Beverages, Refined sugar, Food wastes, Rice, Tobacco (unmanufactured), Cofee	Rubber, Beef, Sugar refined, Dried cassava, Cigarettes, Coffee, Maize
Malaysia	Cocoa, Maize, Rubber, Raw sugar, Palm oil, Soybeans cake, Rice	Palm oil, Fatty acids, Rubber, Pastry, Cocoa, Palm kernel oil, Cofee
Myanmar	Palm oil, Wheat, Barley, Soybeans cake, Tobacco (unmanufactured), Refined sugar	Rice, Beans, Bananas, Sesame seed, Maize, Beef, Rubber, Areca nuts
Philippines	Wheat, Soybeans cake, Rice, Coffee, Oil (boiled), Beef, Milk, Chicken	Bananas, Coconut oil, Pineapples, Cigarettes, Coconuts, Tobacco (unmanufactured)
Singapore	Cigarettes, Wine, Oil (boiled), Pastry, Chocolates	Cigarettes, Cocoa butter, Chocolate products
Thailand	Soybeans, Soybeans cake, Wheat, Cotton, Cigarettes, Dried Cassava	Rice, Rubber, Chicken, Raw sugar, Fruits, Refined sugar
Vietnam	Cotton, Maize, Soybeans, Soybeans cake, Cashew nuts, Wheat, Beef, Palm oil	Cashew nuts, Rice, Cofee, Fruits, Cassava starch, Rubber, Pepper, Cofee

Source: FAOSTAT (2019)

Table of Contents

Acronyms

AADCP II	ASEAN-Australia Development Cooperation Program (the Australian Government's 'ASEAN-Australia Development Cooperation Program, Phase 2)
AARNET	ASEAN Asian Vegetable Research and Development Centre Regional Network for Vegetable Research and Development
ACBF	ASEAN Cooperative Business Forum
ACCAHZ	ASEAN Coordinating Centre for Animal Health and Zoonoses
ACCSQ	ASEAN Consultative Committee for Standards and Quality
ACEDAC	ASEAN Centre for the Development of Agricultural Cooperatives
ACFS	National Bureau of Agricultural Commodity and Food Standards, Thailand
AC-SPS	ASEAN Committee on Sanitary and Phytosanitary Measures
AEC	ASEAN Economic Community
AECD	ASEAN Economic Community Department
AEGFS	ASEAN Expert Group on Food Safety
AEM	ASEAN Economic Ministers
AFA	Asian Farmers' Association for Sustainable Rural Development
AFAS	ASEAN Framework Agreement on Services
AFCF	ASEAN Fisheries Consultative Forum
AFOSP	ASEAN Farmer's Organisation Support Programme
AFSP	ASEAN Food Safety Policy
AFSRF	ASEAN Food Safety Regulatory Framework
AFTA	ASEAN Free Trade Area
AGOC	ASEAN Guidelines for Organic Certification
AHC4	ASEAN Health Cluster 4
AHM	ASEAN Health Ministers
AIFF	ASEAN Investment Facilitation Framework
AIFS	ASEAN Integrated Food Security
ALRO	The Agricultural Land Reform Office,Thailand
AMAF	ASEAN Ministers on Agriculture and Forestry
AMR	Antimicrobial Resistance.
AMS	ASEAN Member States
ANGKASA	Malaysia National Cooperative Movement
APSC	ASEAN Political Security Community Council
ARDB	Agricultural and Rural Development Bank, Cambodia
ASA	ASEAN Shrimp Alliance
ASEAN	Association of Southeast Asian Nations
ASCC	ASEAN Socio-Cultural Community Council
ASCP	ASEAN Sanitary and Phyto-sanitary Contact Points (ASEAN SPS Contact Points)
ASEC	ASEAN Secretariat
ASEC-DO	ASEAN Secretariat Desk Officer
ASOA	ASEAN Standard for Organic Agriculture
ASSP	ASEAN-SEAFDEC Strategic Partnership

ASWG	ASEAN Sectoral Working Group
ASWGAC	ASEAN Sectoral Working Group on Crops
ASWGC	ASEAN Sectoral Working Group on Crops
ASWGFi	ASEAN Sectoral Working Group on Fishery
ATIGA	ASEAN Trade in Goods Agreement
BAAC	Bank for Agriculture and Agricu;tural Cooperatives, Thailand
BSE	Bovine Spongiform Encephalopathy
BRC	British Retail Consortium
CACA	The Cambodia Agricultural Cooperative Alliance
CDA	Cooperative Development Authority
CDC	Cooperative Distribution Center, Thailand
CDF	Cooperative Development Fund
CLCO	Central Land Consolidation Office, Thailand
CLMV	Cambodia, Laos, Myanmar, and Vietnam (late members of ASEAN, collectively the four countries listed left)
COSTI	ASEAN Committee on Science, Technology and Innovation
CPD	Cooperative Promotion Department, Thailand
CPR	Committee of Permanent Representatives of ASEAN
CSA	Climate Smart Agriculture.
CSAP	AEC Consolidated Strategic Action Plan
DACP	Department of Agricultural Cooperative Promotion, Cambodia
DAD	Department of Aquaculture Development, Cambodia
DEKOPIN	Dewan Koperasi INDONESIA
DFPTQ	Department of Post-Harvest Technology and Quality Control, Cambodia
DOAE	Department of Agricultural Extension, Thailand
DX	Digital Transformation
EEZ	Exclusive Economic Zone
EMP	Eleventh Malaysia Plan
ERIA	Economic Research Institute for ASEAN and East Asia
EWG	Expert Working Groups
EWG-GAP	EWG on ASEAN GAP (ASEAN GAP Expert Working Group)
EWG-OA	EWG on Organic Agriculture (Expert Working Group on Organic Agriculture)
EWG-PS	EWG on Harmonisation of Phytosanitary Measures
FAF	Food, Agriculture, and Forestry
FAMA	Federal Agriculture Marketing Authority, Malaysia
FAO	Food and Agriculture Organization
FAORAP	FAO Regional Office for Asia and the Pacific
FCG	Fisheries Consultative Group
FDA	Food and Drag Authority, Indonesia
FGD	Focus Group Discussion
FiA	Fisheries Administration, Cambodia
FLEGT	Forest Law Enforcement Governance and Trade
FOIP	Free and Open Indo-Pacific
FP	Focal Point/ Person

FSSC	Food Safety System Certification
FTA	Free Trade Agreement
FVC	Food Value Chain
FQIA	Fish Quarantine Inspection Agency, Indonesia
GAHP	Good Animal Husbandry Practices
GAP	Good Agricultural Practice
GAqP	Good Aquaculture Practice
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Products
GESI	Gender Equality and Social Inclusion
GFSI	Global Food Safety Initiative
GHQ	General Head Quarter
GIZ	Gesellschaft für Internationale Zusammenarbeit
GMO	Genetically Modified Organisms
GQP	Good Quarantine Practice
GRP	Gross Regional Products
GSB	Government Saving Bank, Thailand
HACCP	Hazard Analysis and Critical Control Point
IAI	Initiative for ASEAN Integration
IAQA	Indonesia Agricultural Quarantine Agency
ICA	International Cooperatives Alliance
ICT	Information and Communication Technology
IISD	International Institute for Sustainable Development
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
IUU	Illegal, Unreported and Unregulated
JA	Japan Agricultural Cooperatives
JAIF	Japan-ASEAN Integration Fund
KPI	Key Performance Indicators.
MAMRASCA	Mutual Recognition of Agri-food Standards and Conformity Assessment
MARD	Ministry of Agriculture and Rural Development, Vietnam
MCS	Monitoring, Control and Surveillance.
MCSC	Malaysia Cooperative Societies Commission
MDGs	Millennium Development Goals.
MOAC	Ministry of Agriculture and Cooperatives, Thailand
MPI	Ministry of Planning and Investment, Vietnam
MRA	Mutual Recognition Agreement.
MRL	Maximum Residue Levels for pesticides and veterinary medicines.
MSME	Micro, Small, and Medium Enterprises.
NTM	Non-Tariff Measures.
OIE	International Epizootic Office.
OTOP	One Tambon One Product, Thailand
OVOP	One Village One Product
PAM	Project Appraisal Meeting
PFPWG	Prepared Foodstuff Product Working Group

POA	Plan of Action
POS	Point of Sale System
PPP	Public Private Partnerships
QASAFV	Quality Assurance Systems for ASEAN Fruit and Vegetables project, Australian Government
QR	Quick Response
REDD+	Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries Reducing Emissions from Deforestation and forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
REMO	Regional Fisheries Management Organization
SAPSMED	Strategic Action Plan for SME Development
SCB	Siam Commercial Bank, Thailand
SDGs	Sustainable Development Goals
SDVI	Supply Demand Virtual Information
SEAFDEC	Southeast Asian Fisheries Development Center
SFM	Sustainable Forestry Management
SME	Small, and Medium Enterprises
SOM	Senior Officials Meeting of ASEAN Ministers
SOM-AMAF	Senior Officials Meeting of ASEAN Ministers on Agriculture and Forestry
SP	Strategic Plan
SPA	Strategic Plan of Action
SPA-AC	Strategic Plan of Action for ASEAN Cooperation in Agriculture Cooperative
SPA-Crops.	Strategic Plan of Action for ASEAN Cooperation on Crops
SPA-Fisheries.	Strategic Plan of Action for ASEAN Cooperation on Fisheries
SPA-FS	Strategic Plan of Action on Food Security on the ASEAN Region
SPS	Sanitary and phytosanitary
ST	Strategic Thrust
SWG	Sectoral Working Group
TF	Task Force
TFR	Total Fertility Rate
TOR	Terms of References
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNFSA	United Nations Fish Stock Agreement
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
VCA	Vietnam Cooperative Alliance
VSP-FAF	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry
WOAH	World Organization for Animal Health
WTO	World Trade Organization

Tables

Figures

Boxes

CHAPTER 1. SURVEY OVERVIEW

1.1 Background

In many developing countries, small-scale farmers support food production, but the proportion of the farming population has declined in recent years due to urbanization and industrialization. To secure stable food supply, it is essential for farmers to make their living sustainable through farming. However, in many cases, increasing agricultural production has not directly brought these farmers higher income, as they oftentimes produce without following market needs. Such conventional way of farming is so-called product-out. Thus, it is important to link values added at each stage of the supply chain for agricultural, forestry, and fishery products. Developing and strengthening a chain of value added on food products, namely a food value chain (hereinafter referred to as FVC) has been recognized as important these days.

In the South-East Asia region, consumer needs with regard to food are diversifying and increasing as the middle class expands in line with its rapid economic growth. According to World Bank data, the nominal GDP in the 9 countries excluding Singapore shows an increasing trend from USD2,325.7 billion in 2016 to USD 2,950.5 billion in 2020, and FVCs with a market-in approach are getting gradually common. To further accelerate this trend of FVCs, it is important to ease information asymmetries between the upstream and the downstream of FVC, to form a network among FVC stakeholders, and to foster understanding among each other.

In addition, the Association of Southeast Asian Nations (ASEAN), which consists of 10 member states (AMSs) in the region, has also focused on FVCs. ASEAN provides policy guidelines which encompass common or cross-cutting issues among AMSs. It is also working towards harmonized agricultural and rural development in the region through preparing guidelines.

Since the Government of Japan and ASEAN concluded an agreement on technical cooperation in 2019, Japan International Cooperation Agency (JICA) and ASEAN have discussed and planned a technical cooperation project, which is called "the ASEAN-JICA Food Value Chain Development Project"(hereinafter referred to as the "ASEAN FVC Project"). This project has been adopted recently and is soon going to be launched. This study is designed to clarify the overall picture of the ASEAN Community's efforts to build and strengthen FVCs, in order to realize JICA's cooperation projects with the ASEAN Community, which focuses on the centrality and unity of ASEAN. This study also helps to update the information collected during The Data Collection Survey on ASEAN-JICA Food Value Chain Development Project, which was publicized in 2020. In addition, since the social and economic environment is considered to have a strong influence on the development of FVC, the historical transition of Japan and Thailand will be analyzed to provide reference material for understanding the future direction of FVC enhancement in ASEAN as a whole.

1.2 Purpose of Survey

As mentioned above, the upcoming project has the aim of establishing a comprehensive and sustainable FVC in the South-East Asian region, thereby contributing to 'improving the livelihoods of rural people and the stable food supply. The purpose of the survey is to collect and analyze information that are necessary and useful to launch the said technical cooperation project. In addition, as the social and economic environment is considered to have a strong influence on the development of FVC, the historical transition of FVC in Japan and Thailand will be traced to provide reference material to be identified the determinant of the FVC enhancement in the ASEAN countries. Also, the output of this study will summarize suggestions considered for implementation within a technical cooperation project with the ASEAN Community as a counterpart.

1.3 Coverage of Survey

The survey mainly focuses on the ASEAN Community, AMSs and the ASEAN Secretariat (ASEC). Additionally, Japan is also included in the focus of survey in order to provide a comparative study of its historical background to the establishment and strengthening of its FVCs.

ASEAN is a regional cooperation organization comprising 10 countries in the South-East Asia region (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam). Their demographic characteristics are significantly diversified, such as land area, population, political systems, economic systems, religions, and languages. In addition, in the Free and Open Indo-Pacific (FOIP) initiative led by the Japanese government, ASEAN occupies an extremely important geopolitical position, and cooperation with ASEAN is considered a key to the success of FOIP.

The 10 AMS have a land area of approximately 4.49 million square kilometers (about 12 times that of Japan), a population of about 660 million (about five times that of Japan) and a nominal gross domestic product of approximately USD 2,997.8 billion (about half that of Japan). In recent years, real GDP growth has been high, averaging just under 5%, and its potential to become a "center of growth open to the world" is attracting attention. However, due to the Covid-19 pandemic, real GDP growth in 2020 came out negative in most of AMSs, except Brunei, Lao PDR, Myanmar, and Viet Nam. Quick economic recovery is a key issue common to all AMSs.

Table 1.3.1 Key Indicators in AMSs (2020)

Indicator	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
Area (km^2)	5,765	181,035	1,916,862	236,800	329,131	676,577	300,000	728	513,139	331,236
Population (thousands)	453.6	16,338	270,203	7,231	32,584	54,817	108,772	5,685	68,127	97,582
Population density (people/km^2)	78.7	90.2	141.0	30.5	99.0	81.0	362.6	7,810.2	132.8	294.6
Nominal GDP (million US$)	12,000	25,377	1,059,146	19,062	337,287	70,177	361,519	339,925	501,543	271,799
Nominal GDP per head of population (USD)	25,885	1,528	3,928	2,636	10,328	1,285	3,323	59,784	7,361	2,785
Real GDP growth (%)	1.2	-3.1	-2.1	3.3	-5.6	3.2	-9.5	-5.4	-6.1	2.9
Urban population ratio (%)	78.3	35.7	56.7	36.3	76.7	29.9	47.4	100.0	51.4	36.8
Direct investment inflows (US$ million)	577	3,625	18,581	968	3,512	1,907	6,542	90.598	-4,768	15,800

Source: ASEAN Statistical Leaflet (2021) and ASEAN stats

There are significant economic disparities between the four late-joining AMSs, so called CLMVs (standing for Cambodia, Lao PDR, Myanmar and Viet Nam), and the other six states. For example, in terms of GDP per capita (purchasing power parity equivalent), the difference between Singapore and Myanmar is 27 times greater.

As stated in Article 1 of the ASEAN Charter, "to reduce poverty and narrow development gaps within the ASEAN region," the ASEAN Community has an important role to play in reducing inter-regional disparities, poverty, and bottom-up regional economy. ASEAN Community develops standards and guidelines, accumulating effective national and regional policies and best practices, and addressing issues that require a regional approach that crosses borders (e.g., pests and diseases, climate change analysis).

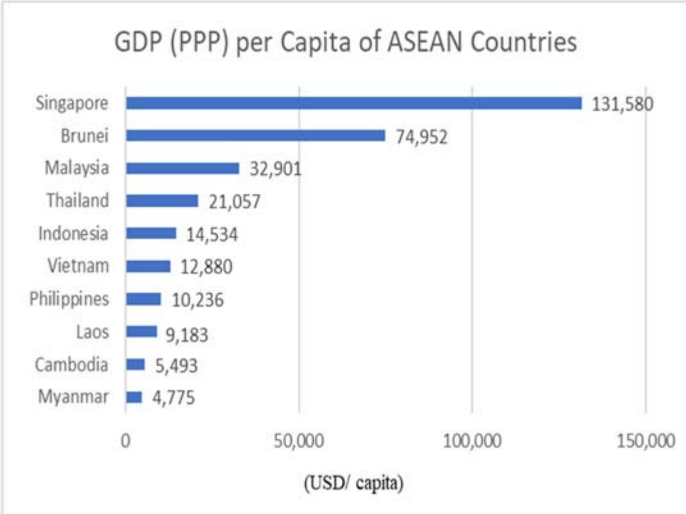


Figure 1.3.1 GDP per capita in AMSs (Purchasing Power Parity equivalent)

Source: World Bank Open Data

1.4 Methods of Survey

The data collection survey was undertaken in order to identify the actual organizational situation of the ASEAN Community, specifically the organization, functions, operational structure and decision-making mechanisms of the SOM-AMAF (Senior Officials Meeting of ASEAN Ministers on Agriculture and Forestry), SWGs (Sectoral Working Groups) and ASEC, which should be understood in the implementation of the ASEAN FVC Project mentioned above.

There are various subsidiary working groups/committees to support SOM-AMAF. In regard to the project mentioned above, four of groups/committees are particularly relevant and set as main focus of the survey. They are, (i) the ASEAN Sectorial Working Group on Crops (ASWGC), (ii) the ASEAN Sectorial Working Group on Fisheries (ASWGFi), (iii) the ASEAN Committee on Sanitary & Phytosanitary (SPS) and SPS Focal Point (AC-SPS), and (iv) the ASEAN Sectorial Working Group on Agricultural Cooperatives (ASWGAC). In addition, for those organizations' actions, which are considered important from the perspective of strengthening FVCs, the activities of their subordinates, expert working groups (EWGs) are also studied.

Table 1.4.1 Working Groups/Committees Focused by this Survey

Working Group/Committee	Year of establishment	Description
ASEAN Sectoral Working Group on Crops (ASWGC)	1997	It develops and delivers support policies aimed at promoting the agri-food sector in the region, including trade enhancement.
ASEAN Sectoral Working Group on Fisheries (ASWGFi)	1997	It is responsible for regular reviews of fisheries in the ASEAN region, developing effective means of information exchange, promoting coordination and harmonization of ASEAN fisheries policies and identifying areas of cooperation with relevant countries, groups and international organizations to promote sound development of the fisheries industry.
ASEAN Committee on Sanitary & Phytosanitary Measures (AC-SPS) and ASEAN Sanitary and	2011 2012	It is responsible for coordinating harmonization efforts on SPS measures by all relevant WGs under the AMAF and has a cross-sectoral role.

Phytosanitary Contact Points (ASCP)		The AC-SPS is the committee responsible for the key institutional arrangements for SPS measures in ASEAN and, through the ASCP, for the exchange of information and cooperation on SPS issues in the ASEAN region.
ASEAN Sectoral Working Group on Agricultural Cooperatives (ASWGAC)	2000	It facilitates the development of agricultural cooperatives in the ASEAN region through regular reviews of their status, policy and institutional changes, exchange of best practices and experiences, and capacity building.

Source: ASEAN Secretariat

The survey has been conducted as the following schedule.

Table 1.4.2 Schedule of the Survey

Work	Time	Subject	Number of locations	Contents
Field Survey 1	Aug-Sep 2022	ASEAN Secretariat	1 country (Indonesia)	Explanatory discussions, requests for cooperation, information gathering, coordination with the 4SWG chairpersons
Homework 1	Aug-Sep 2022	ASEAN Secretariat, AEC, and the 4 Lead countries of the SWGs	9 questionnaires	Questionnaires sent to ASEAN Secretariat, Sectoral Development Offices (Food, Agriculture and Forestry Division, IAI Gap Reduction Division), Market Integration Department, SOM-AMAF and four WGs to check and organize responses.
Field Survey 2	Sep-Oct 2022	The Lead Countries of 4SWG	3 countries (Indonesia, Philippines and Vietnam)	Explanatory discussions, requests for cooperation, surveys of main measures, coordination with member states
Homework 2	Oct-Dec 2022	4SWG members	10 countries (all AMS) x 4 sectors plus Japan	Questionnaires and online surveys in four areas, selection of countries for field research, review of Japan's historical transition of the FVC
Field Survey 3	Dec 2022	Countries covered by detailed studies in the four sectors	4 countries (Thailand, Indonesia, Laos and Cambodia)	Survey on the application of the guidelines in each country for each sector
Field Survey 4	Nov-Dec 2022	Country compared with Japan	1 country (Thailand)	Review of Thailand`s historical transition of the FVC.

Source: JICA Survey Team

CHAPTER 2. ASEAN ORGANIZATION AND MANAGEMENT

Basic information was collected on the ASEAN Senior Official Level Meeting on Agriculture, Forestry, and Fisheries (SOM-AMAF) and its affiliated working groups, including their roles, functions, members, and main activities. The following questionnaires were sent to the relevant main organizations such as the ASEAN Secretariat (ASEC) and the relevant working groups of the ASEAN Agriculture and Forestry Ministers' Meeting (AMAF) in August 2022 (Table 2.1.1), and based on the answers of the questionnaires, the Japanese Survey Team Members visited member countries in September and October 2022 in order to conduct interviews with the ASEAN Secretariat and national FPs in each country (countries visited: Indonesia, the Philippines, and Vietnam). The chapter focuses on the results of the interviews.

Table 2.1.1 Summary of Questionnaires on Organization and Management of ASEAN

Number	Survey Subject	Question
Q-1.	ASEAN Secretariat (ASEC)	Functions, mandates, organization, and relevant policy documents.
Q-2.	ASEAN Senior Officers Meeting on Agriculture, Forestry and Fisheries (SOM-AMAF)	Functions, mandates, organization, decision-making methods, monitoring methods, issues, contact information of Member States.
Q-3-1.	Sectoral Working Group on Crops (ASWGC)	Functions, mandate, organization, activities, decision-making methods, relationship with other working groups, monitoring methods, issues, contact information of Member States.
Q-3-2.	Sectoral Working Group on Fisheries (ASWGFi)	
Q-3-3.	SPS Contact Point (ASCP)	
Q-3-4.	Sectoral Working Group on Agricultural Cooperative (ASWGAC)	
Q-4-1.	Department of Sectoral Development Directorate, Food, Agriculture and Forestry Division.	Functions, mandate, organization, linkages with other donors, monitoring methods, role of the Chairperson, and relationships of relevant workplans.
Q-4-2.	Department of Sectoral Development Directorate, ASEAN Integration Initiative and NDC Division	Roles, mandates, organization, monitoring methods, issues.
Q-4-3.	Standards and Conformity Division, Department of Market Integration	

Source: JICA Survey Team.

2.1 Organization of ASEAN

ASEAN is the Association of regional cooperation of countries in the South-East Asia region, established in 1967. Initially, five countries−Indonesia, Malaysia, the Philippines, Singapore and Thailand−became members, followed by Brunei in 1984, and then four later member countries (CLMV: Cambodia, Laos, Myanmar and Vietnam) by 1999, making up the current 10 member states of ASEAN.

Article 3 of the ASEAN Charter, which entered into force in 2008, gave ASEAN juridical personality as a regional organization, enabling it to become a partner in international commitments. It also declared the establishment of the ASEAN Community at the end of 2015, and according to Chapter IV of the ASEAN Charter, ASEAN is to be managed by the following entities: 1) the ASEAN Community, 2) the ASEAN Member States, and 3) the ASEAN Secretariat. The ASEAN Community is composed of the three pillars namely ASEAN Political Security Community Council (APSC), the ASEAN Economic Community Council(AEC), and the ASEAN Socio-Cultural Community Council (ASCC).

The issues related to each of these pillars are dealt with by different level organizations and committees. These organizations and committees work with the ASEAN Coordinating Council and the ASEAN

Secretariat in order to address issues based on the following coordination mechanisms (Figure 2.1.1) According to the ASEAN Charter, the coordination mechanisms are managed by the following bodies:

1) ASEAN external committees (committees located in third countries, international organizations);
2) ASEAN National Secretariats;
3) Committee of Permanent Representatives of ASEAN (CPR);
4) ASEAN Secretary General and Secretariat;
5) ASEAN Sectoral Ministerial Meetings (e.g. AMAF);
6) ASEAN Community Council (3 sectors);
7) ASEAN Coordinating Council;
8) ASEAN Summit.

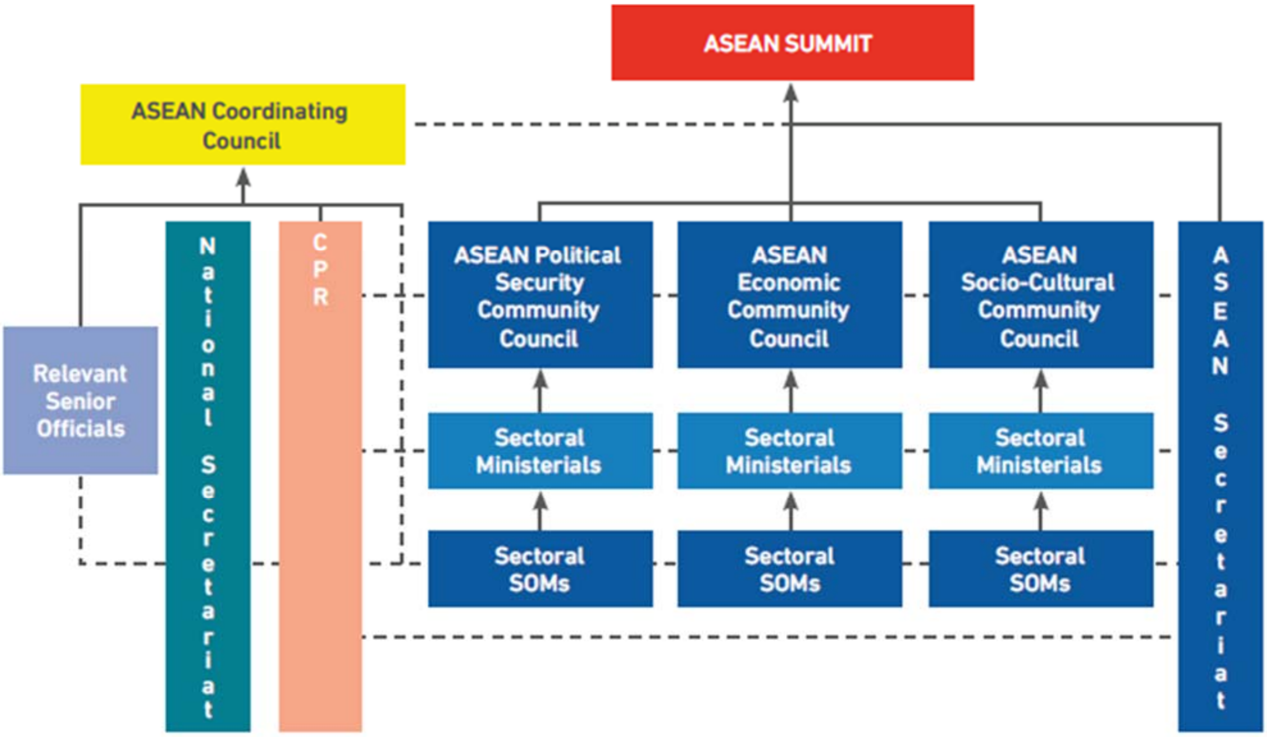


Figure 2.1.1 ASEAN Coordination Mechanisms

Source: MODEL ASEAN MEETING: A GUIDEBOOK (2020) p. 12.

2.1.1 ASEAN Secretariat (ASEAN Economic Community Relations)

The ASEAN Secretariat was established in 1976 by the then ASEAN Foreign Ministers and, according to The Agreement on the Establishment of the ASEAN Secretariat, its mandate is "to provide for greater efficiency in the coordination of ASEAN organs and for more effective implementation of ASEAN projects and activities." The ASEAN Secretariat under the ASEAN Economic Community is managed by the internal organizations, as pictured in Figure 2.1.2.

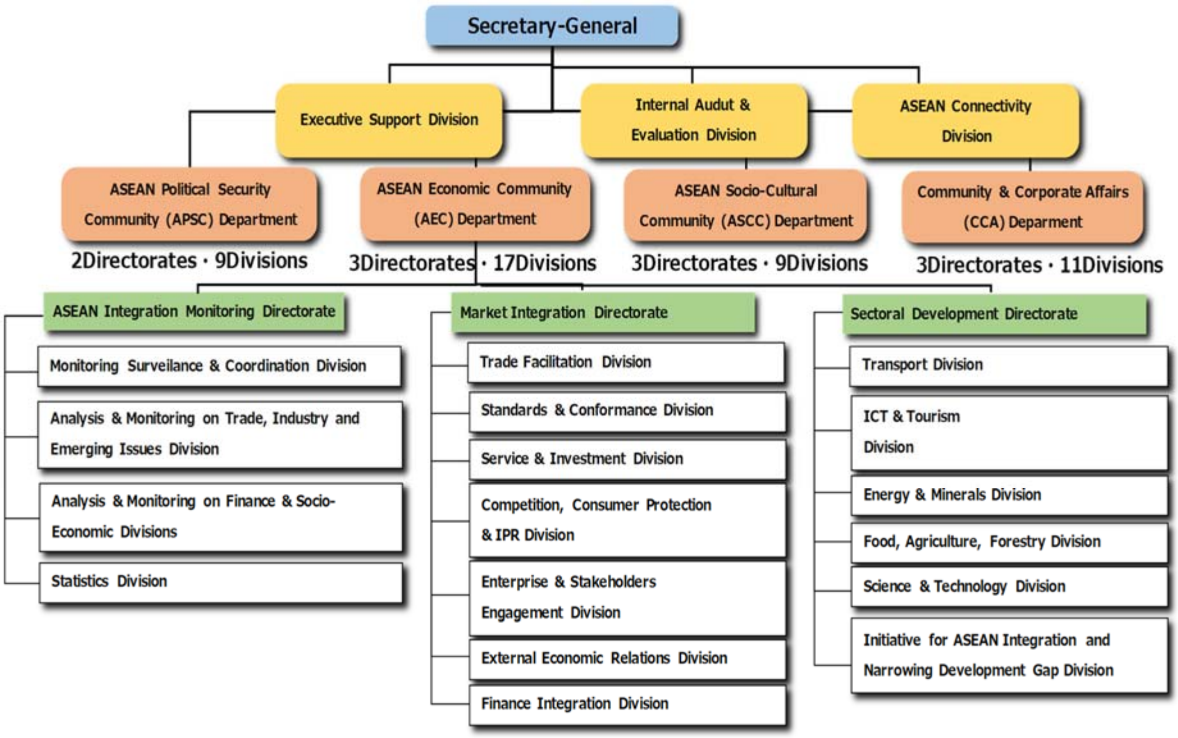


Figure 2.1.2 Organization Structure of ASEAN Secretariat Linked under AEC

Source: ASEAN Secretariat.

Specifically, the following administrative functions are carried out by ASEAN Secretariat:

1) Ensure that the meetings of the heads of government meetings, the Chairperson of the ASEAN Ministerial Meeting, and the Chairperson of the Standing Committee are conducted in a responsible manner.
2) It has the authority to make direct contact with States Parties.
3) Promote and co-ordinate ASEAN activities through the preparation and monitoring of an ASEAN co-operation plan (three years).
4) Plan, coordinate, and manage technical cooperation activities.
5) Serve as a formal channel of communication with the ASEAN Commission, its affiliates and international organizations.
6) Manage the funds established within the framework of ASEAN cooperation.
7) Prepare an annual report and submit it to the ASEAN Ministerial Meeting.

With a view to ensuring the specialization of the Secretariat's staff, it was agreed at the 1992 Singapore Summit that their employment should be based on open recruitment. There are currently two Deputy Director-Generals, one of whom is responsible for internal organizational management and the other for administration and policy. There are divisions for internal organisational management such as administration, finance, human resources, public relations, and information technology, while there are also other divisions for operation and policy affairs such as fiscal cooperation and macroeconomic monitoring task forces, economic and functional cooperation, trade, investment and services, programme coordination and external relations[1].

2.1.2 Sectoral Development Directorate, Food, Agriculture and Forestry Division

The Food, Agriculture, and Forestry Division has a function to oversee the development of the food, agriculture, and forestry sector in ASEAN and the implementation of programmes and projects in the sector. Specifically, it is to support the organization of meetings (e.g., preparation of agendas, preparation of minutes,

[1]https://asean.org/the-asean-secretariat-basic-mandate-functions-and-composition/

etc.) of the SOM-AMAF (see below) and its sub-organizations (working groups, etc.) and to perform administrative tasks such as progress management, evaluation and reporting on the implementation of programmes and projects related to the development of the food, agriculture, and forestry sector in ASEAN, together with relevant countries and funding agencies.

In particular, the SWGs, EWGs (Expert Working Groups) and other subordinate bodies of AEC do not have their own secretariats and, except in some cases where the lead country undertakes secretariat duties, the division prepares most of the minutes and monitoring and evaluation reports for each activity. Reports for monitoring and evaluation of Strategic Plan of Action (SPA) related to agriculture and forestry are prepared annually by the division. In addition to the annual reports, external consultants are employed for milestone years (e.g. the final year of a five-year plan) and based on the annual evaluation reports from each subsidiary body, the external consultants visit the Member State concerned and prepare the reports independently through interviews with relevant stakeholder. These reports shall not be made available to third parties. They are approved by the SOM-AMAF and further by the AMAF.

As of August 2022, the Food, Agriculture and Forestry Division is organized as follows: three senior officers (one in charge of crops and SPS, one in charge of forestry and agricultural cooperatives, one in charge of fisheries, halal and genetically modified organisms (GMO)) under one director (in addition to the director, in charge of livestock), three officers (one in charge of livestock, one in charge of forestry and agricultural cooperatives and one in charge of crop and Fisheries) and a secretary. Within the Secretariat, these officers with specific areas of responsibility are referred to as ASEC Desk Officers (ASEC-DOs).

The division is responsible for managing the implementation of each activity in each SPA, one example being the capacity-building project in the SPA on Agricultural Cooperative. This project is funded by the Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF) and is still ongoing. Through various training courses, seminars, and the dispatch of Japanese experts, the project has contributed to capacity building of government officials, agricultural cooperative officials in member countries.

Themes are mainly related to strengthening agricultural cooperative activities, but also include the definition of FVC and case studies of FVC in various countries. Japanese experts are dispatched for one to three weeks from agricultural cooperatives across Japan through Zenchu (Central Union of Agricultural Cooperatives of Japan) assistance, who are relevant capable experts in providing guidance on their agricultural activities in line with the themes. Experts are also dispatched from relevant organizations and institutions outside the agricultural cooperatives. In implementation, the Division is responsible for coordinating with the participating countries and setting tasks, and preparing reports on the monitoring and evaluation of the projects in collaboration with the implementing agencies. In addition, the department conducts evaluation tests on participants before and after each training session to check whether their capacities have improved.

Also, within SPA on Crop, there is another implementation example about the promotion of ASEAN Good Agricultural Practice (ASEAN GAP), in which the senior officers from the Food, Agriculture and Forestry division sometimes provide direct guidance to GAP officers in the target countries. It was also confirmed that efforts are being made to deepen understanding of ASEAN GAP by the senior officers (Standards and Criteria Division, Ministry of Agriculture, Lao PDR).

2.1.3 Sectoral Development Directorate, Initiative for ASEAN Integration and Narrowing Development Gap Division

The role of the Initiative for ASEAN Integration (IAI) – Narrowing Development Gaps (NDG) Division, as the secretariat of the IAI Task Force, is to formulate projects listed in the IAI Work Plan, monitor, and coordinate the implementation of activities, and strengthen cooperation with sub-regions such as the Greater Mekong Region. The IAI Work Plan (2021-2025) identifies five strategic areas (food and agriculture, trade facilitation, SMEs, education, health and welfare), with food and agriculture being the first. The division responds to the demands and needs of the CLMV through the implementation of projects related to these five strategic areas: as of June 2022, 46 projects were being implemented with a budget of USD4.87 million, 12 out of 24 activities in the five strategic areas and three promotion activities out of four are being addressed. In the Third IAI Work Plan, 12 projects were implemented between September 2016 and July 2021, which are still being monitored by the ASEAN Secretariat. The division's project monitoring and evaluation is made by IAI Task Force based on monitoring and evaluation on Work Plan by ASEAN Secretariat and Monitoring reports made by project proponents and implementation agencies.

The IAI/NDC division contributes to securing donor support by accumulating knowledge on the interests of individual donors and the necessary project procedures through its above-mentioned involvement in the monitoring and evaluation of the projects while supporting the review meetings of ASEAN partners and the IAI Task Force. In addition, the projects proposed by Member States are recognized as IAI projects by meeting the IAI project criteria such as at least two beneficiaries countries out of CLMV. While the five strategic areas are areas that straddle both the AEC and the ASCC, the division technically belongs to the AEC pillar. As a result, there is weak cooperation with the Divisions under the ASCC pillar, and the division may not be fully aware of the issues the ASCC facing.

2.1.4 ASEAN Ministers on Agriculture and Forestry (AMAF)

Under the AEC pillar, ASEAN has the ASEAN Ministers on Agriculture and Forestry (AMAF) as one of the ASEAN Sectoral Ministerial Meetings to carry out activities that contribute to the promotion of food, agriculture, and forestry cooperation. The meeting is directly supported by the Senior Officials Meeting of the ASEAN Ministers on Agriculture and Forestry (SOM-AMAF), which in turn is supported by 49 sub-sectoral working groups (ASWGs), Experts Working Groups (EWGs) and Task Forces (TFs), among others (Figure 2.1.3).

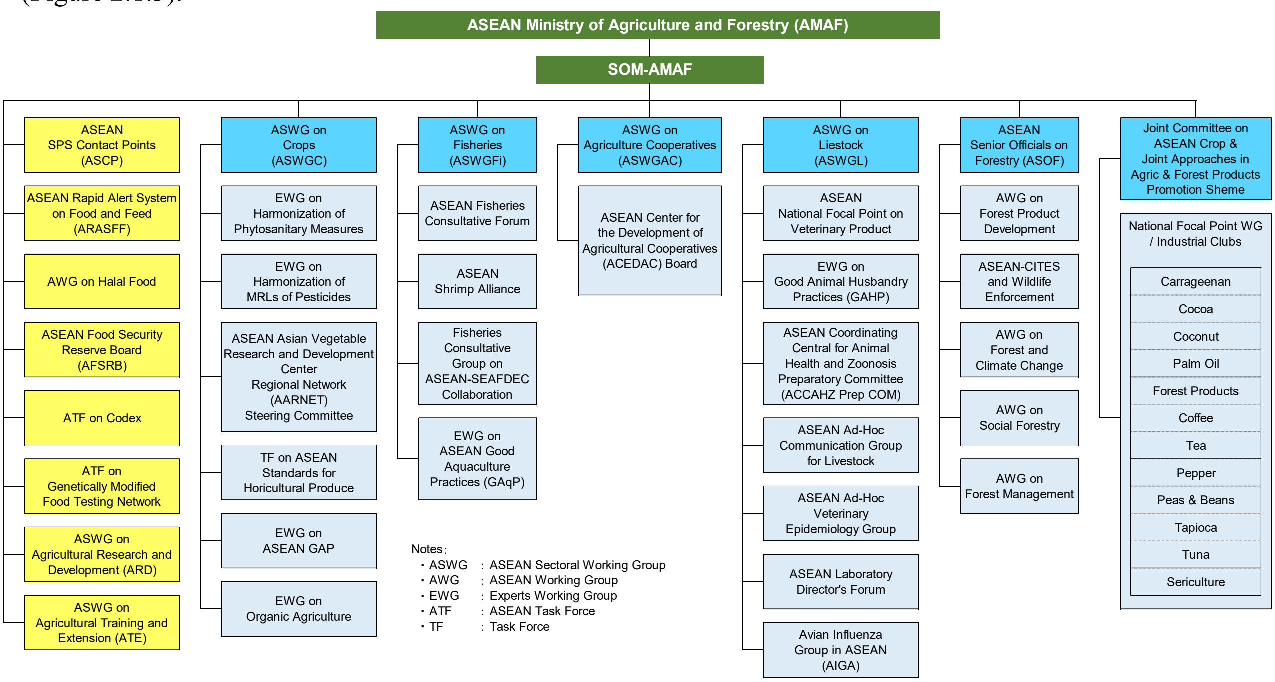


Figure 2.1.3 Organizational Structure of AMAF (as of March 2020)

Source: ASEAN Secretariat.

2.1.5 Senior Officials Meeting of the ASEAN Ministers on Agriculture and Forestry (SOM-AMAF)

Its mandate is to address challenges related to the food and agriculture, forestry sector by providing policy guidance and directions to sectoral/technical bodies under SOM-AMAF purview, and to ensure that the Food and Agriculture & Forestry sector in the ASEAN region remain competitive, integrated, resilient, inclusive and sustainable contributing to attaining the Millennium Development Goals(MDGs) and the post-2015 Sustainable Development Goals (SDGs) and the goal of the UN Zero Hunger.

The SOM-AMAF will carry out the following functions but is not limited to:

1) Monitoring and conducting periodic reviews of the food and agriculture and forestry situation in the region in accordance with the ASEAN Vision and Strategic Plan for the Food and Agriculture and Forestry (VSP-FAF) and the AEC Blueprints.

2) Providing policy guidelines on cooperation on short- and long-term prospects of the food, agriculture and forestry situation at the regional and global levels.

3) Strengthening and enhancing the exchange of information among Member States pertaining to food, agriculture, and forestry.

4) Strengthening cooperation among Member States, dialogue partners and regional and international organizations and institutions.

5) Recommending to the other Senior Officials Meeting (SOM) of related ASEAN bodies its positions on regional and international issues affecting food, agriculture, and forestry for consideration.

6) Proposing policies that will accelerate sustainable agricultural development and innovation, economic integration and market access and ensuring food and nutrition security, support for small producers and small and medium enterprises (SMEs), and strengthen ASEAN's joint approaches on international and regional issues affecting the food, agriculture and forestry sector.

7) Monitoring and evaluating progress made in the implementation of approved projects and activities.

8) Promoting partnerships with the private sector, civil society organizations, and other relevant stakeholders in ensuring resource mobilization and effective implementation of the strategic action plan in food, agriculture, and forestry.

The SOM-AMAF is made up of a Chairperson, Vice-Chairperson, Secretariat (the National Secretariat in the Chair Country), SWGs, and other subsidiary bodies, whose roles are as follows:

1) Chairperson:

(i) Management of SOM-AMAF meetings; convening meetings, overseeing the organisation and arrangement of meetings, chairing meetings. The agenda for the meeting will be prepared by the Food, Agriculture, and Forestry Division of the ASEC two months before the meeting, with proposals from each country. The minutes of the meeting are also prepared by the Food, Agriculture, and Forestry Division.

(ii) Consultation with each Member State on how to deal with cases that have arisen since the last SOM-AMAF meeting.

(iii) Coordination of the organisation servicing of AMAF meetings.

(iv) Implementation of duties and responsibilities other than those mentioned above assigned by the SOM-AMAF and the AMAF.

(v) Representation of SOM-AMAF for reporting the progress of ASEAN cooperation in agriculture and forestry at meetings between SEOM and ASEAN Economic Ministers for information of or consideration and endorsement by the Ministers on request.

(vi) Chairperson is appointed from ASEAN member countries on an alphabetical rotating basis

2) Vice-Chairperson: he/she presides the meeting in the absence of the Chairperson. Vice-chairperson is appointed from the country to take responsibility of chair in next meeting

3) Secretariat: the National Secretariat established in Chair Country of SOM-AMAF in order to assists the ASEAN Secretariat and to perform the following functions: i) Servicing the SOM-AMAF meetings; ii) Monitoring the SOM-AMAF activities; iii) Compiling and disseminating relevant data and information pertaining to food, agriculture, and forestry among Member Countries; iv) Performing such other functions assigned by SOM-AMAF

4) Subsidiary Bodies of SOM-AMAF (SWGs, EWGs, etc.); TOR (Term of Reference), composition, duration of the mandate of each committee, etc. are decided by the Member States.

2.1.6 Subsidiary Bodies under the SOM-AMAF (Working groups, Committees, etc.) targeted by this survey

(1) Sectoral Working Group on Crops (ASWGC)

The functions of the ASWGC are as follows:

1) Developing and providing policies in order to promote the crop sector in ASEAN, including enhancement of its trade through facilitation mechanisms.

2) Facilitating and monitoring the implementation of the SPA-Crops at the national and regional levels.

3) Enhancing cooperation in peer learning, capacity building and information exchange, dissemination and transfer of agricultural technologies and production as well as in investments in the crops sector. This cooperation includes increasing capability on standards development and those on conformity assessment bodies.

4) Monitoring and evaluating the progress made in implementation of approved projects and activities; reporting the results to the annual meeting.

5) Coordinating the work and responsibilities of the relevant ASEAN bodies related to crop to avoid duplication of efforts. In particular, standards related to 12 crops (mainly food crops and craft crops), which have been agreed to be selected under the MOU (2019-2024) on ASEAN Cooperation and Joint Approaches in Agriculture and Forest Products Promotion Scheme among ASEAN Agriculture Ministers[2], are set in coordination with the Joint Committee for ASEAN Cooperation in Agriculture, Forestry, and Fisheries Promotion Scheme. (12 crops; seaweed and seaweed based products, cocoa, coconut, coffee, timber forest products, non-timber forest products, palm oil, pulses, pepper, tapioca, tea, tuna)

6) Referring to other ASEAN bodies relevant work and initiatives that may be duplicated. (e.g. provision of relevant information from the umbrella EWG on Harmonization of Phytosanitary Measures to the ASCP).

7) Promoting cooperation on crops matters with third countries and international and regional organisations.

8) Implementing other assignments related to ASEAN cooperation on Crops from higher ASEAN bodies.

The current structure of the ASWGC is as follows: as of August, 2022, the Chair is Vietnam, which does not have a dedicated secretariat. The constituent members are elected focal points from the Member States at the

2 THE FORTY FIRST MEETING OF THE ASEAN MINISTERS ON AGRICULTURE AND FORESTRY (The 41st AMAF) Joint Press Statement, 15 October 2019, Bandar Seri Begawan, Brunei Darussalam

level of Deputy Director-General of the Department of Agriculture. The Chair is rotated in alphabetical order, but a member of the group attends the meeting as current term Vice-Chair, incoming Chair of ASWGC. The Chair performs the following tasks.

1) Convenes the meetings of the Working Group in consultation with members.
2) Oversees the organization and arrangement of meetings, with the support of the host country of the meeting and the ASEAN Secretariat.
3) Acts as chairman of the meetings of the Working Groups. The principle of voting in the meetings is unanimity.
4) Consults with Member States on matters requiring immediate attention in between meetings.
5) Monitors and evaluates the implementation of the SPA-Crops and projects undertaken (the said monitoring and evaluation reports are prepared by the ASEAN Secretariat in the absence of a specific lead country).
6) Performs such other duties and responsibilities as may be assigned by ASWGC and the SOM-AMAF.

Under the ASWGC, the following EWGs, etc. have been established in order to address common ASEAN issues faced in the field of crops, and each EWG, etc. carries out its general functions (e.g., organizing meetings, conducting planned activities, monitoring and evaluation, regular reporting to the ASWGC, avoiding duplication of activities of other organisations, tasks as directed by the higher-level bodies, etc.). The EWGs and other EWGs carry out the following functions:

(1-1) The Expert Working Group on Harmonisation of Phytosanitary Measures (EWG-PS):

1) Harmonises phytosanitary import requirement for crops, including preparation of endemic pest lists for identified priority crops and development of importation guidelines for intra-ASEAN trade on trade significant commodities.
2) Promotes cooperation on phytosanitary measures with development partners and international organisations.
3) Provides technical standards for plant protection to the ASCP.

(1-2) The Expert Working Group on Harmonisation of MRLs of Pesticides (EWG-MRLs):

1) Establishes maximum limits for pesticide residues in crop commodities for adoption as ASEAN harmonized MRLs.
2) Prepares priority list of pesticide/crop combinations for evaluation and subsequent harmonization of MRLs at the meeting.
3) Adheres to science-based protocols and procedures in the process of setting ASEAN harmonized MRLs in line with international procedures such as Codex.

(1-3) The ASEAN-AVRDC Regional Network for Vegetable Research Development (AARNET):

1) Serves as a community by sharing knowledge among Task Force members.
2) Develops projects proposals that enable collaboration between AMS R&D partners and World Veg.
3) Develops common methodologies so as to enable comparison of project results across Member States.

(1-4) The Task Force on ASEAN Standards for Horticultural Produce and other food crops (TF-MASHP):

1) Formulates and reviews standards for horticultural produce and other food crops, to disseminate them to stakeholders and to monitor their use.
2) Ensures that ASEAN regional standards are harmonized with those international standards.
3) Encourages cooperation with Member States, development partners and international organisations for the implementation of horticultural crop action plans.
4) Provides support in aligning national standards with ASEAN standards.

(1-5) The Expert Working Group on ASEAN GAP (EWG on ASEAN GAP):

1) Promotes ASEAN GAP and to inform stakeholders of ASEAN GAP and encourages private sector participation in ASEAN GAP.
2) Supports the continued implementation of existing national in AMSs and in aligning national GAP programs with module of ASEAN GAP.
3) Enhances international recognition of ASEAN GAP.

(1-6) The Expert Working Group on Organic Agriculture (EWG-OA):

1) Promotes awareness and implementation of the ASEAN Organic Agriculture Standards (ASOA) among stakeholders (especially traders) and encourages private sector participation.
2) Provides support in aligning national organic standards with ASOA

(2) ASCP (ASEAN SPS Contact Points)

It acts as a coordinator between SPS-related working groups under AMAF and SPS-related organizations in other sectors and specifically carries out the following functions:

1) Coordinates harmonization efforts on SPS measures by relevant WGs under the AMAF[3].
2) Ensures consistency of SPS related policies and agreements developed by the relevant working groups under AMAF. (ASCP itself does not develop standards for individual specialized areas of SPS).
3) Monitors the implementation of SPS policies and agreements and proposes recommendations, as appropriate, in order to enhance cooperation and harmonisation of SPS measures among the relevant WGs under the AMAF.
4) Provides SPS advisory and policy support to SOM-AMAF and AMAF.
5) Promotes cooperation and mutual support in SPS capacity building.
6) Provides a platform for the exchange of information on SPS-related measures and provides technical advice.
7) Promotes the application of SPS measures based on sound scientific evidence, risk analysis principles, and international standards.
8) Assists in the mobilization of financial and human resources in order to achieve the objectives of ASCP.

The Chairperson of ASCP is appointed on an alphabetical rotating basis (as of Aug 2022,Chariperson appointed from Indonesia), from members at the level of heads of departments in each country, and he/she reports directly to the SOM-AMAF after each meeting (voting in the meeting is unanimous). He/she also coordinates with other ASEAN SPS-related organisations on behalf of the ASCP. The coordination of SPS activities between the ASCP and the other ASEAN Committee on SPS (AC-SPS) under the ASEAN Trade in Goods Agreement (ATIGA) is carried out through the ASEAN Secretariat Desk Officer (ASEC-DO) of the ASEAN Secretariat.

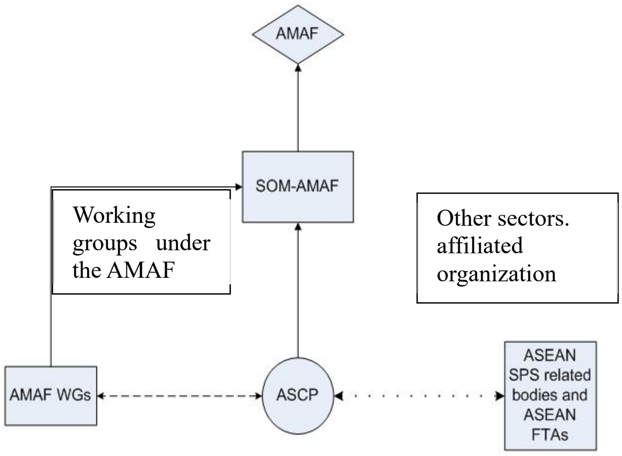


Figure 2.1.4. ASCP Coordination Mechanism

Source: JICA Survey Team.

The Committee's relationship with other organizations is shown in Figure 2.1.4. Relevant organizations in other sectors include the AC-SPS under the aforementioned ATIGA; the ASEAN Expert Working Group on Food Safety (AEGFS, now AHC4) under the ASEAN Health Ministers; the Prepared Foodstuff Product Working Group (PFPWG) under the ASEAN Consultative Committee on Standards and Quality; the Committee on Science, Technology, and Innovation (COST) under the Senior Officials for Science and Technology; and SPS Committees under various Free Trade Agreements (FTAs). The establishment of a ASCP central coordination mechanism under AMAF would facilitate and enhance coordination and complementation with these SPS-related bodies through ASEAC-DO.

(3) ASEAN Sectoral Working Groups on Fisheries (ASWGFi)

ASWGFi is the only official working group in ASEAN cooperation in the fisheries sector, under the SOM-AMAF, with the function of maintaining and strengthening coordination among ASEAN Member States in the fisheries sector, as well as implementing, monitoring and evaluating various projects and activities. Basically, the meetings of ASGWGFi are held in closed conditions, with only limited agenda items, such as cooperation sessions with dialogue partners, open to the public. It is mandated with formulating and implementing a programme of cooperation in the fisheries sector and carries out the following functions:

1) Conducts periodic reviews on the fisheries situation in the ASEAN region.
2) Develops effective methods for the exchange of information among Member States pertaining to fisheries.
3) Identifies areas of cooperation among Member States as well as with third countries, groups countries and international agencies in order to promote the development of the fisheries sector.
4) Formulates project proposals for approval by SOM-AMAF and AMAF.
5) Monitors and evaluates the progress made in the implementation of approved projects.
6) Submits periodic reports (once a year) on the undertakings within its program works and on the progress made to the SOM-AMAF. The Member States under the SWG and other affiliated EWGs submit the annual progress of the relevant activities to the ASWGFi for evaluation.
7) Maintains close cooperation with other related ASEAN bodies as well as related extra ASEAN national and regional organisations.

Like other SWGs, the ASWGFi chairmanship rotates annually among member countries, and the chairmanship for 2022 is held by Indonesia. In Indonesia, the chairmanship of international and regional meetings is usually held by the Ministry of Foreign Affairs, and depending on the situation, the duties of the chairperson are held by a person at the director-general level of the Ministry of Foreign Affairs or the Ministry of Fisheries. The chairpersons are recruited from human resources who are familiar with international cooperation and the fisheries industry and have good communication skills, including language skills. In addition, the Ministry of Fisheries provides a delegation consisting of members from the Directorate General (DG) of each department, mainly from the Bureau of Public Relations and International Cooperation, and to provide support from a technical perspective. The chairperson of the working group is appointed by the host country of the meeting and implements the following functions:

1) Convenes the meetings of the Working Group in consultation with the members.
2) Oversees the organization and arrangement of meetings.
3) Acts as chairman of the meetings. Votes are unanimous (taking a significant amount of time to reach a decision).
4) Consults with Member States on matters requiring immediate attention in between meetings.
5) Monitors and evaluates project implementation.
6) Performs such other duties and responsibilities as may be assigned by the working group and by SOM-AMAF.

Under ASWGFi, the following expert groups have been established to carry out its work:

(3-1) The ASEAN Fisheries Consultative Forum (AFCF):

1) Establishes and recommends policies in order to develop regional and sub-regional fisheries management measures.
2) Provides means for cooperation with regional scientific organisations, international organisations, etc., and secure funding.
3) Encourages Member States to review the state of fisheries resources.
4) Provides a venue for discussion and resolution of regional fisheries issues/problems.
5) Facilitates the harmonization of regional and international fisheries management measures and to ensure ASEAN fisheries sector remain competitive.
6) Collects and exchanges information on statistical, biological, environmental, and socio-economic data analysis or study.

(3-2) The ASEAN Shrimp Alliance:

1) Shares and exchanges information of shrimp production and trade among ASEAN Member States.
2) Encourages the formulation of the ASEAN Shrimp Criteria/Standards.
3) Creates strong unity or cooperation for dialogues and consultation in order to jointly prevent non-tariff trade barriers.
4) Develops proposals and recommendations for actions in relation to common concern issues by members.

(3-3) The Fisheries Consultative Group on ASEAN-SEAFDEC Strategic Partnership:

1) SEAFDEC (The Southeast Asian Fisheries Development Centre) provides assistance to ASEAN in

clarifying ASEAN's position on international fisheries issues.

2) SEAFDEC provides technical input to ASEAN Member States in support of their common positions during international meetings.

3) To the best of its capacity, SEAFDEC implements programmes and activities mutually agreed on by ASEAN and SEAFDEC and assumes responsibility for technical aspects of the programs.

(3-4) The Expert Working Group on Good Aquaculture Practice (GAqP) (EWG on ASEAN GAqP):

1) Develops and reviews ASEAN the GAqP certification system and sets best practice guidelines or standards for aquaculture commodities.

2) Promotes awareness of ASEAN GAqP among the stakeholders and to lobby for international recognition.

3) Identifies areas of cooperation among ASEAN Member States, as well as with regional organisations and international organisations.

4) Supports the implementation of existing national GAqP and the alignment of the national GAP programs with the relevant module of ASEAN GAqP.

5) Facilitates private sector participation in ASEAN GAqP.

6) Formulates projects proposals for approval by SOM-AMAF and other upper bodies.

7) Monitors and evaluates the progress made in the implementation of approved projects.

8) Conducts periodic reviews and reports on the implementation of ASEAN GAqP.

(3-5) The ASEAN Network for Combatting IUU Fishing:

1) Shares information on Monitoring, Control, and Surveillance (MCS: Monitoring, Control and Surveillance) and builds MCS capacity.

2) Disseminates best practices in marine domain surveillance and investigation activities.

(4) ASEAN Sectoral Working Groups on Agricultural Cooperatives (ASWGAC)

ASWGAC was established in 2000 under the SOM-AMAF in order to promote the strengthening of agricultural cooperatives. Its mandate is to oversee the development of agricultural cooperatives and agricultural cooperative activities in ASEAN Member States and to perform the following functions:

1) Conduct periodic reviews of agricultural cooperatives' situation in ASEAN member states.

2) Develop effective methods of exchange information among ASEAN Member countries with a view to facilitating cooperative undertakings in this sub-sector of agriculture as well as coordination and harmonization of ASEAN policies.

3) Examine possibilities for cooperation with ASEAN member states, third countries or international organisations to promote development in the ASEAN region.

4) Formulate project proposals for approval by SOM-AMAF and AMAF.

5) Discuss and decide matters arising from the ASEAN Centre for the Development of Agricultural Cooperatives Board (ACEDAC), which is under the ASWGAC.

6) Monitor and evaluate the progress made in the implementation of the approved projects and activities.

7) Submit to SOM-AMAF periodic reports on its program of work in charge and on the progress made in the activities.

8) Maintain close cooperation with other related ASEAN bodies, Member States and international organisations.

The ASWGAC has the above functions and operates with an annual meeting for decision-making, while in recent years it has focused on the following activities:

1) Strengthening business linkages among agricultural cooperatives through sharing of good practices, networking between agricultural cooperatives and the OVOP movement.

2) Supporting capacity building in order to increase productivity through improved technology, improve quality to meet international standards, promote e-commerce, and achieve youth involvement in agriculture.

3) Carrying out policy dialogue on sales promotion and support for securing financial resources and strengthening cooperation between the private sector and agricultural cooperatives in order to promote PPPs.

ASWGAC develops directions and plans for activities related to agricultural cooperatives at the ASEAN regional level and conducts monitoring based on the plans. Monitoring is carried out through activity reports from each country and ACEDAC at the annual meetings. According to the ASWGAC annual meeting presentation material, the contents of the country monitoring reports presented at the recent annual meetings are as follows:

1) Status of development policies and legislation to strengthen agricultural cooperatives;
2) Government support system for agricultural cooperatives;
3) Current status of agricultural cooperatives;
4) Support activities and programmes to strengthen agricultural cooperatives;
5) Impact of the new coronavirus on the activities of agricultural cooperatives;
6) Difficulties in promoting agricultural cooperatives;
7) Recommendations in regional cooperation.

In addition, an external evaluation by an external consultant is carried out in the final year of each five-year plan.

The ASWGAC consists of representatives from each Member State and meets once a year. In addition to the annual meeting, ad hoc meetings can also be convened, but these are reportedly almost never conducted except organized by specific projects. In terms of representatives from member states, for example, in the Philippines, AMAF meetings are attended by officials at the Assistant Secretary level, whereas SWGs are attended by Director-level administrative officers from the relevant departments.

The ASWGAC Presidency rotates every other year in alphabetical order (as of Aug 2022, the presidency is on Thailand), with the current Presidency passing to the next Presidency at the annual meeting. The Presidency is responsible for the organization and logistics of the annual meeting, chairing the meeting, coordinating with Member organizing the meeting, coordinating with Member States in the event of extraordinary consultative matters, and reporting to the SOM-AMAF. [4]

(4-1) ACEDAC

ACEDAC, an umbrella and coordinating body of ASWGAC, acts as the contact point for the ASEAN network of agricultural cooperatives in ASEAN countries. The decisions taken by the ACEDAC Board are subsequently presented to the ASWGAC Annual Meeting for resolution as ASEAN decisions. SWG makes decisions by only ASEAN Member countries representatives, while in addition to Government representative, representatives of agricultural cooperatives from member states and development partners participate in the ACEDAC meetings.

ACEDAC functioned prior to ASWGAC, which was established in 2000. ACEDAC was established in 1994 by Indonesian agricultural cooperative stakeholders as a voluntary association with the aim of strengthening agriculture through cooperative organisations. In 1997, in order to provide support to agricultural cooperatives across ASEAN. ACEDAC became an ASEAN voluntary association with the participation of agricultural cooperatives from nine ASEAN member countries (excluding Singapore). After that, at the timing of the establishment of ASWGAC, ACEDAC converted its status from a voluntary association to a legal entity with the approval of the Board of Directors (Board of Directors), and became an organisation under the ASWGAC umbrella. Currently, ACEDAC has its secretariat in Indonesia, with staff from relevant Indonesian government ministries (Ministry of Cooperatives and SME) serving as secretariat staff, and the budget is provided by the Indonesian government.

ACEDAC leads activities that provide opportunities for networking and experience-sharing among the region's agricultural cooperatives. Key activities include:

1) Supporting the strengthening and developing of agricultural cooperatives and sharing experiences (training, guidance and Exchange Visits to agricultural cooperatives).

2) Providing a platform for building partnerships among national agricultural cooperatives of AMSs and linking member governments, member agricultural cooperatives, and their partners in support of agricultural cooperative development

3) Organizing the ASEAN Community Business Forum (ACBF) and supporting the marketing of agricultural products within and outside ASEAN (e.g. coffee branding).

4) Sharing the situation and experiences of agricultural cooperatives in member countries through the ACEDAC website.

The arrangements of exchange visit and ACBF have been made by taking her turn by each member country every year, although some events was postponed due to COVID-19. The ACEDAC website is managed by Thailand, and the way to provide and share the information about the situation and good practices of national agricultural cooperatives on the website is still under discussion. At this year's board meeting, the creation of a format for the status of national agricultural cooperatives was discussed, and it was agreed that information would be collected and uploaded from member countries as required.

(5) ASEAN Task Force on Codex (ATF on Codex)

This Task Force reports to the SOM-AMAF for coordinating ASEAN's position on matters pertaining to the agenda to be discussed at Codex Committees and Codex Alimentarius Commission meetings.[5] Specifically, according to the ASEAN Secretariat, it performs the following functions:

1) Provides a forum to discuss Codex issue of importance to ASEAN and to promote information sharing and transparency in decision making.

2) Formulates ASEAN positions on Codex issue of importance to ASEAN. Particular decision should be made on issue already advanced into step 8[6] of the Codex procedure.

3) Effects and promotes already establish common ASEAN positions on Codex issues at Codex meetings. (Note that the Codex Committee is not represented on the Codex Committee by the Chair of the ATF on Codex as the ASEAN representative; the Codex Committee is represented on the Codex Committee by a representative from each ASEAN member country on the Codex Committee to explain ASEAN's position).

4) Promotes harmonization of national regulatory standard of ASEAN member countries with Codex standards and related texts where appropriate.

2.2 Management of ASEAN

2.2.1 Meeting Voting Methods and Monitoring Systems

Resolutions of the SOM-AMAF and its subordinate bodies are made unanimously on all matters, in accordance with Article 20 of the ASEAN Charter; therefore, this resolution process takes a great deal of time; SOM-AMAF resolutions are recorded in the meeting report through the following adjustments:

1) The preparation of the draft report of the meetings of SOM-AMAF shall be the responsibility of the ASEAN Secretariat with the assistance of the National Secretariat of Chairperson's country.

2) These draft reports shall be reviewed by a drafting committee chaired by the Vice-Chairman or his/her designated representative.

3) The draft reports, as revised by the consideration of 2), shall be submitted to the SOM-AMAF for approval and adoption.

4) The ASEAN Secretariat shall be responsible for the preparation of the final reports of the meeting, and the Chairperson of SOM-AMAF shall submit the reports to the Chairperson of AMAF, its members concerned and the ASEAN Secretary General. The reports may also be disseminated to the ASEAN National Secretariats (ASEAN Standing Committee) and the Senior Economic Official Meetings (SEOM), if deemed necessary.

5) Each subsidiary body under SOM-AMAF shall report to SOM-AMAF. Their reports shall also be made available to the ASEAN Secretariat for coordination purpose and information to any other ASEAN bodies.

Monitoring is carried out through the Chairperson, Vice-Chairperson or designated representative briefing the all SOMs on the report to AMAF for consideration of and endorsement by the Ministers once a year . A report for the monitoring and evaluation of each activity in each SPA shall be prepared annually by the ASEAN Secretariat. In addition to the annual reports, at milestone years (e.g. the final year of the Five-Year Plan), external consultants are hired to visit the concerned Member States and independently prepare the reports through interviews with relevant officials, based on the annual evaluation reports from each subsidiary body. These evaluation reports shall not be made available to third parties.

2.2.2 Project Formation, Implementation, Evaluation and Completion flow

The flow of ASEAN cooperation projects from formation to implementation, evaluation, and completion can be summarized as pictured in Figure 2.2.1.

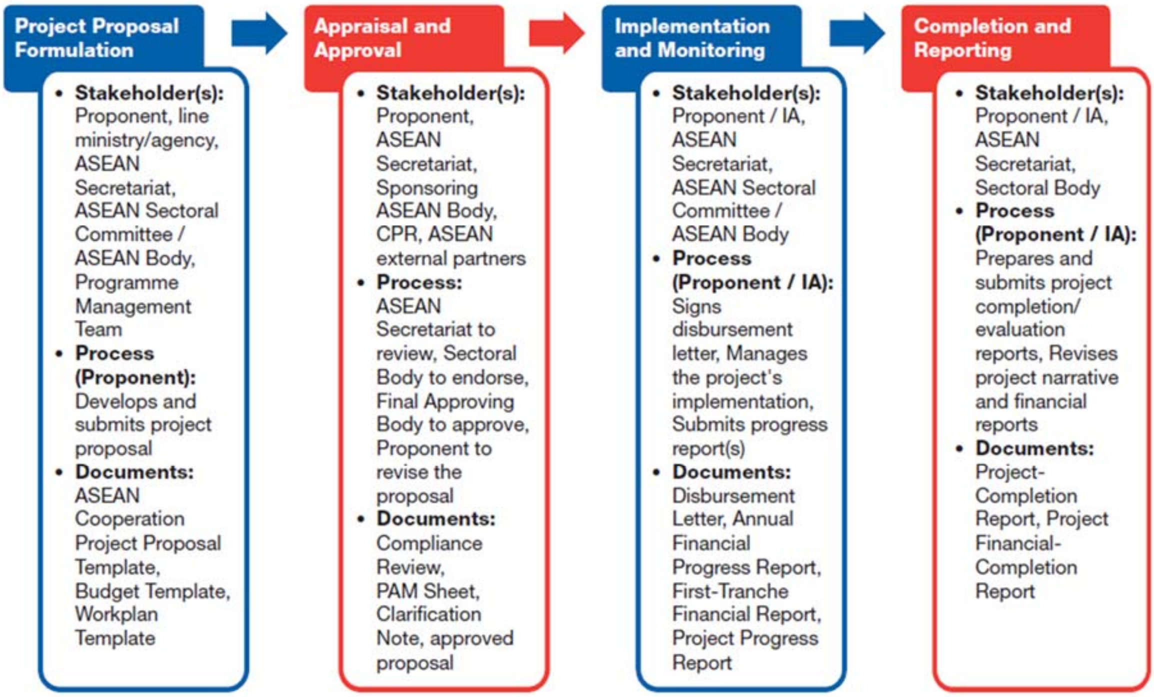


Figure 2.2.1 Basic Flow of ASEAN Cooperation Projects

Source: Handbook on Proposal Development for ASEAN Cooperation Projects

The project proposals need to be submitted to the ASEAN Secretariat 83 working days prior to the intended project implementation date. The Secretariat first reviews the content, then it is submitted to the funding organization, and finally to the decision-making body such as AMAF, the CPR and other approval committees for approval.

For a project in formation to be adopted as an ASEAN project, the following requirements must be met. The projects for reducing disparities that are covered by the IAI Work Plan benefitting Cambodia, Lao PDR, Myanmar, and Vietnam also need to be approved by the relevant organizations in advance in the same way. At the same time, they also need to go through a secondary approval process.

< ASEAN project requirements > The project should

1. Address challenges at the ASEAN regional level.
2. Be of Benefit to ASEAN and all Member States equally.
3. Align with the ASEAN Community Blueprint and other relevant ASEAN documents and.
4. Be endorsed by either relevant ASEAN Sectoral Committees/ASEAN Body or Committee of the Permanent Representatives of ASEAN (CPR).

For each SPA activity, a Member State (one or more countries) assumes the role of lead country taking the initiative for its progression. The Lead Country initially drafts a concept note for the activity or prepare a project proposal. The ASEAN Secretariat assists the lead country in preparing these necessary documents. Next, the funding source is to be finalized. The lead country finds development partners to provide necessary fund for the implementation in collaboration with ASEC-DO. The ASEC-DOs consult with the relevant divisions within the Secretariat (External Relations Division, Programme Management Team, Programme Cooperation and Project Management Division). The lead country may utilize the ASEAN Trust Fund or use its network of relations to secure its budget, or implement it from its own budget. In some cases, financial support may not be sought from development partners, especially if the Member State itself has the technical capacity including developing guidelines.

(1) Project proponent

Project proponents are ASEAN Member States, external partners and the ASEAN Secretariat. The proponent has to channel a proposal through government line ministry or agency in order to identify project priorities and to focus the project to the ASEAN Community Blueprint or the sector body work plan.

(2) Implementation Agency (IA)

IA receives project funding usually through the ASEAN Secretariat. The IA may be the project proponent, or another agency or legal entity. If it is a legal entity, it must be nominated by the proponent. The IA is responsible for the achievement of the given project's objectives and outputs, monitoring, evaluation and submission of the required reports to ASEAN.

(3) Implementation and monitoring of activities and projects.

As mentioned above, each activity or project is implemented by its IA (usually the proponent or a Member State organization). Its progress is monitored and updated activities are reported annually to the relevant organizations (e.g., SWG, SOM-AMAF).

(4) Evaluation of activities and projects in SPAs.

The evaluation is based on Key Performance Indicators (KPIs) set in the SPA, with individual activities reported and updated annually and collated in a table showing changes in the SPA's KPIs. In addition, at SPA-wide milestone years, external independent consultants are hired to conduct an SPA-wide evaluation.

CHAPTER 3. DATA COLLECTION AND ANALYSIS OF ASEAN'S IMPORTANT POLICIES, MEASURES, AND GUIDELINES FOR STRENGTHENING FOOD VALUE CHAINS

3.1 ASEAN's Important Policies for Strengthening Food Value Chains

The ASEAN Charter serves as a firm foundation for achieving the ASEAN Community by providing legal status and institutional framework for ASEAN. The ASEAN Community consists of the ASEAN Political-Security Community, ASEAN Economic Community, and ASEAN Socio-Cultural Community. ASEAN adopted ASEAN Community Vision 2025 and three communities' blueprints (2016-2025) in 2015. The Master Plan for ASEAN Connectivity (MPAC) 2025 and the Initiative of ASEAN Integration (IAI) Work Plan IV are also some of the main policy documents for ASEAN integration.

3.1.1 Overview of Important Policy Documents

Table 3.1.1 extracts ASEAN's policy documents that are important in terms of food value chain strengthening. The outlines of each policy document are summarized as follows.

Table 3.1.1. Major Policy Documents on Food Value Chain Strengthening

No	Responsible Bodies	Names of Policy Document	Issued / Approved	Active Timeframe
1	AEC	ASEAN Economic Community Blueprint (AEC Blueprint) 2025	2015	2016 - 2025
2	AEC	AEC 2025 Consolidated Strategic Action Plan (CSAP)	2017 (2018 Revised)	2016 - 2025
3	IAI Task Force	Initiative For ASEAN Integration Work Plan IV (IAI Work Plan IV)	2020	2021 - 2025
4	AMAF Subsidiary Bodies	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture, and Forestry (2016-2025) (VSP-FAF)	2015	2016 - 2025
5	ASWGC	Strategic Plan of Action for ASEAN Cooperation on Crops 2021-2025	2020	2021 - 2025
6	ASWGFi	Strategic Plan of Action on ASEAN Cooperation on Fisheries 2021-2025	2020	2021 - 2025
7	ASWGAC	Strategic Plan of Action on ASEAN Cooperation in Agricultural Cooperative 2021-2025	2021	2021 - 2025
8	ASCP	Strategic Plan of Action on ASEAN Cooperation on SPS Contact Points 2021-2025	2021	2021 - 2025
9	AMS update the progress through annual conference of ASWGAC	ASEAN Framework - Support Food, Agriculture and Forestry Small Producers, Cooperatives, and Micro, Small, and Medium-Sized Enterprises (MSMEs) to Improve Product Quality to Meet Regional/International Standards and Ensure Competitiveness	2021	Not Stated
10	SOM-AMAF	ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action on Food Security on ASEAN Region	2020	2021 - 2025

No	Responsible Bodies	Names of Policy Document	Issued / Approved	Active Timeframe
11	ASWGAC	The Roadmap for Enhancing the Role of ASEAN Agricultural Cooperatives in Agricultural Global Value Chains 2018-2025	2018	2018 - 2025
12	ASEC	Food Safety Policy	2015	Not Stated
13	PFPWG (Subsidiary body of AEM)	The ASEAN Food Safety Regulatory Framework (AFSRF)	2016	Not Stated
14	Subsidiary bodies of AMAF	ASEAN Multi-Sectoral Framework for Climate Change: Agriculture and Forestry toward Food and Nutrition Security and Achievement of SDGs	2018	Not Stated
15	EWG-ASEAN GAqP	Plan of Action (POA) of the ASEAN Cooperation on Good Aquaculture Practices	2021	2021 - 2025
16	ASA	Plan of Action of the ASEAN Shrimp Alliance 2021-2025	2020 Revised	2021 - 2025
17	ASWGFi	Plan of Action (POA) for the ASEAN Cooperation in Combatting AMR in the Aquaculture Sector	2021	2021-2025
18	ASWGFi	Roadmap on Combating IUU Fishing in the ASEAN	2020	2021-2025

Source: JICA Survey Team

(1) ASEAN Economic Community (AEC) Blueprint 2025

ASEAN Economic Community (AEC) Blueprint is the main policy document related to food value chain strengthening. The AEC blueprint together with ASEAN Community vision 2025 was adopted by the ASEAN Leaders at the 27th ASEAN Summit in November 2015.

AEC Blueprint shows main characteristics, key elements, and strategic measures. The characteristics and the key elements related to the survey are C.5. "Food, Agriculture, and Forestry" in C. "An Enhanced Connectivity and Sectoral Cooperation" and some part of B.8. "Sustainable Economic Development" in B. "A Competitive, Innovative, and Dynamic ASEAN".

(1-1) Five Key Characteristics of AEC Blueprint

Characteristics A. "A Highly Integrated and Cohesive Economy"

Key Elements: 1) Trade in goods; 2) Trade in services; 3) Investment environment; 4) Financial integration, inclusion, and stability; 5) Facilitating movement of skilled labor and business visitors; and 6) Enhancing participation in global value chains.

Characteristics B. "A Competitive, Innovative, and Dynamic ASEAN"

Key Elements: 1) Effective competition policy; 2) Consumer protection; 3) Strengthening intellectual property rights cooperation ; 4) Productivity-driven growth, innovation, research and development, and technology commercialization; 5) Taxation cooperation; 6) Good governance; 7) Effective, efficient, coherent, and responsive regulations, and good regulatory practice; 8) Sustainable economic development; and 9) Global megatrends and emerging trade-related issues.

Characteristics C. "Enhance Connectivity and Sectoral Cooperation"

Key Elements: 1) Transport; 2) Information and communication technology; 3) E-commerce; 4) Energy; 5) Food, agriculture, and forestry; 6) Tourism; 7) Healthcare; 8) Minerals; and 9) Science and technology.

<u>Characteristics D. "A Resilient, Inclusive, People-Oriented and People-Centered ASEAN"</u>

Key Elements; 1) Strengthening the role of MSMEs; 2) Strengthening the role of the private sector; 3) Public-private partnership (PPP); 4) Narrowing the development gap; 5) Contribution of stakeholders on regional integration efforts.

<u>Characteristics E. "A Global ASEAN"</u>

No categorization by key elements. Integration into the global economy through FTA and comprehensive economic partnership agreement (CEPs), building on the gains from ASEAN's global engagement and its economic integration initiatives, are stated.

(1-2) Vision of FAF Sector

Going beyond 2015, the vision for the FAF sector will be "Competitive, inclusive, resilient, and sustainable FAF sector integrated with the global economy, based on a single market and production base, contributing to food and nutrition security and to prosperity in the ASEAN Community," with the goals of ensuring food security, food safety, and better nutrition, gaining from access to global market as well as increasing resilience to climate change."

(1-3) Main Interventions of FAF Sector

i) Enhancing trade facilitation and economic integration; ii) Strengthening cooperation and capacity for sustainable production; iii) Enhancing agricultural productivity; iv) Increasing investment in agricultural science and technology; and v) Ensuring the involvement of agricultural producers in globalization process.

(1-4) Strategic Thrust of FAF Sector

i. Increase crop, livestock, and fishery/aquaculture production.

ii. Enhance trade facilitation and remove barriers to trade to foster competitiveness and economic integration.

iii. Enable sustainable production and equitable distribution.

iv. Increase resilience to climate change, natural disasters, and other shocks.

v. Improve productivity, technology, and product quality in order to ensure product safety and quality compliance with global market standards.

vi. Promote sustainable forest management.

vii. Further enhance cooperation in production and promotion of halal food and products.

viii. Develop and promote ASEAN as an organic food production base, including striving to achieve international standards.

(2) AEC 2025 Consolidated Strategic Action Plan (CSAP)

CSAP is a complement for AEC blueprint 2025 to monitor and report progress of the implementation and the achievement of the blueprint. The CSAP shows action lines, timelines, sectoral work plans, and responsible bodies by each strategic measure. In other words, the CSAP serves stakeholders by showing the relevant work plan and responsible bodies of action lines implemented through strategic measures in AEC blueprint.

(2-1) Action Lines of FAF Sector

The action lines related to the FAF sector are listed in Table 3.1.2. Some parts of the action lines are pursued under B.8. "Sustainable Economic Development."

Table 3.1.2 The Action Lines Related to the FAF Sector

Objective : To work towards a competitive, inclusive, resilient, and sustainable food, agriculture, and forestry sector integrated with the global economy, based on a single market and production base, contributing to food and nutrition security and to prosperity in the ASEAN Community	
Strategic Measures	Action Lines
Increase crop, livestock and fishery/aquaculture production	Formulate guidelines on environmental impact assessment and sustainable resources management developed and adopted by AMS.
	Develop ASEAN Public-Private Partnership Regional Framework for Technology Development in the Food, Agriculture, and Forestry sectors.
Enhance trade facilitation, and remove barriers to trade to foster competitiveness and economic integration	Identify and eliminate NTMs and NTBs that have no economic or scientific rationale and adopt trade facilitation measures.
	Develop and adopt ASEAN Guidelines on improving SPS measures.
	Implementation of ASEAN Food Safety Policy through Development and Finalization of ASEAN Food Safety Regulatory Framework and its appropriate legal instrument in collaboration with relevant ASEAN bodies.
	Develop systems to harmonize, accredit and certify food, agriculture, and forestry (FAF) products based on ASEAN standards and agricultural best practices such as good agricultural practices (GAP), good aquaculture practices (GAqP), good animal husbandry practices (GAHP), and ASEAN Standards for Organic Agriculture (ASOA) **(Note; the action line is also pursued under B.8. "Sustainable Economic Development").**
	Finalization and Implementation of Sectoral MRA on Inspection and Certification Systems on Food Hygiene for Prepared Foodstuff Products
Enable sustainable production and equitable distribution	Implement ASEAN Integrated Food Security (AIFS) Framework and the Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) according to the agreed schedule by lead agencies.
	Align and implement national policies related to food safety in line with ASEAN-wide food safety regulatory framework.
	Develop and implement ASEAN Regional Guidelines on Food Security and Nutrition Policy.
	Establish food or nutrient-based standards for healthy diets and provide information on nutrition, assist transition to more nutritious diets, paying special attention to the role and importance of women in improving nutrition.
Increase the resilience to climate change, natural disasters and other shocks	Develop and adopt guidelines on integrating the gender dimension and marginalized groups in order to reduce their vulnerability to natural disasters and climate change developed and adopted by AMS.
	Implement Climate Smart Agriculture (CSA) practices according to the "ASEAN Guidelines on Promotion of Climate Smart Agriculture Practices" **(Note; the action line is also pursued under B.8. "Sustainable Economic Development")**
	Enact regional initiatives on CSA supported by climate change finance mechanisms **(Note; the action line is also pursued under B.8.**

	"Sustainable Economic Development")
Improve productivity, technology, and product quality to ensure product safety, quality and compliance with global market standards	Develop the ASEAN Framework in order for it to support FAF small producers and MSMEs, including appropriate support policies and mechanisms (i.e., competition policies, provision of credit and technology)
	Provide credit, insurance, market information, quality control, and certification facilities so as to enable small scale producers and SMEs to comply with food safety and quality standards in both domestic and foreign markets **(Note; the action line is also pursued under B.8. "Sustainable Economic Development").**
	Collaborate with relevant ASEAN bodies in finalizing and implementing the ASEAN Food Safety Policy (AFSP) **(Note; the action line is also pursued under B.8. "Sustainable Economic Development").**
	Accelerate the establishment of food safety standards and mobilize resources for effective ASEAN-wide adoption **(Note; the action line is also pursued under B.8. "Sustainable Economic Development").**
Promote sustainable forest management	Develop common positions on key issues affecting the FAF sector, such as the ASEAN Common Position on Reducing Emission from Deforestation and Forest Degradation (REDD) in developing countries.
	Submit ASEAN common positions to appropriate international forum and widely communicated to stakeholders.
	Develop ASEAN policy/guidelines for the implementation of Forest Law Enforcement Governance and Trade (FLEGT) at the regional and national level.
	Adopt and implement the guidelines on Sustainable Forest Management (SFM).
	Formulate and implement policies in order to promote intersectoral cooperation among forestry (including social forestry/community forestry and related initiatives), and other sectors **(Note; the action line is also pursued under B.8. "Sustainable Economic Development").**
Further enhance cooperation in production and promotion of halal food and products	Develop ASEAN Guidelines such as the ASEAN General Guidelines on Halal Food.
Develop and promote ASEAN as an organic food production base, including striving to achieve international standards	Develop ASEAN guidelines such as the ASEAN Standards for Organic Agriculture (ASOA).

Source: CSAP (2018)

(2-2) Relevant Work Plans of FAF Sector

The VSP-FAF is the comprehensive sectoral work plan of FAF sector. According to ASCP, the VSP-FAF and other work plans shown below are considered relevant work plans by AEC blueprint.

- IAI Workplan: action lines for CLMV on GAP, GAqP, GAHP, post-harvest losses, and food security are provided. The implementation body is IAI task force, and the latest plan is IAI Workplan IV.
- ASEAN Standards and Conformance Strategic Plan 2016-2025: action lines for MRA for inspection and certification system of processed foods and implementing ASEAN food safety policy are provided. The implementation body is ACCSQ(ASEAN Consultative Committee for Standards and Quality) .

(3) Initiative for ASEAN Integration Work Plan

The IAI work plan aims to strengthen the effort and cooperation in advancing regional integration and reducing the regional development gap by determining goals and action plans. The progress of the workplan is coordinated and monitored by IAI taskforce and report to the ASEAN Summit annually through ASEAN Coordinating Council. The IAI and Narrowing Development Gap Division, under Sectoral Development Directorate, ASEC, is responsible for monitoring and coordinating the implementation of IAI projects listed in the IAI workplan as the secretariat of IAI. (See Chapter 2).

The current IAI workplan IV was adopted by ASEAN leaders at the ASEAN Summit held in November 2020. The workplan has given consideration to economic and social transformation for a comprehensive recovery from the impact of COVID-19 pandemic and stronger ASEAN resilience (Figure 3.1.1).

The IAI workplan is comprised of the strategic framework—vision, strategic areas and objectives, and actions. Under the "food and agriculture" strategic area, there are six objectives and five actions.

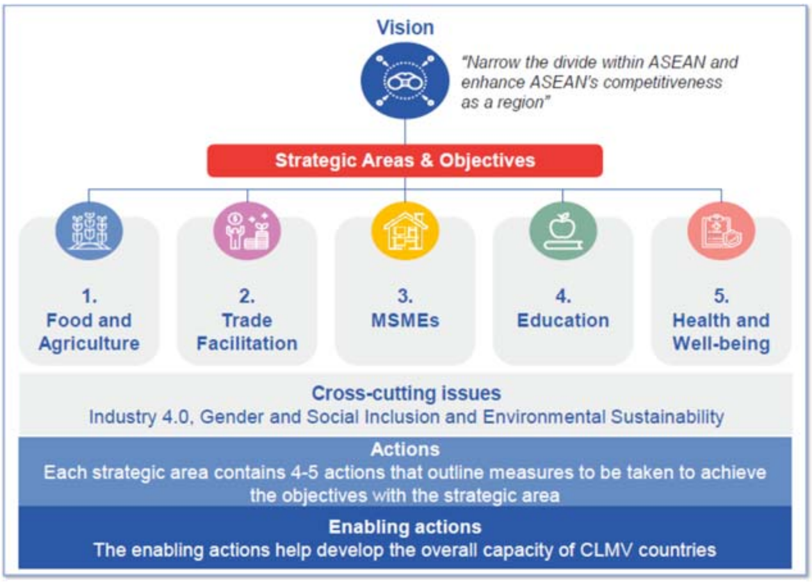


Figure 3.1.1 The Structure of IAI Work Plan

Source：IAI Work Plan IV (2020)

The correspondence between the IAI Work Plan, ASEAN Community Vision 2025, and sectoral work plans is summerized in the Appendix of the IAI Work Plan.

Table 3.1.3. The Correspondence between IAI Work Plan, ASEAN Community Vision 2025, and Sectoral Work Plans

Action (IAI Workplan)	Alignment with ASEAN Community Blueprint	Alignment with sectoral work plans	Sectoral Body
Food and Agriculture			
Exchange best practices and capacity building in improving water management and water-use efficiency in agriculture.	Promote good agriculture practices to minimise the negative effects on natural resources such as soil, forest and water.	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry 2016-2025: Promote good agriculture practices to minimise the negative effects on natural resources such as soil, forest and water and reduce the greenhouse gas emission. Develop new and appropriate technologies, best practices and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast growing aquaculture, livestock and horticulture sub-sectors.	ASWG Crops
Disseminate techniques and technologies to reduce post-harvest losses in crop	Reduce post-production losses to meet projected future demand and ensure food	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry 2016-2025:	ASWG Crops

Action (IAI Workplan)	Alignment with ASEAN Community Blueprint	Alignment with sectoral work plans	Sectoral Body
production, including in food processing.	security.	Promote good agriculture practices to minimise the negative effects on natural resources such as soil, forest and water and reduce the greenhouse gas emission.	
Complete the development and implementation of sustainable agricultural approaches including Good Agricultural Practices, Good Aquaculture Practices and Good Animal Husbandry Practices by raising awareness and training farmers.	Improve productivity, technology and product quality to ensure product safety, quality and compliance with global market standards. Enhance productivity and competitiveness of rural economies, especially in the newer ASEAN Member States.	Same as above.	ASWG Crops (for GAP) ASWG Fisheries (for GAqP) ASWG Livestock (for GAHP)
Support smallholder farmers to increase their productivity and market access.	Improve productivity, technology and product quality to ensure product safety, quality and compliance with global market standards. Enhance productivity and competitiveness of rural economies, especially in the newer ASEAN Member State. Strengthen positive economic, social and environmental linkages among urban, peri-urban and rural areas.	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry 2016-2025: Assist small scale producers and SMEs in the food, agriculture and forestry sector to become viable and competitive enterprises by provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains.	SOM-AMAF
Introduce agricultural techniques and technologies that safeguard the sector against the potential negative effects of climate change.	Strengthen human and institutional capacity in implementing climate change adaptation and mitigation, especially on vulnerable and marginalized communities Increase resilience to climate change, natural disasters and other shocks	Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry 2016-2025: Build competencies, share information, technologies and assistance packages with a focus on small scale producers. •Increase investment in research and development for technologies and management systems with a focus on resilience to facilitate climate smart/friendly agriculture, land use and fishery	SOM-AMAF

Source：IAI Work Plan IV (2020)

(4) Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture, and Forestry (VSP-FAF) 2016-2025

The VSP-FAF shows a comprehensive policy of FAF sector for which AMAF and its subordinate bodies are responsible in coordination and implementation. The VSP-FAF has been designed to guide ASEAN towards the completion of the Millennium Development Goals (MDGs) and the post-2015 Sustainable Development Goals (SDGs) and towards achieving the related goals of the UN Zero Hunger plan.

The SOM-34th AMAF, held in August 2013, agreed to develop the vision, objectives, and goals of the ASEAN Cooperation in Food, Agriculture, and Forestry (FAF) sector towards 2020 based on the review of the current framework and Strategic Plan. The SOM-35th AMAF, held in August 2014 agreed on a new timeline of 2016-2025 for the new vision of ASEAN Cooperation on FAF sector.

The Vision and Goals of VSP-FAF (2016 - 2016) are as follows:

Vision: A competitive, inclusive, resilient, and sustainable Food, Agriculture, and Forestry (FAF) sector integrated with the global economy, based on a single market and production base contributing to food and nutrition security and prosperity in the ASEAN Community.

Goals:

- Ensuring equitable, sustainable, and inclusive growth: Addresses socio-economic disparities and poverty, ensures gender equality, narrows regional socio-economic disparities and bridges the development gap between Member States.
- Alleviating poverty and eradicating hunger: ASEAN countries have agreed to support UN Secretary General's Zero Hunger Challenge at the regional and country levels in order to achieve hunger eradication.
- Ensuring food security, food safety, and better nutrition: ASEAN has been able to avoid serious threats to food security. Challenges that have emerged include competing demands for resources, effects of climate change and environmental degradation in food production and pressures on supplies due to growing demand.
- Deepening regional integration: Establish a single market and production base in the FAF; sectors must be removed in order to establish fully integrated ASEAN market in food, agricultural and forestry products.
- Enhancing access to global markets: Reducing trade cost is central to fostering competitiveness and market penetration and can be achieved through the elimination of trade impending regulations and standards that restrict market access, hinder intra-regional trade, and undermine ASEAN's international competitiveness.
- Increasing resilience to, and contributing to the mitigation of and adaptation to climate change, natural disasters, and other shocks: Strengthen mechanisms and develop capabilities to prevent and reduce losses due to disasters and emergencies.
- Achieving Sustainable Forest Management (SFM): AMS will strengthen their cooperation and implement national laws and policies and appropriate regional policy frameworks to tackle the challenges of illegal logging, deforestation, and degradation more efficiently and effectively.

Seven Strategic Thrusts are as follows:

ST1. Enhance quantity and quality of production with sustainable, "green" technologies, resource management systems, and minimize pre- and post-harvest losses and waste;

ST2. Enhance trade facilitation, economic integration, and market access;

ST3. Ensure food security, food safety, better nutrition, and equitable distribution.

ST4. Increase resilience to climate change, natural disasters, and other shocks;

ST5. Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness.

ST6. Strengthen ASEAN joint approaches on international and regional issues affecting the FAF sector.

ST7. Promote sustainable forest management.

(5) Strategic Plans of Action by Sub-Sector of FAF

For each subsector under an FAF sector, sectoral working groups or contact points have been organized as subordinate bodies under AMAF. As the action plans of each subordinate bodies, strategic plans of action (SPA) have been developed. The SPAs show strategic thrusts (ST) of the subsector, action programs, activities, sub-activities, timelines, output indicators, and responsible bodies.

a) Strategic Plan of Action for ASEAN Cooperation on Crops (SPA-Crops)

SPA-Crops shows activities and sub-activities on crop subsector to address the STs of VSP-FAF within a five-year timeframe. The SPA is composed of strategic thrust, action programs, activities, sub-activities, responsible bodies, and timeline. The timeframe of current SPA is 5 years from 2021 to 2025.

Table 3.1.4 Strategic Thrusts and Action Programmes of SPA-Crops

ST1. Enhance quantity and quality of production with sustainable, „green" technologies, resource management systems, and minimize pre- and post-harvest losses and waste	1-1 : Identify infrastructure investment requirements in order to increase production, reduce post-production losses, and address investment needs.
	1-2 : Increase private sector participation in policy discussions, program and project formulation, research and development (R&D) and provide incentives and foster an enabling environment for public-private partnerships (PPPs) towards enhancing productivity and quality, recognizing that the 'private sector' in the context of FAF must refer not only to larger commercial enterprises but must also include the small-scale farmers, fishermen and SMEs.
	1-3 : Develop yield- and productivity-enhancing technologies and best practices that involve land use intensification in a sustainable manner, bearing in mind that expansion of cultivable land rapidly reaches its limits even in the land-abundant AMS.
	1-4 : Balance the competing demands for the use of natural resources for food crops, industrial crops and other purposes through land-use planning to ensure ecological sustainability, food security and producer profitability and employment.
	1-5 : Develop new and appropriate technologies, best practices, and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing crops sub-sectors.
	1-6 : Provide institutional mechanisms and appropriate incentives for PPP in R&D and technology diffusion, collaborating with the private sector in order to identify priority, high pay off research issues, and utilize it as a channel for both technology generation and diffusion.
	1-7 : Identify and document technology, success stories, and explore new methods of extension including enhanced use of information and communications technology (ICT) and other communication facilities for dissemination of successful technologies and management systems throughout AMS.
ST2. Enhance trade facilitation, economic integration and market access	2-1 : Identify and eliminate NTBs that have no economic or scientific rationale and implement trade facilitation measures.
	2-2 : Harmonize accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence.
	2-3 : Streamline and improve quarantine systems and procedures, and harmonize standards and regulations.
	2-4 : Involve the private sector in identifying priority products for harmonization of standards and regulations to focus scarce scientific and technical

	resources on high pay-off products.
ST3. Ensure food security, food safety, better nutrition and equitable distribution.	3-1 : Effectively implement the ASEAN Integrated Food Security (AIFS) Framework and the Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) 2015-2020.
	3-2 : Collaborate with relevant ASEAN bodies in order to finalize and implement the ASEAN Food Safety Policy (AFSP).
	3-3 : Accelerate the establishment of food safety standards, and mobilize resources for effective ASEAN wide adoption. One priority is to respond quickly and positively to increasing consumer demands for better food quality and safety as well as for better labeling and information.
	3-4 : Improve food security and nutrition through diversifying food sources and strengthening the quality and variety of food production and improving the food value chains.
ST4. Increase resilience to climate change, natural disasters and other shocks.	4-1 : Promote good agriculture practices incorporating resilient technologies (climate, natural disasters) in order to minimize the negative effects on natural resources such as soil and water and reduce the greenhouse gas emission.
ST5. Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness.	5-1 : Assist small scale producers and SMEs in the FAF sector to become viable and competitive enterprises by provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains.
	5-2 : Encourage larger scale enterprises to perform a mentoring role by linking with small scale producers and SMEs through mechanisms such as contract farming to foster adoption of innovations and participation in high value markets.
ST6. Strengthen ASEAN joint approaches on international and regional issues affecting the FAF sector.	6-1 : Enhance coordination and develop joint approaches through consultations among AMS and related ASEAN bodies in regional and international fora.
	6-2 : Present ASEAN common position on the issues affecting Crop sector in regional and international fora.

Source: JICA Survey Team based on SPA-Crops (2016-2020; 2021-2025)

b) Strategic Plan of Action for ASEAN Cooperation on Fisheries (SPA-Fisheries)

SPA-Fisheries shows activities and sub-activities on the fisheries subsector in order to address the STs of VSP-FAF with five-year timeframe. The SPA is composed of strategic thrust, action programs, activities, sub-activities, responsible bodies, timeline, and output indicators. The timeframe of current SPA is five years, from 2021 to 2025.

According to the response from ASEC-DO, from the fifty-nine (59) activities and sub-activities, thirteen (13) have been implemented, fifteen (15) are ongoing, five (5) are pending or under project appraisal and approval process, and twenty-six (26) activities require further action from ASWGFi (As of 2022, reported at ASWGFi meeting). Also, as the issues to implement the strategy, difficulty to find the suitable donors to support the project, to match the interest of Donors and the Member States, and to engage other AMS to take lead in the some of the activities identified in the roadmap due to the lack of capacity were raised.

Table 3.1.5 shows the STs of SPA-Fisheries and action programs.

Table 3.1.5 Strategic Thrusts and Action Programmes of SPA-Fisheries

ST1. Enhance quantity and quality of fisheries and aquaculture production with "green" technologies, sustainable resource management systems and minimize pre- and post-harvest losses and waste.	1-1 : Identify infrastructure investment and technology requirements to increase production and, promote technology adoption and capacity building program to reduce post-production losses, and address investment needs.
	1-2 : Develop new and appropriate technologies, best practices and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing aquaculture sectors.
	1-3 : Development adequate capacity of AMS in implementing specific measures to support more sustainable fisheries.
	1-4 : Examine and improve policy settings, as necessary, in order to ensure that they do not distort incentives for output increases and new technology adoption while ensuring that they incorporate fully the value of environmental assets and costs of resource depletion.
ST2. Enhance trade facilitation, economic integration and market access	2-1 : Identify and eliminate non-tariff measures (NTMs) that have no economic or scientific rationale and reinforce efforts to improve trade facilitation and revise, as appropriate, trade-impeding regulatory barriers to minimize adverse effects.
	2-2 : Certification, inspection, accreditation and traceability.
	2-3 : Streamline and improve quarantine systems and procedures, and harmonize standards and regulations to facilitate trade.
	2-4 : Enhance regional and international cooperation to ensure that all major ASEAN food market are integrated, and the food trading system is strengthened and utilized to provide stable food supplies.
ST3. Ensure food security, food safety, better nutrition and equitable distribution.	3-2 : Food Safety and Health.
ST4. Increase resilience of fisheries and aquaculture to climate change, natural disasters and other shocks.	4-1 : Increase investment in R&D for technologies and management systems with a focus on resilience to facilitate climate smart/friendly agriculture, land use, and fishery in cooperation with research programs and networks on the basis of best practices.
ST5. Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness in line with the ASEAN Policy Blueprint on SME Development	5-1 : Assist small scale producers and SMEs in the FAF sector to become viable and competitive enterprises through the provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains.
ST6 Strengthen ASEAN joint approaches on international and regional issues.	6-1 : Enhance coordination and develop joint approaches through consultations among AMS and related ASEAN bodies in regional and international fora in order to gain a better hearing for its views and proposals, and obtain more favorable outcomes in negotiations and agreements affecting FAF sector.

Source: JICA Survey Team based on SPA-Fisheries (2021-2025)

c) Strategic Plan of Action of the ASEAN SPS Contact Points (SPA-ASCP)

SPA-ASCP shows SPS related activities coordinated by ASCP to address them by collaborating with ASEAN partner agencies. The timeframe of current SPA is five years, from 2021 to 2025.

Table 3.1.6 Strategic Thrusts and Action Programmes of SPA-ASCP

ST1 Strengthening of coordination arrangements on SPS in the region.	1-1 : Enhance the capacity of ASCP in coordinating SPS-related issues under AMAF.
	1-2 : Promote close collaboration and coordination with other SPS-related ASEAN bodies.
	1-3 : Implementation of e-certification exchange among AMS under the ASEAN Single Window
ST2 Enhancement of SPS cooperation and exchange of information in the region.	2-1 : Exchange information among the relevant WGs under AMAF and other ASEAN SPS-related Bodies on SPS matters.
ST3 Promotion of harmonization of SPS-related measures.	3-1 : Ensure coherence and consistency of SPS-related policies and measures.
	3-2 : Promote cooperation and mutual support in SPS capacity building activities, including the involvement of SMEs.
ST4 Monitoring of SPS initiatives under AMAF.	4-1 : Monitor the implementation of SPS-related policies and measures.

Source: JICA Survey Team based on SPA-ASCP (2021-2025)

d) Strategic Plan of Action of the ASEAN Cooperation in Agriculture Cooperative (SPA-AC)

It is a strategic document describing activities and sub-activities for ASWGAC, ACEDAC, and member states with its partner organizations, including ASEAN Foundation to work together on agricultural cooperative development. It has been developed with a five-year timeframe and is designed to provide a framework for the member states to work together to strengthen agricultural cooperatives approved by the ASWGAC and member states as an action plan on strengthening agricultural cooperatives, with each member state demonstrating its commitment through its signature. The current timeframe is 2021-2025, a five-year period; the STs of the SPA-AC are same as ST2 and ST5 of the VSP-FAF.

Implementing entities have been identified for each of the planned activities, which are to be implemented by the respective implementing entities in accordance with the plan. The main implementing entities listed in the already implemented 2016-2020 Plan are ASWGAC/ACEDAC, member states and partners such as the ASEAN Foundation, Asian Farmers' Association for Sustainable Rural Development (AFA), Capacity Building Project (supported by the Japanese Ministry of Agriculture, Forestry and Fisheries), etc., and activities are implemented under the budget of the respective implementing entities. The status of activities is monitored through progress reports from countries and actors at the concurrent ACEDAC Executive Board, which is further discussed and approved in ASWGAC annual meetings.

The implementation of SPA-AC has the following patterns:

1) Activities carried out by the ACEDAC Secretariat under the supervision of ASWGAC.
2) Activities carried out by member states under coordination and monitoring by ACEDAC.
3) Activities initiated by a designated member state under the direction and approval of ASWGAC/ACEDAC and implemented with the participation of other member states.
4) Activities carried out by partner agencies or projects under the approval of ASWGAC/ACEDAC

Table 3.1.7 Strategic Thrusts and Action Programmes of SPA-Agricultural Cooperatives

ST2 Enhance trade facilitation, economic integration and market access.	2-1：Establish business linkages among the potential agricultural cooperatives and farmers organization
	2-2： Promote direct investment and strategic partnership with ASEAN Agricultural cooperatives and farmers organization, producers, consumer and traders (ST2、AP2.6) .
	2-3：Empower personnel and stakeholders engaged in OVOP development.
	2-4：Strengthen the Food Marketing System of Agricultural Cooperatives for Enhancing Food Security in ASEAN.
ST5 Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness in line with the ASEAN Policy Blueprint on SME Development.	5-1：Assist small scale producers in the FAF sector to become viable and competitive enterprises through the provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains.
	5-2：Promote and strengthen cooperatives and farmers organizations so as to better integrate small producers in the value chains and to provide collective platforms to deal with production and market risks.
	5-3：Empower personnel and leaders of agricultural cooperatives.
	5-4：Establish strategic alliances among agricultural cooperatives in ASEAN.

Source: JICA Survey Team based on SPA-AC (2021-2025)

(6) Other Important Strategic Documents (Integrated Frameworks, Multisectoral Frameworks, Roadmaps etc.,)

A number of other important strategic documents exist, such as integrated frameworks, multi-sectoral frameworks, roadmaps, etc. to address specific key issues and cross-cutting challenges[6]. A summary of those of particular importance in terms of strengthening FVC is described below.

ASEAN Framework – Support Food, Agriculture and Forestry Small Producers, Cooperatives and Micro, Small, and Medium-Sized Enterprises (MSMEs) to Improve Product Quality to Meet Regional/International Standards and Ensure Competitiveness (hereinafter ASEAN Framework) was adopted at the 42nd AMAF meeting in 2020 to promote the implementation of ST5, one of the seven STs in the VSP-FAF (2016-2025). The ASEAN Framework serves as a guideline for implementing the measures, including recommendations for policy formulation and legislation by member states, and for strengthening the capacity and competitiveness of smallholder farmers, agricultural cooperatives, and small, medium, and micro enterprises. It provides advice based on case studies from member states and around the world to strengthen the capacity and competitiveness of smallholder farmers, agricultural cooperatives and MSMEs.

The ASEAN framework identifies five strategic priorities: 1) Improve FAF small producers, cooperatives, and MSMEs' access to finance and find innovative solutions to unlock sources of capital; 2) Empower small producers, Cooperatives, MSMEs as digital economy drivers in order to promote technology investment; 3) Enhance the competitiveness and market access of food, agriculture, and forestry products; 4) Enhance capacity building and institutional development; and 5) Increase resilience against external shocks, such as climate change, economic crisis, political instability, and natural catastrophes, with basic policies and proposed activities for each of these priorities. On the other hand, the Framework is non-binding and does

[6] According to interviews with ASEC-DOs, a framework is an overarching policy document that sets out basic policies on specific issues and areas, whereas a strategic action plan is about the planned implementation of activities of relevant organisations in ASEAN. On the other hand, roadmaps were not a commonly used expression and the cases in which they are used were vague.

not create rights or obligations and is therefore to be implemented on a voluntary and self-financing basis in accordance with the condition of each member state. It further states that it does not apply to matters relating to the sovereignty, national security, or safety of the general public of the member states.

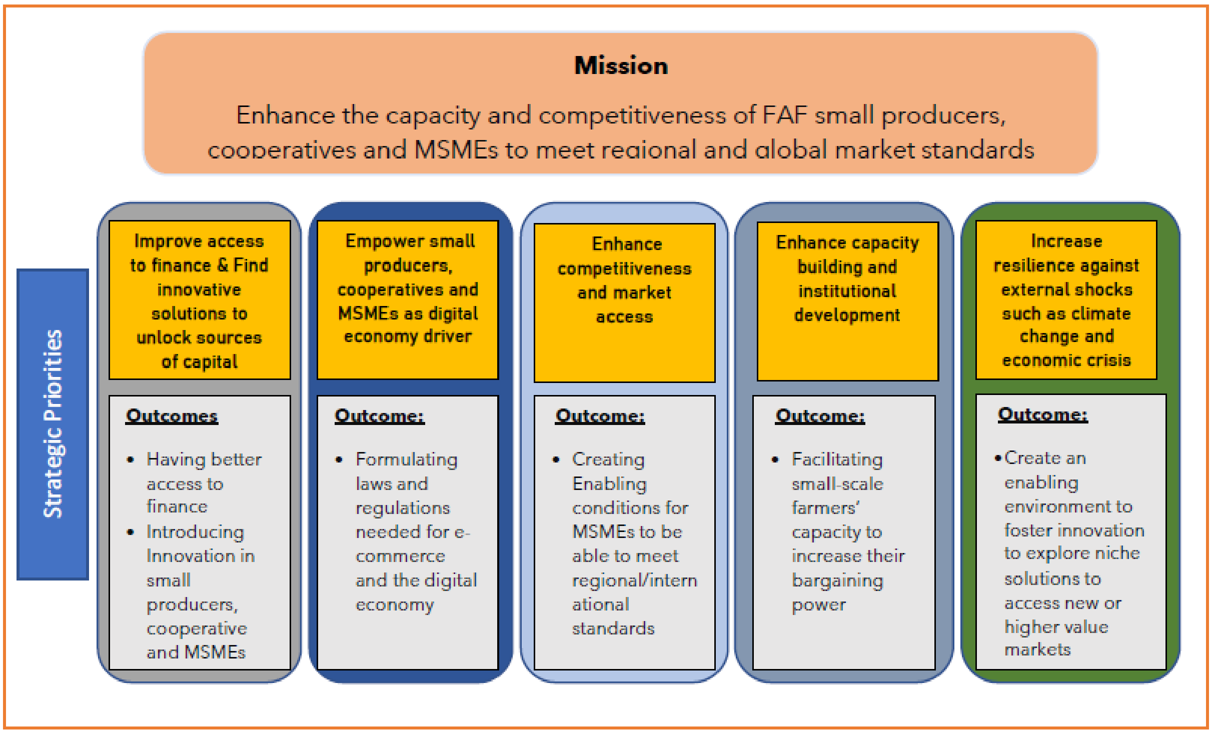


Figure 3.1.2 Overview of the ASEAN Framework

Source: ASEAN framework 2021

Unlike the SPA, the ASEAN Framework, although it contains more detailed directions on relevant activities, is intended as a reference document for member states to refer to when formulating their own policies and action plans. As such, it is not something that ASEAN checks or monitors the status of its application. According to member states, in practice, they are positioned to incorporate what they can in the light of their own policies.

ASEAN Integrated Food Security Framework and Strategic Plan of Action on Food Security on ASEAN Region (AIFS Framework and SPA-FS) provides the scope and joint pragmatic approaches for cooperation among AMS in food security and nutrition. The timeframe is five years, from 2021 to 2025. The document shows objective, principles, strategic thrusts, action programs, and activities.

For implementing the AIFS Framework and its SPA-FS, the SOM-AMAF, supported by ASEC, is the body with primary responsibility. The SOM-AMAF has also taken the lead in coordinating AIFS Framework and its SPA-FS activities with other sectoral bodies under ASEC and ASCC. Resources to implement the AIFS Framework SPA-FS are mobilized by cost-sharing among AMS. Additional resources may be mobilized from financial support of Dialogue Partners and donor agencies.

The ASEAN Roadmap for Enhancing the Role of ASEAN Agricultural Cooperatives in Agricultural Global Value Chains 2018-2025 provides more detailed guidelines to support agricultural cooperatives in member countries to benefit in global value chains, including: 1) providing guidance to facilitate the participation of agricultural cooperatives in ASEAN member countries in the global agricultural value chains; 2) facilitating the implementation of ST 2 and 5 of the VSP-FAF; 3) providing guidance on the legal status of agricultural cooperatives in member states, harmonizing the legal status within ASEAN, and sharing best practices.

The document presents a method for implementing activities within each member state on the four main issues of strengthening agricultural cooperatives: 1) organizational and capacity building, 2) strengthening competitiveness, 3) improving access to finance, and 4) improving market access.

The roadmap was developed as part of the activities of the ASEAN Farmer's Organization Support Program (AFOSP), following agreement on its necessity at the ASWGAC meeting, and was approved by the ASWGAC and AMAF. On the other hand, according to interviews with AFA, the implementing agency of the AFOSP that assisted in its preparation, the project was terminated after its formulation and its implementation has not been facilitated, leaving it at the discretion of member states.

Like the ASEAN Framework, it is regarded as a reference document for member states to refer to when planning and implementing relevant activities, and ASEAN does not check or monitor its application. On the other hand, it provides more detailed information on how to implement each relevant activity, so it can be used as a reference when countries take on new initiatives or face difficulties. In Cambodia, for example, the roadmap is being referred to in the preparation of the national policy on cooperatives currently being developed.

Food Safety Policy provides direction to relevant ASEAN sectoral bodies and AMS with the goal of protecting the health of ASEAN consumers, ensuring fair practices in food trade and facilitating free movement of safety food products within the region, which includes establishing and implementing safety measures, fostering the process of harmonization of food safety measures and control procedures of AMS, and supporting the efforts of AMS in strengthening national food control systems. The policy comprises 10 core principles and it addresses all sectors concerned with food safety assurance and control, including agriculture, health, industry, and trade.

The ASEAN Food Safety Regulatory Framework (AFSRF) provides a framework for implementing food safety policies in AMS. The framework is intended to ensure the protection of consumer's health, facilitate the free flow of safety food within ASEAN by enhancing the harmonization of sanitary and phytosanitary measures and standards for food; minimizing technical barriers to intra-ASEAN trade in food; and reducing discrepancies of national food control systems among individual ASEAN Member States.

ASEAN Multi-Sectoral Framework for Climate Change: Agriculture and Forestry toward Food and Nutrition Security and Achievement of SDGs was created with the goal of contributing to ST6 of AIFS Framework and SPA-FS in order to ensure food and nutrition security and to achieve SDGs. The AFCC framework links the three ASEAN community pillars, namely AEC, APSC, and ASCC, so as to comprehensively tackle the region's issues on climate change and food security. The Framework is implemented by a working group under AMAF with other sectoral bodies on environment, rural development and poverty eradication, disaster management, health, and energy.

The Plan of Action (POA) for the ASEAN Cooperation on Good Aquaculture Practices (2021-2025) is a policy document aiming to sustain the early and long-term development and implementation of the ASEAN GAqP, as well as to contribute to the achievement of the prioritized activities of VSP-FAF (2016-205) and SPA-Fisheries (2021-2025). The activities set out in the POA are envisaged to be implemented by the EWG-ASEAN GAqP and the activity progress and priority deliverables are to be developed by the EWG-ASEAN GAqP, ASWGFi and SOM-AMAF, with a final evaluation to be conducted in 2025.

It was reported at the second EWG-ASEAN GAqP in May 2022 that this POA was endorsed at the 43rd AMAF meeting in October 2021. The objectives of the POA ASEAN GAqP (2021-2025) are as follows:

- Support the establishment and harmonization of GAqP standards across AMS based on the core agreed of practices listed in published ASEAN GAqP Guideline documents.
- Support the improvement of aquaculture farm certification and accreditation systems of the AMS according to relevant ISO standards.

- Provide priority actions for cooperation among AMS, as well as with Dialogue Partners and Regional and International Organisations, in promoting the ASEAN GAqP.

The Plan of Action of the ASEAN Shrimp Alliance 2021-2025 includes policies on 1) regional cooperation on long-term genetic improvement for growth improvement and resistance to shrimp early mortality syndrome; 2) regional awareness-raising activities on traceability systems and aquaculture certification; 3) recommendations on common issues and collaboration; and 4) harmonization and dialogue towards an international forum, as defined in the policy. This POA has been developed to underpin the achievement of the SPA-Fisheries 2021-2025.

The Plan of Action for ASEAN Cooperation in Combatting AMR in the Aquaculture Sector (2021-2025) is a policy document that aims to increase ASEAN member states' capacity in residual veterinary medicines and AMR (drug resistance) risk analysis, strengthening ASEAN standards and their implementation, and promoting knowledge on veterinary drugs and AMR through technical assistance. The current progress of the document is that out of the 30 activities, five have been completed, one is pending or under evaluation, and 24 are awaiting action by ASWGFi. Challenges in promoting POAs include the lack of suitable donors for project implementation, mismatch of donor and member state interests, difficulties for some countries to be involved in some of the activities due to lack of capacity, etc.

The Roadmap on Combating IUU Fishing in the ASEAN (2021-2025) is a comprehensive roadmap aimed at optimizing the benefits of improving fisheries management, sustaining fish stocks, and adopting responsible fishing practices through enhanced joint efforts to combat IUU fishing in the region. The current progress is that out of the 24 activities, one has been completed, seven are in progress, four are pending or under evaluation, and 12 are awaiting action by the ASWGFi. Challenges in promoting the roadmap include the inability to find suitable donors for project implementation, mismatch of donor and member states interests, and difficulties for some countries to be involved in some of the activities due to lack of capacity, etc.

3.1.2 Inter-Relationships among Key Policy Documents

Based on the above, Figure 3.1.3 summarizes the inter-relationships of the key policy documents, with a focus on the responsible actors for coordination and monitoring.

Of the ASEAN Community Vision 2025 and the Blueprints (2016-2025) for each of the three communities, the AEC Blueprint is relevant to the food, agriculture, and forestry sector. The CSAP describes the framework for achieving it, and for each of the Strategic Measures, there is a description of the relevant workplan and relevant organization. The VSP-FAF and SOM-AMAF are responsible for overall initiatives in the food and agriculture sector, the IAI Work Plan and IAI Task Force for initiatives related to the least developed ASEAN countries, the ASEAN Standards and Conformance Strategic Plan and ACCSQ are listed in the CSAP as relevant workplans and relevant organizations, respectively.

The VSP-FAF is positioned as a comprehensive strategic action plan for the food and agriculture sector, with the SOM-AMAF and its sub-organizations responsible for implementation. Each sub-organization has a corresponding SPA (e.g., SPA-Crops of the Crops Working Group) as its action plan. With a few exceptions, the STs of the SPAs of the subordinate organizations are basically in line with the STs of the VSP-FAF. There are also strategy documents, such as the Plan of Action (POA) of the ASEAN Cooperation on Good Aquaculture Practices, which are subordinate to the SPA and complement and underpin some of the activities of the Sectoral Working Groups and Technical Working Groups. Projects implemented as ASEAN Cooperation are essentially positioned as one of the activities of the relevant SPA.

For key issues such as SPS, food security, and climate change, especially cross-cutting issues that cross multiple working groups within AMAF or require coordination with other AEC sectoral organizations such as AEM and AHM, policy documents such as frameworks and roadmaps provide the direction and coordination mechanisms for ASEAN as a whole.

Most of the regional guidelines developed in ASEAN are treated as non-binding reference materials, but it is recommended for each member to have its own systems, standards, and regulations in line with these guidelines in order to harmonize national systems and promote free trade. The guidelines are developed and reviewed by ASEAN and its member states through the implementation of measures promoted by the working groups with the support of partner organizations, and their development is positioned as one of the indicators in cross-cutting policy documents such as frameworks and roadmaps. (e.g., Box 1 in section 3.2.2. Relationship between RES&POAs and SPA-Fisheries).

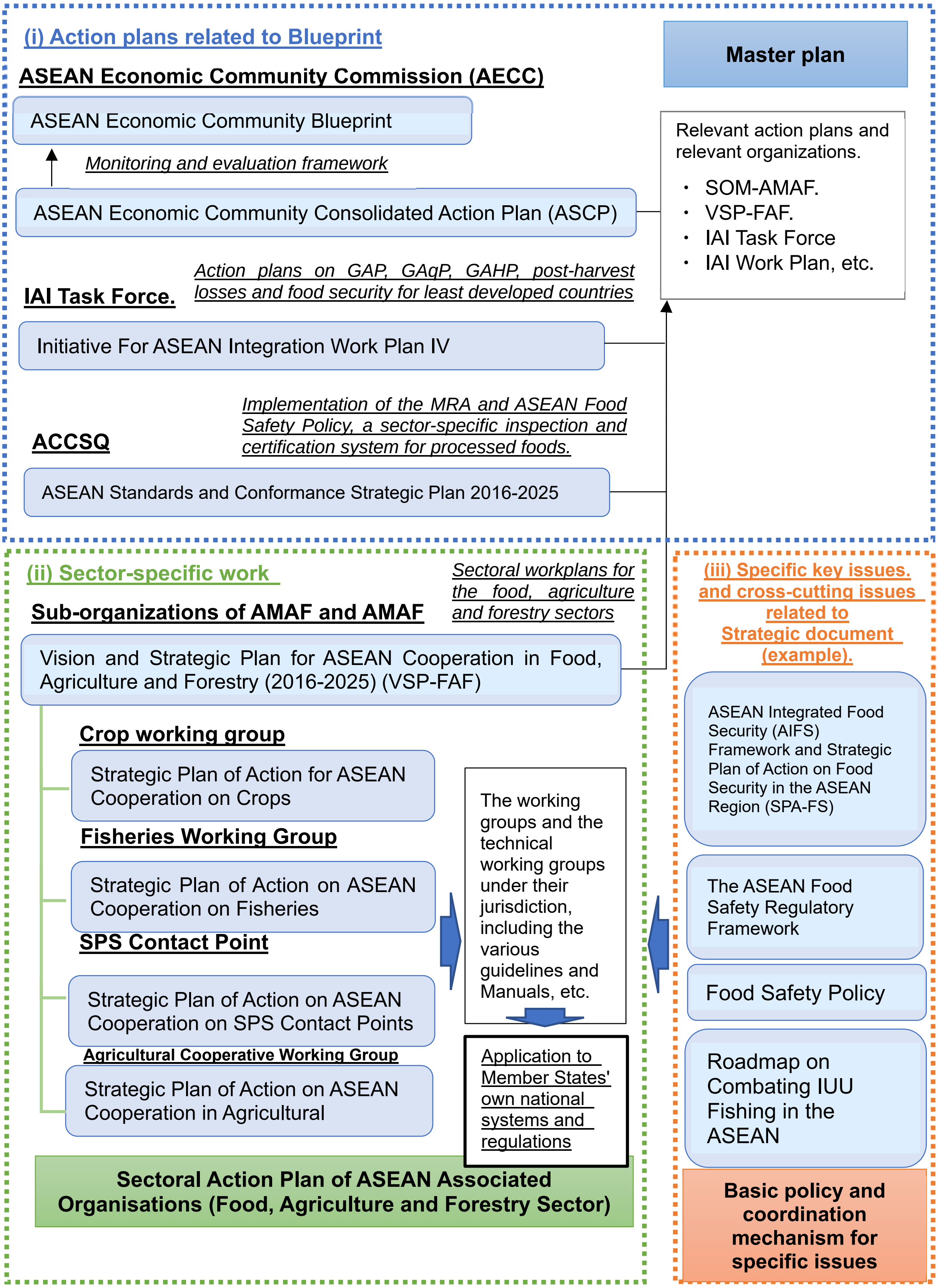


Figure 3.1.3 Inter-relationships between Policy Documents Based on the Classification of the Main Implementing Entity

Source: JICA Survey Team.

3.2 Key Measures and Guidelines in Terms of Strengthening FVC

A questionnaire was sent to ASEC-DOs in order to list and outline the various measures and key guidelines (e.g., ASEAN GAP) led by the four working groups.

3.2.1 ASWGC's Measures and Guidelines

The development and revision of training materials, guidelines, and manuals led by the ASWGC are reviewed and implemented by the relevant expert working groups under the ASWGC, with the support of partner organizations, including the Australian Government. In principle, these guidelines are not mandatory and are used as reference material in the development of the legal and organizational structures of each member state. Although the activities under the jurisdiction of the ASWGC are diverse, the ASEC-DO has pointed to the ASEAN GAP/GAqP/GAHP and ASOA as important guidelines and manuals in recent years, indicating that these activities are a high priority for the ASWGC.

(1) Good agricultural practices for the production of fresh fruit and vegetables in the ASEAN region (ASEAN GAP).

ASEAN GAP was created in 2006 as a regional standard guideline for managing the various risks that arise in each process of agricultural production in the first phase of the Australian government's project, Quality Assurance Systems for ASEAN Fruit and Vegetables (QASAFV). By harmonizing the domestic GAPs of member countries, this ASEAN GAP aims to promote trade, revitalize farmers, and eventually contribute to environmental conservation and the supply of safe crops.

The ASEAN Guidelines consist of four modules: (1) Food Safety; (2) Environmental Protection; (3) Occupational Health, Safety and Welfare; and (4) Production Quality, each of which is divided into sections. There are 17 sections in total, and each module contains parts of 17 sections. In addition, one or more modules correspond to one section (see Table 3.2.1).

Table 3.2.1 Composition of the ASEAN GAP

Contents	Food Safety	Environmental Management	Worker, Health, Safety, Welfare	Produce Quality
Site History and Management	✓	✓		
Planting Material	✓	✓		✓
Soil and Substrates		✓		
Fertilizers and soil additives	✓	✓		✓
Water	✓	✓		✓
Chemicals	✓	✓		✓
Harvesting and Handling Produce	✓	✓		✓
Waste and Energy Efficiency		✓		
biodiversity		✓		
air		✓		
Working Conditions			✓	
Produce Quality Plan				✓
Working Welfare			✓	
Traceability and Recall	✓			✓
Training	✓	✓	✓	✓
Documents and Records	✓	✓	✓	✓
Reviewing Practices.	✓	✓	✓	✓

Source: Adapted from annexes to the ASEAN GAP Guidelines.

(2) Guidance Manual for Using the Alignment Assessment Tools for the ASEAN GAP

Guidelines on how to complete the Alignment Assessment Matrix, a tool for member states to assess the conformity of their GAPs with ASEAN GAPs. The tool was developed by the International Task Force on Harmonization and Equivalence for Organic Agriculture Systems and the Task Force on ASEAN Standard for Organic Agriculture (TF-ASOA).

It is used for self-assessment, for peer reviewing among member states, and for determining the current status of agreement with the ASEAN GAP. The evaluation method describes the corresponding required standard for each of the base standard (ASEAN GAP) and the referenced standard (member state's own GAP), and the status of agreement is evaluated according to E, A, or N.

- E: (Exact) alignment. National standards and ASEAN GAP standards are fully aligned.
- A: The referenced standard has a higher required standard than the base standard or additional standards are established.
- N: Not matched.

According to the manual's description, the assessment is carried out through the following steps. First, a self-assessment is conducted by the country with the national GAP to be assessed, followed by a peer review by two people, a lead reviewer and a second reviewer, who have experience in conducting assessments. If there are differences between the results of the self-assessment and the peer review, the reviewer leaves comments in the supplementary box. Issues identified by this work will be discussed during the workshop and the ASEAN GAP Technical Working Group.

Several Member States have conducted assessments using the manual and reviewed their national guidelines taking into account the results, for example, Thailand revised the module on food safety in its national GAP, Q-GAP, in 2022 after working on EWG-GAP, and the module was recognized as homogeneous with ASEAN-GAP.

(3) ASEAN GAP Official Control Manual - Quality Assurance Systems for ASEAN Fruits and Vegetables

The manual provides a general regulatory framework for member states wishing to implement the ASEAN GAP certification system. It also contains recommendations for the establishment of homogeneous regulatory and organizational structures among member states. It was prepared in 2019 as one of the activities of the ASEAN-Australia Development Cooperation Program Phase II (AADCP II) project by the Australian Government. It specifically outlines the duties and roles to be undertaken by competent and supervisory authorities, accreditation bodies, and certification bodies, respectively.

1. Preamble
2. Designation of Competent authority / control authorities
3. General obligations concerning the competent authority / control authorities
4. Audits by competent authority / control authorities
5. Right of appeal
6. Complaint procedures
7. Confidentiality obligations of the competent authority / control authorities
8. Transparency of official controls
9. Delegation by the competent authorities of certain official control tasks
10. Designation of the accreditation body
11. Accreditation rules

Figure 3.2.1 Table of Contents of the ASEAN GAP Official Control Manual

Source: JICA Survey Team (2022)

(4) ASEAN GAP Certification Manual - Quality Assurance Systems for ASEAN Fruits and Vegetables

It was prepared in 2019 as a reference manual for supervisory authorities certifying national GAPs in member states and supervisory entities to which the supervisory authority has delegated part (or all) of its authority to conduct certification business, also as one of the activities of the AADCP II project by the Australian Government. It describes the duties and functions to be performed by the supervisory authority or entity as well as the general steps and considerations to be taken before an applicant is certified by a certification body.

1. Preambles, Introduction and Abbreviations
2. General CB and CA (Control Body and Control Authority requirements)
3. Sampling, Laboratories and Communication
4. Operator registration
5. Assessment process (single farmer and farmer groups)
6. Certification process
7. Transfer between certification bodies

Annex 1: Inspector qualifications

Annex 2: Auditor qualifications

Figure 3.2.2 Contents of the ASEAN GAP Certification Manual

Source: JICA Survey Team

(5) Other Guidelines and Manuals Initiated by the ASWGC.

Other major guidelines and manuals led by the ASWGC and its subsidiary EWGs, TFs, and others, which JICA survey team identified through web-based information gathering and other means, listed in the Table 3.2.2.

Table 3.2.2 Other ASWGC-Initiated Guidelines and Manuals

number	Guideline	EWG/TF/CP	Year Issued	Overview
1	Procedure for the amendment or revision of the Good Agricultural Practice (ASEAN GAP) for Production of Fresh Fruit and Vegetables in the ASEAN Region and its Interpretative Guides (Modules)	EWG-GAP	Not stated	A document setting out EWG-GAP's policy on the revision of ASEAN GAP and its explanatory material.
2	Guidelines for the Conduct Pest Risk Analysis for ASEAN	EWG-PS	Agreed at the 2013 expert meeting.	Guidelines for member states to conduct risk analysis of pesticides on the basis of a consistent and harmonized approach.
3	ASEAN Phytosanitary (PS) Guidelines for Importation priorities commodities	EWG-PS	Varies by item	Guidelines for imports within the ASEAN region that describe the names of pests and diseases of major concern, requirements and certificates on quarantine with regard to imports of priority and important agricultural products.
4	ASEAN Standard for Organic Agriculture (ASOA)	EWG-OA	2014	Document setting out standard requirements for organic produce (crops containing mycelia) and processed foods.
5	ASEAN Guidelines for Organic Certification (AGOC)	EWG-OA	2018	Reference guidelines for certification bodies in the member states for organic agricultural products (crops including mycelia) and their processed food products in the course of their certification operations.

number	Guideline	EWG/TF/CP	Year Issued	Overview
6	ASEAN Harmonized Standards for Horticultural Produce	TF-HP	Varies by item	A document that presents, on a commodity-by-commodity basis, the required standards, classifications, etc. in the Member States for the production of major horticultural crops.

Source: JICA Survey Team

3.2.2 ASWGFi's Measures and Guidelines

(1) ASEAN-SEAFDEC Strategic Partnership

The ASEAN-SEAFDEC Strategic Partnership developed the "Resolution and Plan of Action on Sustainable Fisheries for Food Security in the New Millennium" in 2001 as a framework for the formulation of national policies and actions to promote sustainable fisheries in the Southeast Asian region; the "Resolution and Plan of Action on Sustainable Fisheries for Food Security for the ASEAN Region Toward 2020" (RES&POA-2020) was developed as a successor document. In addition, the Resolution and Plan of Action on Sustainable Fisheries for Food Security for the ASEAN Region Toward 2030 (RES&POA-2030) was developed in 2020. (Box 3.2.1) Various policy documents and regional guidelines have been developed within this policy framework over the past 20 years. The following table shows the regional guidelines and other documents that have been developed within this framework in the last ten years thanks to the RES&POA action plan.

Box 3.2.1. Relationship Between RES&POAs and SPA-Fisheries

The RES&POA is the action plan for the ASSP and the SPA-Fisheries is the action plan for the ASWGFi. Each document is an independent policy document, but in the larger scheme of things, they are positioned in accordance with a higher-level policy, such as the AEC Blueprint. The regional guidelines developed in ASEAN are developed using RES&POA as a benchmark and as one of the activities in SPA-Fisheries.

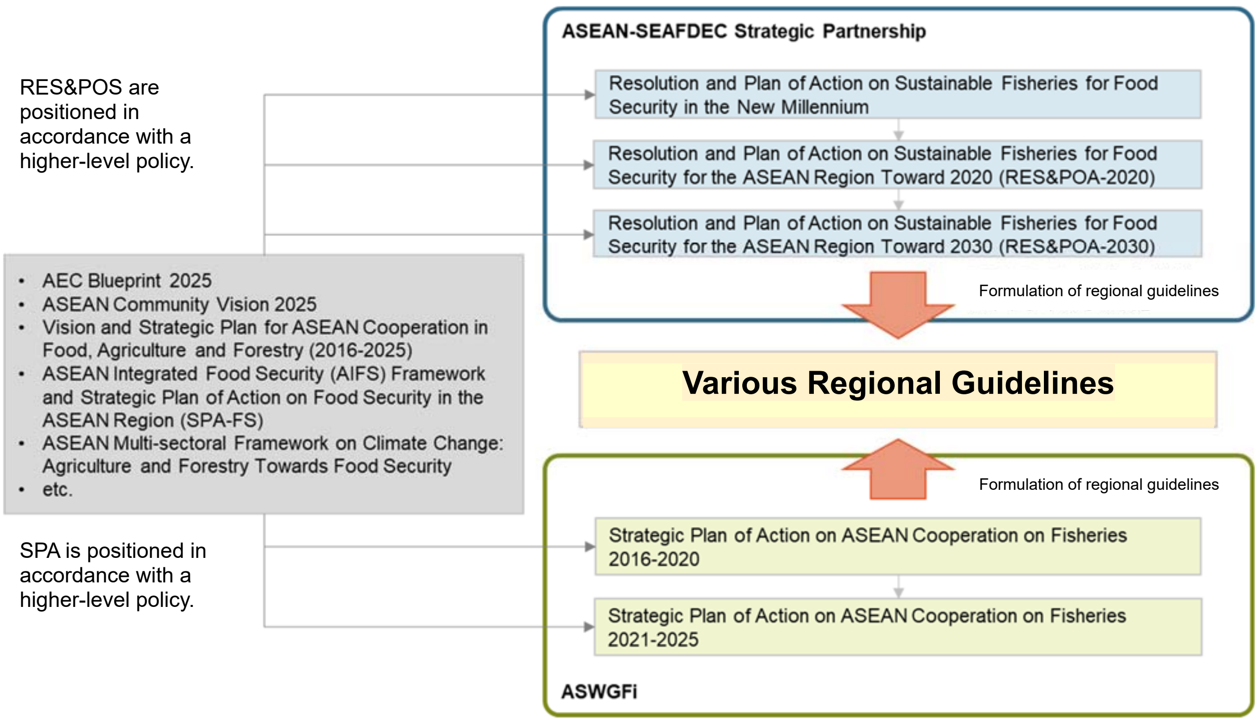


Table 3.2.3 Regional Guidelines and Other Guidelines Developed since 2012 in the ASEAN-SEAFDEC Strategic Partnership

Plan of Action	Policy Documents and Regional Guidelines
B. Fisheries Management	• Regional Plan of Action on ASEAN Guidelines for Preventing the Entry of Fish and Fishery Products • from IUU Fishing Activities into the Supply Chain (2013). • Regional Plan of Action on Sustainable Utilization of Neritic Tunas in the ASEAN Region (2013). • Regional Action Plan for Managing the Foraging Habitats of Sea Turtles (2014). • Essential Ecosystem Approach to Fisheries Management Training Materials (2014). • Regional Policy Recommendations on Conservation and Management of Eel Resources. • Promotion of Sustainable Aquaculture (2015). • Policy Brief: Applying Human Rights-Based and Gender Equality Approaches to Small-Scale. • Fisheries in Southeast Asia (2018). • Regional Action Plan for Management of Transboundary Species: Indo-Pacific Mackerel in the Gulf of Thailand Sub-Region (2020).
B1. Marine Fisheries	• Regional Fishing Vessels Records (RFVR) for 24 meters in length and over (2013). • Joint ASEAN-SEAFDEC Declaration on Regional Cooperation for Combating IUU Fishing. • Enhancing the Competitiveness of ASEAN Fish and Fishery Products (2016). • ASEAN Regional Plan of Action for the Management of Fishing Capacity (2016). • Strategic Plans of Action for Fishery Resources Enhancement in the Southeast Asian Countries (2016). • ASEAN Catch Documentation Scheme (ACDS) for Marine Capture Fisheries (2018).
B2. Inland Fisheries	• Strategic Plans of Action for Fishery Resources Enhancement in the Southeast Asian Countries (2016).
C. Aquaculture.	• Regional Guidelines on Traceability System for Aquaculture Products in the ASEAN Region (2016). • Regional Policy Recommendations on Early Mortality Syndrome (Acute Hepatopancreatic Necrosis Disease) and Other Transboundary Aquatic Animal Health Diseases (2016). • Regional Database of Alternative Feed Ingredients in Aquaculture (2018). • Regional Technical Guidelines on Early Warning System for Aquatic Animal Health Emergencies (2019).
D. Optimal Utilization of Fish and Fishery Products	• ASEAN Guidelines for the Use of Chemicals in Aquaculture and Measures to Eliminate the Use of Harmful Chemicals (2013). • Regional Guidelines on Cold Chain Management of Fish and Fishery Products in the ASEAN Region (2019).

Source: JICA Survey Team based on SEAFDEC (FISH for the PEOPLE Volume 18 Number 3: 2020).

In addition to the above, the following two activities are being implemented within the framework of the Fisheries Consultative Group of the ASEAN-SEAFDEC Strategic Partnership (FCG/ASSP):

- Developing regional guidelines on Good Manufacturing and Handling Practices (GMP & GHP) for sushi and sashimi;
- Introducing High-Pressure Processing Protocols for Seafood.

(2) ASEAN-Australia Cooperation

1) Guidelines on ASEAN Good Aquaculture Practices (ASEAN GAqP) for Food Fish.

These are regional guidelines developed in 2015 under AADCP II, which was implemented with support from the Australian Government. Each member state is encouraged to harmonize its National GAqP with this ASEAN GAqP, and the status of implementation of each country's National GAqP is reported at the EWG-ASEAN GAqP meetings. The EWG-ASEAN GAqP's common view on the term "harmonization" is that the National GAqP's compliance with some items of the ASEAN GAqP is recognized as "harmonized."

It should be noted that, although discussions on the establishment of a regional certification system were underway, it was confirmed at the first EWG-ASEAN GAqP in June 2021 that the ASEAN GAqP would be organized as a guideline, as each member state has the authority to grant certification (i.e., ASEAN does not have this authority). Discussions are also underway in the sub-working group in the direction of internalizing the ASEAN Shrimp GAP as part of the ASEAN GAqP for Food Fish.

2) ASEAN Good Aquaculture Practices for Food Fish: Trainers' Guide.

It was developed as a guideline for trainers on the use of the above-mentioned ASEAN GAqP. It is designed to help member states provide effective training of trainers (TOT) to aquaculture extension agents and others, and is also intended to contribute to the understanding and utilization of the ASEAN GAqP.

(3) Others (Guideline under Preparation)

The ASEAN Guidelines on Inspection and Quarantine for Imported Aquaculture Fish and Fisheries Products[7] is being prepared as a concept note; it has been confirmed that it will be implemented as an activity during the 2021 FCG/ASSP meeting. It is expected that the development of these guidelines will be implemented as part of the activities of the JICA-ASEAN FVC project.

Table 3.2.4 Overview of Guideline under Development

<Purpose> - Develop and promote ASEAN inspection and quarantine guideline for aquaculture fish and fisheries products. - Encourage the AMS to improve their national inspection and quarantine systems. <Scope>. - The guidelines apply to aquaculture products for human consumption, including algae and other aquatic plants (not including live aquatic animals and the propagation materials). - Depending on the types of products and the corresponding "conformity assessment" procedures, the designated agent has the discretion to apply different inspection requirements. A full inspection and quarantine may include the following steps: accept application, review, inspection, quarantine, quarantine treatment, overall assessment, goods release and archive. - This guideline is to bring together in a concise and practical format, recommendations for the inspection and quarantine of fish and fisheries products imported into a state <Expected outcome>. - Regional guidelines on inspection and quarantine mechanisms for imported fish and fishery products derived from aquaculture for the ASEAN region. - To strengthen the capacity of AMS on inspection and quarantine of fish and fisheries products including cooperation for effective traceability. - Improving food safety and enhancing food security in ASEAN - Facilitating trade of aquaculture products in the region

Source: JICA Survey Team based on Concept Note: Development of ASEAN Guidelines on Inspection and Quarantine for Imported Aquaculture Fish and Fisheries Products.

7 In the SPA and documents of SEAFDEC, the title "ASEAN Guidelines on Inspection Mechanism for Aquaculture Fish and Fisheries Products" is used. It is comprehensively assumed that it indicates the same guideline based on the answers from the ASEC, etc.

3.2.3 ASCP's Measures and Guidelines

The ASCP is the coordinating body within ASEAN for SPS and does not have the function of promoting and supporting the formulation of policies and guidelines for SPS-related measures in ASEAN countries. Therefore, in principle, the ASCP is not in a position to take the lead in formulating guidelines and policies, and technical initiatives such as standards development are carried out by the respective SWGs, such as the ASWGC, ASWGFi, and ASWGL (ASEAN Sectoral Working Group on Livestock). Below are several examples.

Based on interviews with ASEC-DOs, a list of policy documents and guidelines relevant to the ASCP was compiled:

- Strategic Plan of Action for the ASEAN SPS Contact Point;
- ASEAN Regional Guidelines for the Implementation of International Standards Related to SPS Measures;
- Intra-ASEAN Phytosanitary Guidelines for the Importation of Priority Commodities.

The main activities of the Strategic Priority Issues and Action Programs listed in the SPA-ASCP are to promote coordination and collaboration with ASEAN countries and monitoring, as outlined in Table 3.2.5. Therefore, as shown in the table below, activities related to the SPS and food safety sector are included in the SPAs of the respective SWGs and are implemented in coordination with the respective SWGs.

Table 3.2.5 Strategic Priorities and Action Programs of SPS and Food Safety for Each SWG

SPA-Crops	ST1. Enhance quantity and quality of production with sustainable, "green" technologies, resource management systems, and minimize pre- and post-harvest losses and waste	1-5: Develop new and appropriate technologies, best practices and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing crops sub-sectors.
	ST2. Enhance Trade Facilitation, Economic Integration and Market Access	2-1: Identify and eliminate NTBs that have no economic or scientific rationale, and implement trade facilitation measures.
		2-2: Harmonize accreditation, inspection, and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence.
		2-3: Streamline and improve quarantine systems and procedures, and harmonize standards and regulations.
	ST3. food security, food safety, better nutrition, and equitable distribution	3-2: Collaborate with relevant ASEAN bodies in finalizing and implementing the ASEAN Food Safety Policy (AFSP).
		3-3: Accelerate the establishment of food safety standards and mobilize resources for effective ASEAN wide adoption. One priority is to respond quickly and positively to increasing consumer demands for better food quality and safety as well as better labeling and information.
SPA-Fisheries	ST1. Enhance quantity and quality of fisheries and aquaculture production with "green" technologies, sustainable	1-2: Develop new and appropriate technologies, best practices and management systems to ensure food safety and address health/disease and environmental

	resource management systems and minimize pre- and post-harvest losses and waste.	issues, particularly in the fast-growing aquaculture sectors.
	ST2. Enhance trade facilitation, economic integration, and market access	2-1: Identify and eliminate non-tariff measures (NTMs) that have no economic or scientific rationale, and reinforce efforts in order to improve trade facilitation and to revise, as appropriate, trade-impeding regulatory barriers so as to minimize adverse effects.
		2-2: Certification, inspection, accreditation, and traceability.
		2-3: Streamline and improve quarantine systems and procedures, and harmonize standards and regulations in order to facilitate trade.
	ST3. Ensure food security, food safety, better nutrition, and equitable distribution	3-2: Food safety and health.
SPA-Livestock	ST1. Enhance intra- and extra-ASEAN trade in livestock commodities	1.1: Improve the policy and regulatory environment so as to facilitate trade.
SPA-Livestock		1.2: Harmonize production and processing standards so as to promote trade.
	ST2. Disease control and food safety in order to expand trade and protect human health	2.1: Harmonize comprehensive integrated disease control measures.
		2.2: Harmonize food safety standards for livestock products to protect human health and expand trade.
		2.3: Harmonized vet laboratory and vet product quality standards to promote collaboration among labs, and expand trade in livestock and veterinary products
		2.4: Provide easily accessible standard information on animal health for quick planning and decision making by various stakeholders
		2.5: Coordinated effort to promote prudent antimicrobial usage monitor and detect antimicrobial resistance infections and reduce its spread in livestock

Source: JICA Survey Team based on materials submitted by the ASEAN Secretariat.

3.2.4 ASWGAC's Measures and Guidelines

Although ASWGAC has not developed any SPA or other measures or guidelines specific to finance or investment, strengthening linkages between agricultural cooperatives and the private sector and improving access to finance for agricultural cooperatives are among the important themes in the SPA, framework, and roadmap led by ASWGAC. Specifically, key activities include building business linkages between agricultural cooperatives and farmer organizations; promoting direct investment among agricultural cooperatives, farmer organizations, producers, consumers, and traders within ASEAN; strengthening food marketing systems by agricultural cooperatives; match-making between agricultural cooperatives and investment opportunities; and strengthening the organizational capacity of agricultural cooperatives. The

ASWEC has been a major source of support for the ASWEC. As mentioned above, according to the ASWGAC officer in charge of ASEC, among the most emphasized activities are strengthening marketing and building platforms within the private sector through the ASEAN Agricultural Cooperative Business Forum (ACBF).

Table 3.2.6 Action Programs Related to Private Investment Promotion and Improved Access to Finance in SPA-AC (2021-2025)

Action Program	Activity	Sub-activity
Establish business linkages among the potential agricultural cooperatives and farmers' organizations	Exchange Knowledge and Best Practices of agriculture Cooperative Development in ASEAN.	1. Webinar on Agriculture Cooperative Development in AMS; 2. Produce State of Agriculture cooperatives in ASEAN.
Promote direct investment and strategic partnership with ASEAN Agricultural cooperatives and farmers organization, producers, consumer and traders	To promote direct investment among the AMS.	Identify the incentives and investment opportunities in AMS.
Strengthen the Food Marketing System of Agricultural Cooperatives for Enhancing Food Security in ASEAN	1. Strengthen the role of agricultural cooperatives in food marketing chain 2. ASEAN Cooperatives Business Forum (ACBF).	· Match-making of agricultural cooperatives and investments for the identified cooperatives; · Rebranding of agricultural cooperatives and e-commerce · Organize ACBF series.
Assist small scale producers within the FAF sector in becoming viable and competitive enterprises by provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains	Capacity building for assisting small scale producers in the FAF sector.	Implement training including dispatch of short-term Japanese experts by Capacity Building Project 3 Regional policy development to support agricultural cooperatives development.

Source: JICA Survey Team based on Strengthening Agricultural Cooperatives SPA (2020-2025).

Meanwhile, recognizing that private sector involvement is essential in the development of the AEC, various policies, measures, and guidelines have been developed in order to deepen relations with the private sector, deepen financial integration, and promote investment. Some of the main ones are listed below.

(1) ASEAN Public-Private Partnership Regional Framework for Technology Development in the Food, Agriculture and Forestry (FAF) Sectors (TDFAF)

It was developed in order to provide guidance to AMSs and to explore PPP policies, legal, and institutional frameworks in AMSs so as to promote investment and private sector use of sustainable technology development and diffusion in the ASEAN food, agriculture, and forestry sector value chains. It was formulated with the aim of researching a framework for public policy and was approved at the 2017 AMAF meeting. ST 1, corresponding to the 7 STs of the "Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry, 2016-2025": a) Sustainable "green" technologies, b) Resource management systems; and c) Improving and enhancing the quantity and quality of production through minimizing pre-harvest and post-harvest losses and waste, which aims to promote partnerships with the private sector for the development and dissemination of technologies. Within the ASEAN, ATWGARD (ASEAN Technical Working Group on Agricultural R&D) will play a central role, and relevant working groups such as ASWGC, ASWGFi, ASWGL (ASEAN Sectoral Working Group on Livestock) and other related working groups will be responsible for implementation.

The framework focuses on PPPs and investment promotion for research and development (R&D) and technology dissemination, and the institutional framework is to be led by the Ministry of Agriculture and Forestry, national agricultural research institutes, and ministries responsible for R&D and investment promotion in AMS countries. For example, in Vietnam, the Department of Planning within the Ministry of Agriculture and Rural Development is in charge, which is a different department from the ASWGAC.

(2) The ASEAN Strategic Action Plan for SME Development 2016-2025 (SAP SMED 2025)

It was developed by The ASEAN SME Agencies Working Group (SMEWG) with the support of the Japan-ASEAN Integration Fund (JAIF; Japan-ASEAN Integration Fund) with the aim of enhancing the competitiveness and resilience of micro, small, and medium-sized enterprises (MSMEs) in the ASEAN region within the global economy. The vision of a globally competitive and innovative MSME is to create a globally competitive, resilient, and innovative MSME by 2025, which will be seamlessly integrated into the comprehensive development of the ASEAN community and the region. The following five strategic objectives have been identified, with expected outcomes under each strategy:

1. Promote productivity, technology, and innovation;
2. Improved access to financial services;
3. Enhanced market access and internationalization;
4. Strengthening the policy and regulatory environment;
5. Promote entrepreneurship and human resource development.

The ASWGAC coordinates with other sectoral WGs in the implementation of activities of a cross-cutting nature, in particular with The ASEAN SME Agencies Working Group (SMEWG) on matters related to SME promotion, and at the request of both, mutual information and other inputs are provided at officer level.

(3) ASEAN Guidelines on Promoting Responsible Investment in the Food, Agriculture, and Forestry

The guidelines were developed in 2015 by the ASEAN Secretariat, Grow Asia, the International Institute for Sustainable Development (IISD), the Swiss Agency for Development Cooperation (SDC), and the World Bank in a multi-stakeholder platform in order to promote investment in food, agriculture, and forestry, which contribute to regional economic development, food security, food safety, and the sustainable use of natural resources. It aims to promote responsible investment in food, agriculture, and forestry through the development of a clear policy and regulatory framework in each AMS and through a unified approach across ASEAN, comprising the following 10 guidelines:

1) Contribute to food security, food safety, and better nutrition.
2) Contribute to equitable, sustainable, and inclusive economic development and to the eradication of poverty.
3) Foster equality, engagement, and empowerment for women, young people, indigenous peoples, and marginalized groups.
4) Respect the tenure of land, fisheries, and forests and the access to water.
5) Conserve and sustainably manage natural resources, in particular ASEAN's forests.
6) Support the generation and diffusion of sustainable and appropriate technologies and practices for resource efficient, productive, and safe FAF systems.

7) Increase resilience to and contribute to the mitigation of and adaptation to climate change, natural disasters, and other shocks.

8) Respect the rule of law and incorporate inclusive and transparent governance structures, processes, and grievance mechanisms.

9) Assess and address impacts and promote accountability.

10) Strengthen regional approaches to responsible investment in FAF in ASEAN.

The "Alignment Assessment Tool for the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture, and Forestry" was developed and approved by the SOM-AMAF in January, 2021. For example, as one of the evaluation criteria for the application of the aforementioned second guideline ("Contribute to equitable, sustainable, and inclusive economic development and to the eradication of poverty."), contract farming is taken up, and it recommends that investors should explore equitable and inclusive contract farming systems that benefit the whole community as an alternative to large-scale land ownership by private companies; AMS countries are expected to refer to these guidelines and tools and develop laws and regulations so as to promote investment in the food, agriculture, and forestry sectors.

(4) Public-Private Sector Engagement (PPE)

Based on the "ASEAN Economic Blueprint 2025," the PPE is an effort to increase public-private engagement by making it easier for the private sector to access official information on the AEC and provide feedback on policies developed by ASEAN. The initiative includes the following activities:

- Bimonthly reports published by the ASEAN Secretariat for the private sector.
- Developing Rules of Procedure for Private Sector Engagement under the ASEAN Economic Community (RoP) in order to enhance the transparency of private sector engagement.
- Conducting ASEAN Community Dialogues for intensive discussions by the ASEAN Business Advisory Council (ASEAN-BAC) and other regional business councils and associations with the ASEAN Secretariat (twice a year).
- Implementing public-private partnership projects (e.g., ASEAN Mentorship for Entrepreneurs Network (AMEN)).

CHAPTER 4. APPLICATION STATUS OF POLICIES AND MEASURES RELATED TO STRENGTHENING FVC IN EACH MEMBER STATE

4.1 Application Status of Key Policies in Member States

To ascertain how the ASEAN Community's efforts in relation to strengthening FVC are being applied in each Member State, an analysis of the application of these efforts in ASEAN Member States was conducted on both higher-level policies, such as the Blueprint and strategic-level documents, and activities (measures), as set out in the Strategic Plan of Action (SPA).

Regarding the policy level, the consistency between ASEAN policy documents that are important from the perspective of strengthening FVC, as indicated in Chapter 3, and relevant policies in Member States has been checked, and if any discrepancies were found, the factors behind them have been clarified. For the relevant policies in Member States, national development plans, including policies related to FVC strengthening and agricultural development, have been used.

On the other hand, regarding the activities (measures), that are considered particularly important among the SPAs corresponding to each of the four SWGs were identified through interviews and questionnaire surveys, online interviews were then conducted with SWG officials in each Member State to ascertain the details.

4.1.1 Key Important Policies regarding FVC Strengthening

Two policies were selected from the ASEAN policy documents presented in Chapter 3 that are considered particularly important from the perspective of strengthening FVC:

1) Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture, and Forestry (VSP-FAF) 2016-2025;

2) ASEAN Integrated Food Security Framework and Strategic Plan of Action on Food Security in the ASEAN Region (AIFS Framework and SPA-FS).

(1) Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture, and Forestry (VSP-FAF) 2016-2025

VSP-FAF is a policy document that provides comprehensive guidelines for cooperation in the areas of food, agriculture, forestry, and fisheries, and is designed to help ASEAN achieve international development goals such as the MDGs and subsequently the SDGs and United Nations (UN) Zero Hunger Goals. The rationale for its selection is that the AEC Blueprint includes sectors other than agriculture, whereas the VSP-FAF can be considered the most high-level policy document dedicated to the food, agriculture, forestry, and fisheries sectors.

The document describes seven Strategic Thrusts (STs) and action programs to be achieved in the agriculture sector under the 2016-2025 timeline, as set out below.

ST1. Enhance quantity and quality of production with sustainable, "green" technologies, resource management systems, and minimize pre- and post-harvest losses and waste;

ST2. Enhance trade facilitation, economic integration, and market access;

ST3. Ensure food security, food safety, better nutrition, and equitable distribution.

ST4. Increase resilience to climate change, natural disasters, and other shocks;

ST5. Assist resource constrained small producers and SMEs in improving productivity, technology, and product quality in order to meet global market standards and increase competitiveness.

ST6. Strengthen ASEAN joint approaches on international and regional issues affecting the FAF sector.

ST7. Promote sustainable forest management.

When considering consistency with the policies of AMSs, the seven STs were used to determine whether these STs are reflected in the national development plans of each member state.

(2) ASEAN Integrated Food Security Framework and Strategic Plan of Action on Food Security in the ASEAN Region (AIFS Framework and SPA-FS)

The AIFS Framework and SPA-FS was prepared in order to address ST6 of the VSP-FAF, which specifies the strengthening of FVC. It is a policy document that sets out the approaches that AMSs can take to achieve sustainable food security and the scope of collaboration, and it specifies that the entire value chain should be addressed. It also provides guidance on how development partners and stakeholders should effectively promote initiatives that contribute to food security in ASEAN. The seven objectives set out in the document are:

1) Sustaining and increasing food production;
2) Reducing postharvest losses;
3) Promoting conducive market and trade for agriculture commodities and inputs;
4) Ensuring food stability and affordability;
5) Ensuring food safety, quality, and nutrition;
6) Promoting availability and accessibility to agriculture inputs; and
7) Operationalizing regional food emergency relief arrangements.

The policy document clearly states that the AMS should work together to address international and regional challenges in the areas of food, agriculture, forestry and fisheries (SPA), and it was also selected as a key policy relevant to strengthening FVC, as it clearly indicates the aim of strengthening FVC. The alignment of the above seven objectives with each AMS's agricultural policies and development plans was confirmed.

4.1.2 Status of Application in Member States

In order to confirm the alignment of the two ASEAN policy documents presented above with the agricultural policies and development plans in ASEAN Member States, several documents were selected. These documents were obtained from the websites of each member state.

Table 4.1.1 National Development Plans in AMS

AMS	National Development Plans/ Agricultural Development Plans	Planning Year
Brunei	Eleventh National Development Plan (RKN11)	2018-2023
Cambodia	National Strategic Development Plan	2019-2023
Indonesia	Strategic Plan of the Ministry of Agriculture	2020-2024
Laos	9th Five-Year National Socioeconomic Development Plan	2021-2025.
Malaysia	Twelfth Malaysia Plan	2021-2025.
Myanmar	Myanmar Sustainable Development Plan	2018-2030
Philippines	Updated Philippine Development Plan	2017-2022
Singapore	The Enabling Masterplans 2030.	2022-2030.
Thailand	The Twelfth National Economic and Social Development Plan	2017-2021
Vietnam	National Action Plan on Sustainable Consumption and Production	2021-2030.

Source: JICA Survey Team

The alignment of each AMS's development plan with the policy objectives/goals outlined in the above policies for strengthening FVC in ASEAN, VSP-FAF (2016-2025) and AIFS- Framework and SPA-FS, are shown in the following tables. Except Singapore, the AMS's development plans essentially align with

ASEAN's two most important policies. Although ASEAN policies are voluntary for AMSs, it was confirmed that there are no deviations from those AMS's higher-level policies that are important from the perspective of strengthening FVC. It should be noted that "Deepening Regional Integration" and "Ensuring Food Safety, Quality, and Nutrition" are all mentioned and indicated in all the AMSs' national development plants.

Table 4.1.2 Alignment of AMS's National Development Plans with VSP-FAF 2016-2025

Goals of VSP-FAF 2016-2025	Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
1) Ensuring equitable, sustainable and inclusive growth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2) Alleviating poverty and eradicating hunger	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
3) Ensuring food security, food safety and better nutrition	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4) Deepening regional integration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5) Enhancing access to global markets	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
6) Increasing resilience to, and contributing to mitigation and adaptation of climate change, natural disasters and other shocks	✓	✓	-	✓	✓	✓	✓	-	✓	✓

Source: Each AMS's National Development Plans

Table 4.1.3 Alignment of AMS's National Development Plans with AIFS Framework and SPA-FS

Objectives of AIFS Framework and SPA-FS	Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippine	Singapore	Thailand	Vietnam
1) To sustain and increase food production;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2) To reduce postharvest losses;	-	✓	✓	✓	-	-	✓	-	✓	✓
3) To promote conducive market and trade for agriculture commodities and inputs;	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
4) To ensure food stability and affordability;	✓	✓	✓	✓	✓	✓	✓	-	✓	-
5) To ensure food safety, quality and nutrition;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6) To promote availability and accessibility to agriculture inputs; and	-	✓	✓	✓	✓	✓	✓	-	✓	-
7) To operationalize regional food emergency relief arrangements.	✓	✓	-	-	✓	✓	✓	✓	✓	-

Source: Each AMS's National Development Plans

4.2 Key Measures in Each WG and Status of Application in Member States

4.2.1 Selection of Key Measures and Online Interview with AMSs

Particularly important measures were selected for each of the four SWGs or Committees in order to ascertain the status of application and the occurrence of impact (whether positive or negative) and its factors within member states and to ascertain member states' requests for the ASEAN Community support activities and measures to promote their application. Since the most important policy document of ASEAN led by SWGs or Committees is the SPA, the Survey Team regards the activities and sub-activities listed in the SPA on which the SWG or Committee is working as key measures.

To select important measures for member states, the ASEAN Secretariat Desk Officer (ASEC-DO) was first asked to prioritize the SPA activities and sub-activities being undertaken by each WG and selected the top five activities. Of these, one activity was selected as a key measure, as it was considered highly important from the perspective of strengthening FVCs in member states implemented by ASEAN, especially in relation to the outputs of the planned JICA cooperation projects. In order to hear about the achievements accomplished by each member state to date, reference is made to the activities and sub-activities of the SPA (2016-2020) that have already been implemented, rather than the current SPA (2021-2025). There are some differences: some of these activities may have been deleted from the current SPA (2021-2025) as they have already been implemented, and some additions and amendments have been made to the descriptions at the sub-activity level. The following table shows the key measures for each of the WGs that were finally selected.

Table 4.2.1 Selection of Key Measures in Each WG

SWGs	Activity	Sub-Activity
ASWGC	1.5.1 Promote and facilitate adoption and transfer of technologies, best practices and management systems to ensure sustainable productivity, efficient use of resources including land, and enhance quality and nutritive products.	1.5.1.2 Align national standards with ASEAN agricultural best practices: ASEAN GAP (for Environment (EN), Workers Health, Safety and Welfare (WHSW), produce quality (PQ) modules) 1.5.1.3 Promote the usage of regional agricultural standards and best practices at the national level: ASEAN-GAP
ASWGFi	2.3.3 Harmonization of the quarantine and inspection/sampling procedures and Sanitary and Phytosanitary (SPS), bio-security measures for aquaculture products to secure food safety; and develop a one-stop inspection system.	2.3.3.1 Sharing information and best practices on quarantine, inspection procedures and SPS 2.3.3.2 Develop regional guidelines and principles on inspection mechanisms 2.3.3.3 Harmonizing SPS measures related to aquatic animal quarantine and health certification for exportation and importation among AMS
ASCP	1.2 Compilation of national law regulation related to SPS	1.2.1 Transparency of national legislation which include law, regulations and standards related to SPS within AMS
ASWGAC	Strengthening the role of agricultural cooperatives in the food marketing chain	Match-making of agricultural cooperatives and investments for the identified cooperatives

Source: JICA Survey Team

4.2.2 Selection of Targeted Countries for Field Survey 3

Based on the results of online discussions with the focal points in each country in each sector and the results of the second field survey, the countries have been selected in which the application of the key measures (SPA activities) indicated in Table 4.2.1 has proven effective and where the application has stalled or is not showing effects (one country in each sector). In carrying out the selection, the application and implementation status of key measures confirmed in online interviews, objective factors like the systems and capabilities of each country for applying and implementing important measures, and the positioning of agriculture and fisheries in the domestic economy have been considered. The countries selected for the field survey are listed in Table 4.2.2.

Table 4.2.2 Targeted Countries for Field Survey 3

WGs	Countries Where the Application is Effective	Countries with Challenges in Application
ASWGC	Thailand	Laos
ASWGFi	Indonesia	Cambodia
ASCP	Indonesia	Cambodia
ASWGAC	Thailand	Cambodia

Source: JICA Survey Team

4.3 Status of Application of Key Measures Promoted by ASWGC in Member States

4.3.1 Key Measures Promoted by ASWGC

The prioritized activities to be promoted by the ASWGC were selected from the listed activities in the SPA: Crops (2016–2020) through interviews with ASEC–DOs. Table 4.3.1 lists the four activities selected.

Table 4.3.1 Progress and Challenges of Prioritized Activities in SPA-Crops (2016-2020)

Selected Activities	Objectives	Progress and Challenges
1.5 Develop new and appropriate technologies, best practices, and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing crops sub-sectors[1]	To promote the implementation of regional agricultural standards and best practices by aligning national standards and best practices	Progress: Several AMSs have aligned their national standards with ASEAN standards/best practices (ASEAN GAP/GAqP/GAHP, ASOA) Challenges: the revision of national standards to meet the outcomes/ result of the alignment exercises
2.2 Harmonize accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence	To harmonize certification and accreditation system for ASEAN Standards/best practices	Progress: Mutual recognition arrangement (MRA) and conformity assessment arrangements for ASEAN GAP/ASEAN GAHP/ ASEAN GAqP is under negotiation with the objective of facilitating trade of agricultural produces.
2.3 Streamline and improve quarantine systems and procedures, and harmonize standards and regulations	Harmonize phytosanitary import requirements for crops Promote the adoption and implementation of international standards on surveillance Enhance National and ASEAN expertise in Pest Risk Analysis & Emergency Incursion Response and management (risk-based biosecurity)	Progress: The activities to enhance expertise in Pest Risk Analysis & Emergency Incursion Response will be carried out under the lead of Malaysia. This activity will improve quarantine systems, procedures and harmonize standards and regulations in all AMSs. Challenges: the lack of AMS expertise in conducting PRA and surveillance in accordance to international standards
2.4 Involve the private sector in identifying priority products for harmonization of standards and regulations to focus scarce scientific and technical resources on high pay-off products	Facilitate private-sector involvement in approved ASEAN agricultural standards and best practices	Progress: The involvement of the private sector and SMEs in the ASEAN GAP and ASOA is being promoted by the ASEAN–German cooperation project (AgriTrade project)

Source: Prepared by JICA Survey Team (2022) based on questionnaires distributed to ASEC–DDs.

ASEAN aims to promote intra-regional trade through the promotion of regional standards, such as GAP and organic farming. Efforts have been made to harmonize the national standards of each country with ASEAN standards through the framework of MAMRASCA, as with Food Agriculture Practice (GAP), Good Animal Husbandry Practice (GHP), and Good Aquaculture Practice (GAqP). According to one of the national FPs interviewed, the AMS follows three milestones: 1) aligning national standards with the ASEAN standard, 2) conformity assessment, and 3) strengthening the analytical capacity of the laboratory.

Of the four priority activities, the team has selected Activity 1.5 as the key activity for online interview, because it is the most fundamental activity and is considered to affect the achievement of the other three activities significantly. As such, it was decided to conduct online interviews, focusing on the status of adaptation of Activity 1.5.

4.3.2 Degree of Application of Key Measures

(1) Status of the Key Activity.

Efforts to make national standards align with the regional standard are mainly being made through sub-activity 1.5.1.2, while sub-activity 1.5.1.3 encourages AMSs to promote regional standards by conducting awareness-raising activities, workshops, and trainings. The progress of these activities are reported and updated at the EWG of ASEAN–GAP.

It should be noted that ASEAN–GAP does not have its own certification system but is a guideline for voluntary involvement. Therefore, they are not aware that they are engaged in activities to promote the spread of the regional standard itself but are working on the promotion of national GAPs, which are their own national certification systems.

Table 4.3.2 Status of the Selected Activities of SPA: Crops (2016–2020) Implemented in AMSs

<table>
<tr><th rowspan="2">Activities</th><th rowspan="2">Sub-Activities</th><th colspan="10">Implementation in AMS</th></tr>
<tr><th>Brunei Darussalam</th><th>Cambodia</th><th>Indonesia</th><th>Lao PDR</th><th>Malaysia</th><th>Myanmar</th><th>Philippines</th><th>Singapore</th><th>Thailand</th><th>Viet Nam</th></tr>
<tr><td rowspan="2">1.5.1 Promote and facilitate adoption and transfer of technologies, best practices and management system to ensure sustainable productivity, efficient use of resources including land, and enhance quality and nutritive products.</td><td>1.5.1.2 Align national standards with ASEAN agricultural best practices:</td><td rowspan="2">The Interview did not realize</td><td>○</td><td rowspan="2">The Interview did not realize</td><td>○</td><td>○</td><td rowspan="2">The Interview did not realize</td><td rowspan="2">The Interview did not realize</td><td>○</td><td>○</td><td rowspan="2">The Interview did not realize</td></tr>
<tr><td>1.5.1.3 Promote the usage of regional agricultural standards and best practices at the national levels:</td><td>○</td><td>○</td><td>○</td><td>○</td><td>1)</td></tr>
</table>

Source: JICA Survey Team (2022); "○" indicates already implemented or in the process of implementation. 1) The FP of Thailand could not respond to the implementation status of sub-activity 1.5.1.3, as the competent ministry is different from the one to which the FP belongs.

Table 4.3.3 shows the status of alignment between the national GAPs and ASEAN GAPs, as confirmed by the interviews with FPs. There are three countries where the national GAPs were recognized by ASEC as alignment with ASEAN–GAP: Malaysia, Cambodia and Thailand.

Of the four modules that compose ASEAN GAP, many AMSs prioritize revising the Food Safety Module, which is the most crucial AMS for many. The other three modules are scheduled to be revised in due course. The status of countries that did not respond is unknown, but it can be inferred that many are in the process of revising or have already partially revised the modules, according to the reports of AMS in the EWG of ASEAN–GAP.

Table 4.3.3 Status of Application of Key Measures of SPA: Crops

<table>
<tr><td colspan="4">Working Group：ASEAN Sectoral Working Group on Crops (ASWGC)</td></tr>
<tr><td colspan="4">Key Activity: 1.5.1 Promote and facilitate the adoption and transfer of technologies, best practices, and management system to ensure sustainable productivity, efficient use of resources, including land, and enhance quality and nutritive products</td></tr>
<tr><th>AMS</th><th>Status</th><th>National GAP</th><th>Remark</th></tr>
<tr><td>Brunei</td><td>-</td><td>Brunei GAP</td><td>The interview did not take place.</td></tr>
<tr><td>Cambodia</td><td>◎</td><td>CamGAP</td><td>The alignment with ASEAN–GAP is confirmed by ASEC.</td></tr>
</table>

Working Group：ASEAN Sectoral Working Group on Crops (ASWGC)			
Key Activity: 1.5.1 Promote and facilitate the adoption and transfer of technologies, best practices, and management system to ensure sustainable productivity, efficient use of resources, including land, and enhance quality and nutritive products			
AMS	Status	National GAP	Remark
Indonesia	-	PRIMA	The Interview did not realize.
Lao PDR	○	LaoGAP	Only the Food Safety Module aligns with ASEAN GAP.
Malaysia	◎	MyGAP	The alignment with ASEAN–GAP is confirmed by ASEC.
Myanmar	-	Myanmar GAP	Out of scope
Philippines	-	PhilGAP	The interview did not take place.
Singapore	○	GAP-VF	The revision of the national GAP to align with ASEAN–GAP has already completed but will not be approved at the EWG of ASEAN–GAP.
Thailand	◎	QGAP	The alignment with ASEAN–GAP is confirmed by ASEC[7].
Vietnam	○	VietGAP	The national GAP has been revised to include 4 modules of ASEAN–GAP.[8]

Note1: "◎" means "the key activity has already been implemented as expected"; "○" means "some part of the key activity has been implemented" or "the key activity is going to be implemented almost as expected"; "-" means "cannot be stated due to lack of information".

Note2: the table does not take into account other factors than the status of key activities such as the institutional capacities for the certification systems of AMS.

Source: JICA Survey Team based on the interview to FPs of ASWGC and questionnaire to ASEC.

(2) Factors Causing Differences in the Status of the Key Activity

If the status of key activity measures selected in the SPA: Crops is defined as "the degree of harmonization of national standards with regional standards," then, first, the incentives to participate in the regional standards could differ depending on how each AMS positions its national certification. If national certification is not necessarily expected to be used in international trade but only to be disseminated as a certification obtained by domestic agricultural products, it is desirable to operate according to the needs of domestic consumers and the requirements of the domestic market rather than necessarily prioritizing following ASEAN standards. Conversely, if national certification is intended to be disseminated as a guarantee of quality for exported products, it is important that trading partners in the imported country accept the certification, and thus there would be a high incentive to promote the regional standard, as a result of seeking to conform to the standards of the importing country as well as international standards.

Second, although it is not difficult to make certification and standards equivalent to international standards in terms of documentation, if national implementation systems do not have sufficient capacity, the certification and standard will not reflect the actual situation. As a result of setting standards that consider the limitation of national system, the situation of each country could affect compliance with the regional standard. For example, in countries where there is no domestic ISO analysis organization for pesticide-residue analysis, the relevant items would not be in line with regional certification.

Second, although it is not difficult to make certification and standards equivalent to international standards in terms of documentation, if national implementation systems do not have sufficient capacity, the certification and standard will not be accompanied by the actual situation. As a result of setting standards that take into account of the limitation of national system, the situation of each country could affect the compliance with regional standard. For example, in countries where there is no domestic ISO analysis

[7] Based on interviews with ASEC–DOs. When we interviewed FPs in Thailand, they explained that the food safety modules were aligned with ASEAN–GAP, while the other modules are adapted only as necessary according to the domestic situation.

[8] Based on interviews with FPs of EWG of ASEAN–GAP during the field survey conducted in October 2022.

organization for pesticide residue analysis, the relevant items could not be able to be in line with regional certification.

(3) Impacts of the Application of the Key Activity, Issues, and Requests to Partner Agencies

The immediate direction of the EWG is mutual recognition of national certifications of AMS through the MAMRASCA framework, and the activities described in the SPA are positioned as preparatory work for this. In this context, it is envisaged that these activities will not come into full fruition until after the MRA has entered into force. However, the date of entry into force has not yet been decided.

One issue that was generally mentioned by the FPs of AMS was awareness-raising to ensure that all the stakeholders have a correct understanding of GAP. For example, with regard to producers, many producers generally recognize that they obtained the certification because it is required for their sales destination, and only a few recognize GAP as a tool to be used for continuous improvement through risk management and self-assessment, which is one of the primary purposes of GAP. Raising awareness among these stakeholders was still cited as a challenge even in countries where national certification is widespread in the country in a certain extent.

In order to make the regional standards effective and well-functioning, it is important to make them consistent with national laws and regulations, such as Food Safety Laws, as well as with training materials and guidelines at the field level. However, most of regional guidelines prepared with the support of donor agencies are written in English, which poses a language barrier for those in charge at the field level who are not fluent in English. Support activities by the centrals and donor agencies to promote the use of these materials and guidelines at the field level are considered necessary to facilitate their utilization.

4.3.3 Countries for Field Survey on Application of Key Measures Promoted by ASWGC

Status of the Key Activity: Three countries—Thailand, Malaysia, and Cambodia, which are recognized by ASEC as having domestic GAPs harmonized with ASEAN GAPs, as shown in Table 4.3.3—were designated as "countries where the application is effective" ("○"), while countries where national GAPs are reported to be harmonized with ASEAN GAPs for only some modules, or where revisions are on track to align, are designated as "countries with challenges" ("-").

Status of the GAP Promotion: The above is only a classification based on whether the country has a domestic standard in accordance with ASEANGAP and does not take into account the experiences and capacities of certification and inspection systems. Thus, the selection criteria includes the status of GAP promotion by citing the result of the previous JICA survey titled "Data Collection Survey on ASEAN–JICA Food Value Chain Development Project."

Table 4.3.4 Status of AMSs' National GAPs

Extension, Certification, and Inspection System	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
Auditors Qualification	○	-	-	○	○	○	○	○	○	○
Instructor's Qualification	-	-	-	-	○	-	○	○	○	-
Instructor's Training System	-	-	○	-	○	-	○	○	○	-
Accreditation Body	-	-	-	-	-	-	-	-	-	○
Whether pesticide testing agencies are accredited.	(N.A.)	-	○	-	○	-	○	○	○	○
Whether an inspection laboratory has received ISO 17025 certification.	○	-	○	-	○	-	○	○	○	

Source: JICA (2020) "the Data Collection Survey on ASEAN-JICA Food Value Chain Development Project"

Note: "◯" means "Yes", "-" means "No"

Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam have laboratories with ISO 17025 certification, which enable them to conduct appropriate pesticide residue testing in their own countries. These countries also have some advanced characteristics, such as an instructor training system, a qualification system for auditors and instructors, and an accreditation system by third parties. On the other hand, Myanmar, Lao PDR, and Cambodia are considered to have immature systems and infrastructure for implementing GAP, due to such factors as the absence of an analysis institute capable of conducting ISO-compliant inspections in the country, a lack of qualification systems, or insufficient instructors.

For these reasons, the first six countries are selected as "countries where GAP promotion is progressing," ("◯") and the last three countries are selected as "countries where GAP promotion has challenges" ("-").

The position of Agriculture Sector in the Economies: It is possible that countries with a very small number of producers and little need to focus on the promotion of GAP are not actively participating in the Key Activity implemented by ASEAN. In this regard, the countries less focused on agriculture in the domestic economy (e.g., Singapore and Brunei) are less prioritized for the field survey.

Based on the above, the AMS are classified into five categories. Thailand and Malaysia, which are considered to have national standards aligning with ASEAN–GAP and have sufficient capacity to promote GAP in the country, were selected as candidates for the country where the application is effective. Lao PDR and Myanmar, which do not have national standards that fully align with ASEAN–GAP and have challenges regarding the promotion of GAP in the country, were selected as candidates for the country with challenges. After coordination and adjustment with other sectors, Thailand and Lao PDR were finally selected as targeted countries for the field survey, respectively.

Table 4.3.5 Candidate Countries for Field Survey regarding the Key Activity of ASWGC

Category	Countries	Alignment with ASEAN Standard	Promotion of National GAP	Position of Agriculture Sector in the Economy
Category I	**Thailand, Malaysia**	◯	◯	◯
Category II	Vietnam, Indonesia, Philippines	-	◯	◯
Category III	Cambodia	◯	-	◯
Category IV	**Lao PDR, Myanmar**	**-**	**-**	◯
Category V	Brunei, Singapore	-	◯	-

Source: the JICA Survey Team

4.3.4 Country Where the Application is Effective (Thailand)

(1) Current Situation in the selected country

The national GAP program (Q-GAP) established in 2003 has its own quality-management system developed by modifying the concepts of international standards, such as Hazardous Analysis and Critical Control Point (HACCP), and the International Organization for Standardization (ISO) method. Since then, the Agricultural Standards Committee has revised some standards for better acceptance in terms of both the quality and safety of Thai agricultural products. This is to keep up with rapidly changing global standards and improve product competitiveness in the world market.

The National Bureau of Agricultural Commodity and Food Standards (ACFS) was established in 2002. One of the main ACFS responsibilities is to develop national standards for agricultural commodity and food products. One of the organization's main responsibilities is to develop standards for agricultural products and food products. The Division of Standard Accreditation, a subordinate body of the organization, has the duty as an accreditation body (Accreditation Body) to accredit certification bodies and inspection bodies for the following certification systems, including product certification and management-system certification.

- Good Manufacturing Practice (GMP)
- Hazard Analysis Critical Control Point (HACCP)
- Good Agricultural Practice (GAP)
- Organic Agriculture
- Food Safety Management System (FSMS)
- Preventive Control for Human Food (PCHF)
- Preventive Control for Animal Food (PCAF)

The Department of Agriculture (DOA) is responsible for the development of guidelines and inspections of registered farmers of QGAP certification, and the Department of Agriculture Extension is responsible for GAP extension.

DOAE conducted the "Project for Promotion of Agricultural Production in accordance with GAP 2022" (in Thai, "โครงการส่งเสริมการผลิตสินค้าเกษตรตามมาตรฐาน GAP ปี 2565," with a budget of 28 million Thai baht). The activities of the project include training 400 farmer-instructors, trainings and on-site inspections of a total of 15,000 farmers, and a pilot program for an internal control system with six farmer groups.

There is also another GAP certification system in Thailand: ThaiGAP, which was developed as a private certification. The difference between ThaiGAP and QGAP is that ThaiGAP was developed to be acceptable to the standards of developed countries, such as EU countries, where food safety standards are more stringent, while QGAP is focused on facilitating smallholder farmers' ability to increase market access in both domestic and international markets.[9]

Regarding the market acceptance of GAP, in the case of one major supermarket with about 140 shops in the country, QGAP-certified produce accounted for 50–60% of the total produce distributed from about 600 suppliers on an actual basis as of December 2021, followed by organic certification, which accounted for 14% and ThaiGAP for around 5%. This example illustrates that QGAP is widespread to a certain extent for produce destined for the domestic modern market. Note that the supermarkets also have their own certification system, which is free of charge (i.e., QGAP is free of charge, but ThaiGAP has a charge).

(2) Identified Issues through Focus Group Discussion (FGD)

A focus group discussion (FGD) with invited GAP stakeholders from the public and private sectors was held in late December 2022. A total of 10 participants—three producers, one retailer, and six government officials—were conducted. The identified issues are listed up by the different stages of the FVC: input, production, distribution, and market.

Table 4.3.6 Issues Identified through FGD (ASWGC, Thailand)

FVC Segment	Input	Production	Distribution	Market/Retail
Main players	Input supplier	Producer	Traders, middlemen/wholesalers, distributors	Local markets, modern markets, food-service industry
Challenges to	No	・ There are limitations in	GAP certification is not	GAP

[9] Amekawa, Y. 2013. Can a public GAP approach ensure safety and fairness? A comparative study of Q-GAP in Thailand. Journal of Peasant Studies, 40(1), 189–217.

FVC Segment	Input	Production	Distribution	Market/Retail
value chain stakeholders	specific Issue was identified	promoting the understanding of GAP for elder producers. (e.g., unfamiliarity with paperwork, difficulty in switching from current practices) · Certified agricultural products are not sufficiently valued on the market relative to the cost of certification · Some certified farms (farmers) are unable to make working records properly · Some small-scale farmers may not have sufficient skills and experience to carry out production processes in line with GAP certification · Some small-scale farmers do not have sufficient funds to make the necessary investments · In the case of private certification (ThaiGAP), the cost of certification can be too high	widely recognized	certification is not widely recognized
Challenges to public sector	• Insufficient number of extension officers to cover all farmers who request to receive the service. • Insufficient number of inspectors, and it may take long time to obtain certification. • Government subsidies and support are inadequate, and the supporting system is unclear.			

Source: JICA Survey Team

4.3.5 Country with Challenges in the Application (Lao PDR)

(1) Current situation in the selected country

The Department of Agriculture, under the Ministry of Agriculture and Forestry, is the lead agency for the administration of national GAP in Lao PDR. Table 4.3.7 lists the divisions and centers under DOA responsible for the administration of GAP certification.

Table 4.3.7 Subordinate Agencies under the Department of Agriculture Responsible for Lao–GAP Administration

Division / Center	Functions
Standards and Certification Division	Development of standards and guidelines, issuance of policies, decrees and notifications, certification services, etc.
Clean Agriculture Standard Center	Extension of GAP and organic certification (training, information provision, promotion, monitoring etc.)
Plant Quarantine Division	Phytosanitary measures
Plant Protection Centre	Analysis of pesticide residue

Source: JICA Survey Team

In Laos, GAP is promoted as "Clean Agriculture" mentioned in "the 8th National Economic Development Plan (2016-2020)" which is safe, secured, and environmentally friendly agriculture along with organic farming. According to the annual report of DOA, the achievements in relation to clean agriculture include;

- Continues to improve Lao OA and GAP standards for harmonizing with ASEAN OA and GAP standards through receiving comments and recommendations during meetings and/or workshops from related organizations and partners. The revision of GAP has already agreed and proceeded to approval stage by the MOAF while the revision of OA still need to receive comments and recommendations from national level stakeholders as well as relevant international organizations / partners.

- In 2021, 69 units (farms/corporations/farmer groups) were inspected for initial certification or updating certification (of which 59 units were organic certification and 10 units were GAP). In 2022, 124 units or equivalently 2,148 households participated, producing 83,109 tons of certified agricultural products on a total of 13,128 ha (of which 110 ha and 1,416 tons were GAP and 13,071 ha and 81,693 tons were organic certified).
- Establish 29 green house (16 for OA and 13 for GAP) and 4 ha in open area as model farm for vegetable production (leaf vegetables, roots, and fruits) in accordance with clean agriculture and host studies / exchange visits in total 123 visitors, and 14 university students conducted experiment and practical work on OA.
- Conduct TOT on standard OA production and Internal Control System (ICS) for provincial and district staffs, and farmer's group leader by the collaboration with Xaysomboune provincial office.
- Conduct training on OA and GAP in 9 provinces (Vientiane capital, Vientiane, Xiengkuang, Luangprabang, Xayyabouly, Bokeo, Pongsaly, Bolykhamxay and Xaysomboune) with relevant organization and partners; trained 24 OA trainers and 16 OA group (336 households); trained 37 GAP trainers and 9 GAP groups (356 households).

Many GAP farmers were trained in the JICA-supported project "Laos pilot program aimed at the development disparities towards ASEAN Integration of safe, high-quality agricultural products promotion component (LPPA; 2010–2015)," but almost none continue to be certified at this point. The big challenge is continuity after project has ended.

One reason for this discontinuity is the lack of basic cultivation knowledge (e.g., crop growth, pest management, effectiveness of fertilizers.) among ordinary farmers in Laos, as well as the lack of resource persons, such as extension workers and farmer leaders, at the field level, which prevents them from accessing necessary information on matters such as the recording of cultivation histories required for GAP process management, and the proper use of pesticides.

Regarding the system of inspection and certification by the government, a system in line with international standards like ISO has not been established. For example, to meet the regional standards required by ASEAN–GAP, the DOA, as the certifying body, is required to meet ISO 17065, but it is not clear to them what issues to be addressed to this end, and analysis by experts for initial assessment has not been implemented yet.

GIZ's AgriTrade project, whose implementation period is 2018–2022, 1) supports the preparation of general GAP and crop-specific GAP standards and 2) supports for the establishment of inspection and certification systems for the implementation of GAP administration. According to interviews with FPs, however, this is not a comprehensive support to fully meet ISO 17065, and Laos needs to support it by dispatching experts who can analyze the problems of the current system, analyze the gap between the ISO 17065 requirements and the current system, identify issues (human, infrastructure, and system), and identify the necessary initiatives in the future.

As for the analysis of water, soil, and pesticide residues, since there is no ISO 17025 certified analysis laboratory in Laos, samples are sent to ISO analysis laboratories in neighboring countries, such as Thailand. As a result, the inspection cost, which is borne by farmers, becomes high, which may be a constraint on obtaining certification.

In addition, the time required for application procedures and the lack of information about the procedures may be constraining the dissemination of the certification system. Currently, applications by farmers who wish to apply for certification are made by submitting the necessary documents to DOA's local office, but there are only 15 official inspectors at the central level, and certification itself is carried out in the Vientiane capital. According to the Standards and Certification Division, in the future it aims to transfer part of the function to local offices, and according to the person in charge, the following points must be strengthened in the medium term:

- 1–2 inspectors to be assigned to each prefecture (Laos consists of 17 provinces and 1 capital);
- Instructors to be trained in each province to guide farmers in paperwork, such as preparing application forms and recording farming information required for GAP (resource persons, including those from the public and private sectors, such as farmer-advisers, regional officers, and NGOs, can serve as instructors);
- A function that can issue certifications to local offices to be installed (targeting three locations in the medium term).

(2) Identified issues found through FGD

In late December 2022, the team held an FGD with GAP stakeholders from the public and private sectors. The participants included eight from the agricultural cooperative groups, two from corporations (including retailers), one trader, and 10 government officials. The issues identified by FGD stakeholders were summarized in line with the different stages of value chain, including input, production, distribution, and market/retail.

Table 4.3.8 Issues Identified through FGD (ASWGC, Lao PDR)

FVC Segment	Input	Production	Distribution	Market/Retail
Main Players	Input supplier	Producer	Traders, middlemen/wholesalers, distributors	Local markets, modern markets, food- service industry
Challenges on Value Chain Stakeholders	· Inputs (seeds, fertilizers) do not meet the requirements / standards required by the certification system.	· Lack of knowledge to manage production according to the processes required by the certification system. · Production plans prepared for certification do not meet market needs. · Lack of market information and production plan does not meet the market needs. · Lack of technology and knowledge to solve problems faced by producers (groups) · Insufficient funds to make the necessary investments to meet the standard. · Data and information recorded by farmers (groups) are not detailed, accurate, or clear. · Inspection and certification costs are high. · Insufficient understanding of the procedures for applying for certification.	· Standard and checkpoints required by the certification system are not properly understood by the stakeholders. · High costs for certification to international export standards.	· Lao (national) standards are not always accepted by the international market. · The criteria required by the certification system are not properly understood by the stakeholders. · Consumer awareness of certification schemes is not high enough. · Lack of market and marketing knowledge to market certified agricultural products.
Challenges to	· The standards required by certification schemes do not meet market needs.			

FVC Segment	Input	Production	Distribution	Market/Retail
Public Sector	· Inconsistencies with existing training manuals and legal documents. · Long time for the authentication process to complete. · Farmer and inspector fraud in farm inspections. · Insufficient experience and competence of inspector (inaccurate checking of inspection items, records not detailed). · Inspection records are not managed by a database. · Shortage of government officials with specialist expertise (e.g., instructors, accredited inspectors, analysts). · There are no ISO17025 accredited analytical institutes in the country. · Lack of government measures to protect/support domestic farmers · There is insufficient promotion for clean agriculture (OA certification and GAP-aligned agriculture).			

Source: JICA Survey Team

4.3.6 Analysis of Factors in Difference

Based on the information obtained from the FGD participants' statements and individual interviews, the factors in the differences between the two countries were analyzed.

Table 4.3.9 Comparison of National Adaptation Status for the Promotion of Regional Certification Systems (Thailand and Laos)

Item	Country that has successfully applied (Thailand)	Country with application challenges (Lao PDR)
Development of related legal structures, guidelines, etc.	Since Thailand's national GAP program began in 2003, the International Agricultural Standards Committee has taken the lead in reviewing standards for quality and food safety.	Legal documents and training materials are not sufficiently developed. There is not always a good alignment between existing relevant legal documents / training manuals and the standards required by the certification system. An ISO-compliant certification and inspection system has not been established yet, making it difficult to comply with regional and international standards.
Clarification of required documents and application procedures	While there are some issues in disseminating information and providing technical guidance on specific individual matters like detailed work-recording methods, general matters (e.g., application procedures) have been sufficiently disseminated.	Applicants are not accustomed to recording production histories and preparing application documents. The procedures and steps involved in the application process are not well known to the public, which is a limiting factor for its widespread use.
Training of supervisors and resource persons at the field level	A certain number of resource persons responsible for dissemination and guidance at the field level have been trained. On the other hand, there are challenges in providing services to all those who need them in a timely manner.	There is a lack of resource persons to help new applicants and certified farmers solve production issues (e.g, proper pesticide management, recordkeeping) Farmers in rural areas lack access to sufficient information according to certification.
Market positioning	Multiple certification systems, including national, private, and international certifications (Q-GAP, ThaiGAP, Global GAP, private companies' own certifications, etc.) are in widespread use, and their functions differ depending on the destination market (e.g., for domestic or international markets).	There are limited experience and not enough recognition among VC stakeholders. The national GAP is not necessarily accepted in some exporting countries because the system does not meet international standards such as ISO.
Use of agricultural product trading	In transactions in modern markets (e.g., supermarkets), Q-GAP is required. Many farmers, however, do not recognize that they are given sufficient price incentives for the effort and cost required to obtain certification.	Weak incentives for producers to participate in the certification system due to insufficient consumer awareness of the certification system and the lack of a market to sell certified agricultural products at a reasonable price. a limited number of people have obtained the certification, and the use of the system as a trading requirement has not progressed.

Producers' awareness	Many farmers are more interested in whether the implementation of GAPs will improve their profits and do not perceive them as a management tool to, e.g., prevent common accidents in farming operations.	Same situation as Thailand.

Source: JICA Survey Team

1) Market positioning of national GAP: ThaiGAP is harmonized with Global GAP, and Q-GAP is harmonized with ASEAN–GAP to raise awareness of safety management among small-scale farmers in the country. The fact that there is a certain degree of demarcation of roles of certification systems—in other words, a clear market position—has been successful, and Q-GAP is now being used to a certain extent as one of the transaction requirements for selling to modern markets. Since Q-GAP is intended to be used in both domestic and foreign markets, it seems that regional standards are being selectively applied, considering the domestic situation, while referring to ASEAN–GAP.

In Laos, as for the domestic market, there is only a section for GAP certification in some major supermarkets and other forms of modern markets, and it is not generally a requirement for markets. As for exports, the certification system that satisfies ISO has not yet been established, which means that the certification is not necessarily acceptable to the exporting countries (business partners). The fact that there is little experience with its use in Laos and its position in the market is not clear may lead to the lack of clear incentives for producers to introduce it or promote its spread.

2) Trainings of extension workers in local areas: In Thailand, for example, the training of 400 farmer-advisors is being promoted in 76 provinces and Bangkok through DOAE's 2022 activities, and even farmers in rural areas have access to good extension services. On the other hand, in the case of Laos, there is a lack of access to information on basic matters like application procedures and documents and a lack of a GAP-mature resource person close at hand to consult on various problems and questions that arise daily, which are obstacles to new applications and continued certification for those who have obtained certification. This is an obstacle to new applications and to continued certification for those who have obtained certification.

4.4 Status of Application of Key Measures Promoted by ASWGFi in Member States

4.4.1 Key Measures Promoted by ASWGFi

In the second questionnaire sent to ASECs in September 2022, the study team requested that ASEC rate their priorities about several activities narrowed down from the SPA: Fisheries (2016-2020). The criteria for narrowing down the list were the importance of the activities in terms of strengthening FVCs in member states and their relevance to the outputs of the planned ASEAN-JICA FVC project. No response to this question was received from ASEC, however.

In addition, the introduction of the SPA: Fisheries (2021-2025) describes the main achievements in SPA: Fisheries (2016-2020). It also shows the activities with limited progress as follows: "Despite these achievements, limited progress has been noted in the implementation of activities relating on harmonising accreditation, inspection and certification processes, fishery product standard development, harmonising SPS measures on aquatic animal quarantine and health certification, and climate change hazard risk assessment." Activities related to these contents were taken over by SPA: Fisheries (2021-2025). The study team interpreted them as being implemented on a priority basis in the next time frame and selected them as key measures of this study.

Among the three activities proposed for the fisheries component of the ASEAN-JICA FVC project, "3.3 To formulate ASEAN guideline for inspection of fish and fisheries products at each point on the supply chain." is commonly recognized in the ASWGFi, AFCF and FCG/ASSP meetings as planned to be implemented in the ASEAN-JICA FVC project in collaboration with SEAFDEC. As a basis for this, the meeting minutes of the 24th FCG/ASSP in 2021mention the ASEAN-JICA FVC project, as shown in Table 4.4.1.

Table 4.4.1 References to the ASEAN-JICA FVC Project in the 24th FCG/ASSP Meeting

<table>
<tr><td colspan="2">V. PROGRESS OF SEAFDEC-RELATED ACTIVITIES/PROPOSALS UNDER THE ASEAN RELATED BODIES</td></tr>
<tr><td colspan="2">5.3 Strategic Plan of Action on ASEAN Cooperation on Fisheries 2021–2025</td></tr>
<tr><td></td><td>While also taking note of the progress of the SPA-Fisheries 2021-2025, the representative from Thailand expressed the appreciation to JICA for the inclusion of an activity on "development of the ASEAN guidelines on inspection mechanisms for aquaculture fish and fisheries products" under the ASEAN-JICA Food Value Chain Development Project.</td></tr>
<tr><td colspan="2">Annex 7.</td></tr>
<tr><td colspan="2">AGENDA ITEM 7: ASEAN FISHERIES CONSULTATIVE FORUM (AFCF)</td></tr>
<tr><td></td><td>The Meeting noted the revised Concept Note on the Development of the ASEAN Guidelines on Inspection Mechanism for Aquaculture Fish and Fisheries Products and requested the ASWGFi Focal Points to provide the ASEAN Secretariat their comments and endorsement on the revised Concept Note by 11 July 2021. The Meeting also noted that the Concept Note is included as one of the activities under the ASEAN JICA Development of Food Value Chain Project.</td></tr>
<tr><td colspan="2">Appendix 1 of Annex 8</td></tr>
<tr><td colspan="2">PROJECTS UNDER THE FISHERIES CONSULTATIVE GROUP OF THE ASEAN-SEAFDEC STRATEGIC PARTNERSHIP (FCG/ASSP) MECHANISM FOR THE YEAR 2021–2022</td></tr>
<tr><td></td><td>
<table>
<tr><th colspan="2">Strategy/Project Title</th><th>Lead Department</th><th>Period</th></tr>
<tr><td>17</td><td>ASEAN-JICA Capacity Building Project on IUU Fishing Countermeasures in Southeast Asia</td><td>TD</td><td>2022–2024</td></tr>
<tr><td>18</td><td>ASEAN-JICA Food Value Chain Development Project</td><td>SEC</td><td>2022–2024</td></tr>
</table>
SEC: SEAFDEC Secretariat</td></tr>
<tr><td colspan="2">Annex 10.</td></tr>
<tr><td colspan="2">ASEAN FISHERIES CONSULTATIVE FORUM (AFCF)</td></tr>
<tr><td></td><td>WAS INFORMED by the ASEAN Secretariat that JICA agreed to include the development of ASEAN Guidelines on Inspection Mechanism for Aquaculture Fish and Fisheries Projects as one of the activities in the project proposal on ASEAN-JICA Development of Food Value Chain Project.</td></tr>
<tr><td colspan="2">Appendix 1 of Annex 11</td></tr>
<tr><td colspan="2">STRATEGIC PLAN OF ACTION (SPA) FOR THE ASEAN COOPERATION IN FISHERIES (2021–2025)</td></tr>
<tr><td></td><td>
<table>
<tr><td>2.3.1.2 Develop the ASEAN guidelines on inspection mechanism for aquaculture fish and fisheries products.</td><td></td><td>Regional guidelines is endorsed by SOM-AMAF.</td><td>The activity is included under the ASEAN-JICA Food Value Chain Development Project. The project proposal is under consideration by the ASEAN project appraisal and approval process.</td></tr>
</table>
</td></tr>
</table>

Source: 24th FCG/ASSP Conference.

The activities described above relate to Activity 2.3.1 of the SPA (2021-2025), but nearly identical activities were set as Activity 2.3.3 in the predecessor SPA: Fisheries (2016-2020). This can be interpreted as meaning that the activities did not progress well in SPA: Fisheries (2016-2020) and were taken over by the successor SPA. The contents of Activity 2.3.3 of SPA: Fisheries (2016-2020) contribute to strengthening FVC. In addition, the implementation of the activities is envisioned in the ASEAN-JICA FVC project, so the information collected in this study can be used effectively in the implementation phase of the technical project.

Based on the above, Activity 2.3.3 of SPA: Fisheries (2016-2020), which has strong relevance to the ASEAN-JICA FVC project, was selected as the target activity for the interview survey in the fisheries sector. The contents of Activity 2.3.3 of SPA: Fisheries (2016-2020) and Activity 2.3.1 of SPA: Fisheries (2021-2025) are shown in Table 4.4.2 and 4.4.3, respectively.

The reason for selecting activities from the predecessor SPA (2016-2020) is that the implementation of the current SPA (2021-2025) would be limited due to the short implementation period and the lag of inter-regional activities caused by COVID-19.

Table 4.4.2 Activity 2.3.3. of SPA: Fisheries (2016-2020)

Activity 2.3.3 Harmonise the quarantine and inspection/sampling procedures and Sanitary and Phytosanitary (SPS), bio-security measures for aquaculture products to secure food safety; and develop one stop inspection system Sub Activities - 2.3.3.1 Sharing information and best practices on quarantine, inspection procedures and SPS - 2.3.3.2 Develop regional guidelines and principles on inspection mechanisms - 2.3.3.3 Harmonising SPS measures related to aquatic animal quarantine and health certification for exportation and importation among AMS

Source: SPA-Fisheries (2016-2020)

Table 4.4.3 Activity 2.3.1. of SPA-Fisheries (2021-2025)

Activity 2.3.1 Strengthen the quarantine and inspection/sampling procedures and Sanitary and Phytosanitary (SPS) and bio- security measures for aquaculture products to secure food safety. Sub Activities - 2.3.1.1 Organise workshops on sharing information and best practices on fisheries quarantine and inspection procedures. - 2.3.1.2 Develop the ASEAN guidelines on inspection mechanism for aquaculture fish and fisheries products. - 2.3.1.3 Harmonise aquatic animal quarantine and health certification for exportation and importation in alignment with international standards and practices

Source: SPA-Fisheries (2021-2025)

4.4.2 Degree of application of Key Measures

Activity 2.3.3 of SPA-Fisheries (2016-2020) has not been implemented at the regional level due to the lack of prospects for donor support during the 2016-2020 implementation period. (according to the interview with Indonesia, the chair of the ASWGFi in 2022) It has been carried over to SPA: Fisheries (2021-2025). In other words, it is reasonable to conclude that the measures are "not applicable" in all countries.

On the other hand, some member countries recognize that they have "addressed the relevant measures" by taking country-based initiatives related to the selected measures (activities), even if no inter-regional activities have been implemented. Sub-activity 2.3.3.1 is assumed to be information and knowledge sharing, so it cannot be judged as being applied by activities in only one country. Some countries, however, designated these activities as "already implemented". Conversely, Cambodia, which answered "x" for all questions, is not considered "〇" because it is in a state of "not yet fully completed," although partial efforts to address the issue are being made.

As mentioned above, differences in interpretation were confirmed in each country. Therefore, the results of the questionnaire based on each country's self-reported answers cannot be used alone to compare the level of implementation of measures and the degree of achievement. For this reason, the JICA study team attempted to collect more detailed information through online interviews and additional questionnaire. Table 4.4.4 shows the answers to the questionnaire and supplementary information from each country on the status of each country's efforts in Activity 2.3.3 of the SPA: Fisheries (2016-2020).

Table 4.4.4 Status of Application of Key Measures of SPA-Fisheries

Activity: 2.3.3 Harmonise of the quarantine and inspection/sampling procedure and Sanitary and Phytosanitary (SPS), bio-security measures for aquaculture products to secure food safety; and develop one stop inspection system

Countries	2.3.3.1 Sharing information and best practices on quarantine, inspection procedures and SPS	2.3.3.2 Develop regional guidelines and principles on inspection mechanism	2.3.3.3 Harmonising SPS measures related to aquatic animal quarantine and health certification for exportation and importation among AMS
Brunei Darussalam (Upper row: Questionnaire answers, lower row: Remarks (The same hereinafter))	-	-	-
	Activities related to the "Health Certificate for Food Safety - Fit for Human Consumption" since 2001 and the "Aquatic Animal Health Disease Monitoring Program" have been implemented since 2017. Through the implementation of these activities, positive effects have been created, such as the improvement of SOP by using the "Brunei Good Aquaculture Practices (BGAqP)" and "Manual for Brunei Darussalam on Hygiene Requirements for Fish Processing Establishments" in the business field of domestic aquaculture operators and fish processing operators.		
Cambodia	×	×	×
	Although partial efforts to address the issues have been made, the status is not "○" because a "complete response has not been completed". Various activities are being actively implemented (as detailed in 4.4.5).		
Indonesia	(No response)		
	Although responses to the questionnaire were not received, efforts are being made to establish a national SPS system that complies with international standards. There are also cases of coordination and collaboration with private organizations (detailed in 4.4.4).		
Lao PDR	(No response)		
	-		
Malaysia	○	○	○
	Sub-activity 2.3.3.1 is marked "○" but the specific activity is unknown. (*No response to the additional questionnaire survey)		
Myanmar	×	×	×
	(*Excluded from online interview survey)		
Philippines	(No response)		
	(*Online interview survey was not conducted)		
Singapore	○	×	×
	Sub-activity 2.3.3.1 is marked "○" but the specific activity is unknown. (*No response to the additional questionnaire survey)		
Thailand	×	×	×
	Although the response was "x" for all activities, Thailand is a leading country related to fisheries quarantine and SPS in the region. It was selected as the lead country in Activity 2.3.1 of the SPA (2021-2025).		
Viet Nam	(No response)		
	(*Online interview survey was not conducted)		

Source: JICA Survey Team (2022) *The upper row is the response to the question "Please kindly check the corresponding sub-activities which have been addressed in your country" in the questionnaire.

In addition, concerning "Harmonize", the main objective of the activity, "Output Indicators" in sub-activity 2.3.1.3 of SPA: Fisheries (2021-2025) includes "number of AMS with aquatic animal quarantine and health certification harmonised to international standards and practices," which is not used in the sense of establishing a common unified standard for ASEAN.

4.4.3 Countries for Field Survey on Application of Key Measures Promoted by ASWGFi

The selected key measures mainly focus on harmonizing SPS measures related to seafood imports and exports among AMSs (harmonization among countries complying with international standards and practices).

Therefore, countries' progress in activities is not synonymous with the status of the application of the measure. From the perspective of compliance with international standards and practices, it is appropriate to classify countries into two categories as follows by evaluating their ability to enforce the measures: a) countries that have effectively applied the measure and b) countries that have problems applying the measure.

Regional Fisheries Management Organizations (RFMOs) (Box 4.4.1) are organized in the fisheries industry. Membership in these international organizations requires a certain level of a legal framework and domestic enforcement, which can be used as an indicator for the degree of implementation in the application of regional policies formulated by ASEAN.

Box 4.4.1 Regional Fisheries Management Organizations

What is an RFMO?

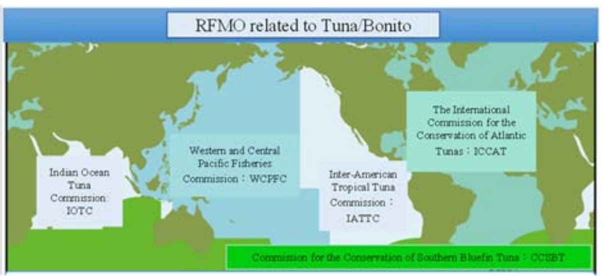
Regional Fisheries Management Organizations (RFMOs) are international organizations established under separate conventions to realize the conservation and sustainable use of fisheries resources. Coastal countries, regions and countries fishing highly migratory fish species (distant-water fishing nations) participate in RFMOs and decide on conservation and management measures for the target resources.

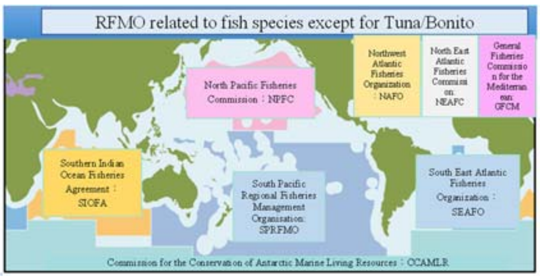
Legal position

For the management of fisheries resources, based on the U.N. Convention on the Law of the Sea (UNCLOS), also known as the Constitution of the Sea, the U.N. Fish Stocks Agreement (UNFSA) establishes general norms to ensure the conservation and sustainable use of marine resources distributed within and outside the exclusive economic zone (EEZ). RFMOs are legally binding conservation and management measures by fish species and sea areas following the UNFSA.

Details of implementation

At the annual RFMO meetings and on other occasions, RFMO member states discuss and formulate effective conservation and management measures, such as catch limits and technical regulations on fishing methods and gear, based on the stock assessment by the Scientific Committee established in each RFMO and the review of compliance status by the Compliance Committee. In addition, within the framework of each RFMO, measures against illegal, unreported, and unregulated (IUU) fishing are implemented, such as creating a list of IUU fishing vessels and monitoring and controlling fishing vessels.





Source: Fishery Agency, Japan

Source: Ministry of Foreign Affairs (Fisheries Division, Economic Affairs Bureau, August 2021)

Table 4.4.5 shows the membership status of ASEAN countries in the main Regional Fisheries Management Organizations.

Table 4.4.5 Membership of AMSs in Major Regional Fisheries Management Organizations

Regional Fisheries Management Organization	AMS
Western and Central Pacific Fisheries Commission	Indonesia, Philippines

(WCPFC)	
Indian Ocean Tuna Commission (IOTC)	Indonesia, Malaysia, Philippines, Thailand
Commission for the Conservation of Southern Bluefin Tuna (CCSBT)	Indonesia
Inter-American Tropical Tuna Commission (IATTC)	Indonesia (cooperative non-parties)
The International Commission for the Conservation of Atlantic Tunas (ICCAT)	Philippines
Southern Indian Ocean Fisheries Agreement (SIOFA)	Thailand

Source: JICA Survey Team with reference to the website of the Ministry of Foreign Affairs, Economic Affairs Bureau

Indonesia, the Philippines, Thailand, and Malaysia are members of major Regional Fisheries Management Organizations. These four countries are also among the top countries in the region in terms of nominal GDP size and GDP per capita, other than Singapore and Brunei. Fisheries statistics of these countries also show relatively high seafood production (fisheries and aquaculture) and seafood imports and exports. Given the above, these four countries with relatively large economies and advanced economies in the ASEAN member states, and with high importance placed on their fisheries industries, can be considered key countries in the fisheries industry of ASEAN. These countries can be classified as "countries with effective application (countries with the ability to implement measures effectively)". Following these countries is Viet Nam, which is not a member of any major Regional Fisheries Management Organizations but can be considered a fisheries powerhouse in terms of the scale of its fisheries production and the import/export value of fisheries products.

On the other hand, Cambodia, Lao PDR, and Myanmar are behind only the above five countries in terms of the scale and history of their fisheries industries and their economic and political situation. It is appropriate to classify them as "countries with challenges for the application of measures (countries which have challenges on the ability for implementation)." The scale of the fisheries industry of Singapore and Brunei, which are small but economically advanced countries, is not large. Therefore, it is not appropriate to include them in the above two categories (although Singapore is a seafood importing country).

Based on the above, a typology of candidate countries for field research is presented in Table 4.4.6.

Table 4.4.6 Candidate Countries for Field Survey regarding the Key Activity of ASWGFi

The ability for policy application	Countries	Membership in Regional Fisheries Management Organization	Positioning of the fisheries industry	Special factor
High	Thailand, Indonesia.	◎	◎	-
	Malaysia, Philippines.	◎	○	-
Medium to high	Viet Nam	-	◎	-
Medium	Cambodia, Lao PDR	-	△	-
	Myanmar	-	○	Yes (political situation).
Special circumstances	Brunei, Singapore.	-	△	-

Source: JICA Survey Team

4.4.4 Country Where the Application is Effective (Indonesia)

(1) Current situation in the selected country.

Laws and regulations on seafood quarantine are in place at all levels of administration, including the constitution, government regulations, presidential decrees, and ministerial regulations (Table 4.4.7). Dissemination and awareness-raising of each regulation, compliance in the field, and the deterrent effect of penalties contribute to the proper implementation of the various regulations in Indonesia.

Table 4.4.7 Various Laws and Regulations Regarding Quarantine of Fisheries Products

A. Law and Government Regulation
1. Law No. 21 Year 2019 about Animal, Fisheries, and Plant Quarantine 2. Government Regulation No. 15 Year 2002 about Fisheries Quarantine 3. Government Regulation No. 28 Year 2017 about Aquaculture 4. Government Regulation No. 9 Year 2018 about Fishery Commodities Import Control Procedures and Salt Commodity as Industrial Raw Material and Auxiliary Material; 5. Presidential Instruction No. 4 Year 2019 about Ability Improvement in Preventing, Detecting, and Responding to Epidemics of Diseases, Global Pandemic, and Nuclear, Biology, and Chemical Emergencies
B. Ministerial Regulation
1. Regulation of the Minister of Maritime Affairs and Fisheries No. 18 Year 2018 Amendment to the Regulation of the Fisheries No. 50/Permen-Kp/2017 about Must-Inspect Commodity Types in Fishery Quarantine, Quality and Safety of Fishery Products; 2. Regulation of the Minister of Maritime Affairs and Fisheries No. 34/PERMEN-KP/2017 about Quarantine Measures Against Importation of Fish Medicine Types of Biological Preparations into the Territory of the Republic of Indonesia; 3. Regulation of the Minister of Maritime Affairs and Fisheries No. 9/PERMEN-KP/2019 about Fishery Quarantine Installations; 4. Regulation of the Minister of Maritime Affairs and Fisheries No. 38/PERMEN-KP/2019 about Releasing of Carrier Media and/or Fishery Products; 5. Regulation of the Minister of Maritime Affairs and Fisheries No. 11/PERMEN-KP/2019 about the importation of carrier media and/or fishery products; 6. Regulation of the Minister of Maritime Affairs and Fisheries No. 13/PERMEN-KP/2021 about Emergency Response and Fish Disease Control; 7. Regulation of the Minister of Maritime Affairs and Fisheries No. 19/PERMEN-KP/2020 about Prohibition of Importation, Cultivation, Distribution, and Export of Fish Species that are Harmful and/or Harmful to and from the Indonesian Fishery Management Territory 8. Regulation of the Minister of Maritime Affairs and Fisheries No. 30/PERMEN-KP/2020 about Recommendation for the Importation of Broodstock, Mains, Fish Seeds, and/or Pearl Core Entries 9. Regulation of the Minister of Maritime Affairs and Fisheries No. 48/PERMEN-KP/2020 about the Organization and Work Procedure of the Ministry of Maritime Affairs and Fisheries. Affairs and Fisheries 10. Regulation of the Minister of Maritime Affairs and Fisheries No. 24 Year 2021 about Preparation of Fishery Commodity Balance Sheet and Fishery Commodity Import Allocation Distribution Plan; 11. Regulation of the Minister of Maritime Affairs and Fisheries No. 8 Year 2022 about Must-Inspect Commodity Types in Quarantine Fish, Quality and Safety of Fishery Products 12. Regulation of the Minister of Maritime Affairs and Fisheries No. 37 Year 2019 about Residue Control in Consumable Fish Farming Activities 13. Regulation of the Minister of Maritime Affairs and Fisheries No. 35 Year 2016 about Good Practices in Fish Breeding.
C. Ministerial Decree
1. Decree of the Minister of Maritime Affairs and Fisheries No. 2/KEPMEN-KP/2007 about Good Aquaculture Practices 2. Decree of the Minister of Maritime Affairs and Fisheries No. 51/KEPMEN-KP/2020 about Places of Entry and Exit of Media Carriers of Quarantine Fish Pests and Diseases; 3. Decree of the Minister of Maritime Affairs and Fisheries No. 17/KEPMEN-KP/2021 on Determination of Quarantine Fish Disease Types, Pathogens, Categories, and Carriers;
D. Regulation of the Director General
1. Regulation of the Director General in Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 130/KEP-BKIPM/2013 about Designation of Indonesian Region Free from EMS/AHPND 2. Regulation of the Director General in Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 99/KEP-BKIPM/2017 about Categorisation of Quarantine Fish Pests and Diseases Carrier Media Risk Levels and Other Products. 3. Regulation of the Director General in the Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 110 Year 2017 about Guidelines for Good Quarantine Practices; 4. Regulation of the Director General in the Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 70/KEP-BKIPM/2019 about Guidelines for Carrier Media Flow Risk Mitigation at Entry and Exit Points 5. Regulation of the Director General in the Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 95/KEP-BKIPM/2020 about Technical Guidelines for Quality and Safety of Fishery Products 6. Regulation of the Director General in Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 55 tahun 2021 about Specific Quarantine Fish Pests and Diseases Surveillance Guidelines at Fish Quarantine Installation 7. Regulation of the Director General in the Fish Quarantine Agency, Quality Control and Safety of Fishery Products No. 117/KEP-BKIPM/2017 about Technical Guidelines for Sampling Test of Carrier Media

Source: Ministry of Marine Affairs and Fisheries in Indonesia

Good Quarantine Practices (GQP; Figure 4.4.1), traceability, and the implementation of export registration are government regulations for seafood export measures. The GQPs, developed by the Fish Quarantine Inspection Agency (FQIA), the body in charge of fisheries quarantine and biosecurity, comply with international standards set by the World Organisation for Animal Health (WOAH) and others. As shown in Figure 4.4.2, the GQP specifies a series of procedures for export, including document inspection, physical inspection, issuance of health certificates, payment of Non-Tax State Revenue (PNBP), and re-physical inspection. The FQIA assesses that the implementation of the GQP has strengthened its credibility with export partners and improved its export capacity.


KEMENTERIAN KELAUTAN DAN PERIKANAN
BADAN KARANTINA IKAN, PENGENDALIAN MUTU DAN KEAMANAN HASIL PERIKANAN

KEPUTUSAN
KEPALA BADAN KARANTINA IKAN,
PENGENDALIAN MUTU, DAN KEAMANAN HASIL PERIKANAN
NOMOR 110/KEP-BKIPM/2017
TENTANG
PEDOMAN CARA KARANTINA IKAN YANG BAIK

DENGAN RAHMAT TUHAN YANG MAHA ESA

KEPALA BADAN KARANTINA IKAN,
PENGENDALIAN MUTU, DAN KEAMANAN HASIL PERIKANAN,

Figure 4.4.1 Good Quarantine Practices (GQP)

Figure4.4.2 Procedures for Exporting Seafood Products based on GQP

Government regulations of seafood import measures include implementing pre-border inspections, risk analysis, early warning systems, import registration and post-import monitoring for carrier media. In addition, as shown in Figures 4.4.3-4.4.5, the necessary measures are stipulated according to the risks of imported seafood products, and a system is in place to prevent the spread of fishery diseases. The classification of risks is set out in the Regulation of the Minister of Maritime Affairs and Fisheries No. 11 (2019) and is defined according to the risk of pathogenic microorganisms entering the country.

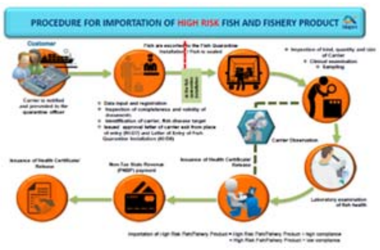


Figure 4.4.3 Procedures for importing High-risk Seafood Products

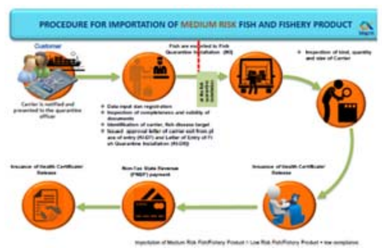


Figure 4.4.4 Procedures for Importing Medium-risk Fisheries Products

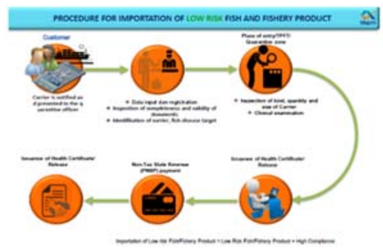


Figure 4.4.5 Import Procedures for Low-risk Seafood Products

The sampling methodology was developed in compliance with various national laws and regulations and following international standards. Therefore, it can be interpreted as meeting the "Output Indicators" of Sub-activity 2.3.1.3 of SPA: Fisheries (2021-2025). In addition to the above, other initiatives that contribute to disease prevention and the implementation of seafood quarantine include the implementation of HACCP and GAqP, seafood disease monitoring, risk analysis, and residual drug monitoring.

There are also examples of collaboration on SPS measures with other countries, such as the cooperation between Malaysia and Brunei to implement the One Borneo SPS Initiative Programme, which aims to protect Borneo from fishery diseases and limit their economic impact.

(2) Issues identified through FGDs

An FGD was held in January 2023 with SPS officials from the public and private sectors. It was held jointly between the SPS and fisheries sectors of the study. The FGD aimed to identify issues related to the current state of legal and regulatory development in fishery quarantine, quarantine systems, inspection and sampling methods, and to examine measures to address these issues. The total number of participants was 27. In addition to face-to-face attendees from the Ministry of Marine Affairs and Fisheries (13 participants), the Indonesian Fishery Producers, Processing & Marketing Association (AP5I) and the Indonesian Aquaculture Society (MAI) participated online. The other 12 participants were from SPS-related organizations.

Through the FGD, the following issues related to fisheries quarantine on the part of the government were pointed out (Table 4.4.8). In addition to the issues related to coordination with other countries and among national agencies, challenges related to law enforcement measures that require coordination with the private sector were also raised. As the level of regulatory compliance at the field level is insufficient, in addition to active awareness-raising activities by the government, business efforts by private contractors to regulatory compliance are expected.

Table 4.4.8 Issues Identified in FGDs (Government, Indonesia)

Challenge	Contents
Vulnerability of law enforcement measures	The establishment of national laws and regulations on fisheries quarantine (seafood SPS) is proceeding. There is, however, room for improvement in the level of law enforcement measures compared to the construction of legislation.
High export requirements	There are difficulties complying with the high and diverse requirements set by seafood export partners.
Limited national resources	The government has insufficient human and financial resources and infrastructure, including facilities, to carry out various activities like inspections, monitoring and training for aquaculture operators.
Lack of coordination among relevant national institutions	There is a lack of coordination among the relevant national authorities involved in fisheries quarantine, as well as instances of inconsistency in regulations between government and local administration.

Source: JICA Survey Team

On the other hand, the presentations by industrial associations (AP5I and MAI) pointed out the following issues related to fisheries SPS (Table 4.4.9). These industrial associations recognized the increased demand for value-added processed products such as ready-to-eat and ready-to-cook products during and after COVID-19. At the same time, increased awareness of the demand regarding food safety and traceability and the stricter quality standards required by buyers were also pointed out. Moreover, the standpoints for strengthening the cooperation between the government and the private sector were mentioned.

Table 4.4.9 Issues Identified in FGDs (Private Sector, Indonesia)

Challenge	Contents
Difficulty in obtaining international certification.	Increasing quality requirements on the demand side (buyers) have led to a demand for international certification. Still, the high acquisition costs and difficulties for SMEs to comply with certification standards were pointed out. Therefore, the establishment of a less-expensive new certification with which domestic SMEs can comply is hoped for.
Difficulty in complying with various changes in the government regulatory	The different intentions of governments, researchers, and private contractors regarding regulatory changes can lead to confusion in implementation (efforts toward compliance) in the field. The development of the system must be based on the alignment of stakeholders' interests.

Source: JICA Survey Team

Indonesia's fisheries industry has a long history, is one of the world's leading producers and exporters, and is an important part of the country's economy. The Ministry of Marine Affairs and Fisheries, responsible for the fisheries industry in Indonesia, is a member of several Regional Fisheries Management Organizations. The capacity for law development and enforcement measures is considered high among ASEAN countries.

On the other hand, the FGDs identified the following seven issues/requirements for reaching international standards:

- Harmonization of national fisheries regulations and technical standards with current international standards
- Development of domestic fisheries infrastructure to enable compliance with international standards
- Information sharing and exchange with import/export partners
- Promotion of international cooperation, including promotion of mutual recognition agreements

- human resources development
- Active participation in international forums, etc.
- Promoting in-country awareness-raising

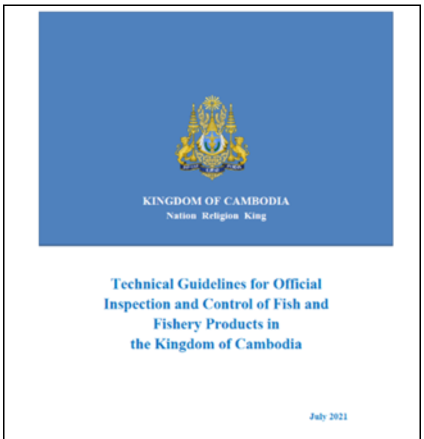
4.4.5 Country with Challenges in the Application (Cambodia)

(1) Current situation in the country

The main agencies responsible for fisheries SPS in Cambodia are the Department of Aquaculture Development (DAD) and the Department of Fisheries Post-Harvest Technologies and Quality Control (DFPTQ) of the Fisheries Administration (FiA).

According to interviews with DFPTQ, Cambodia's quarantine system does not function well compared to that of other countries. DFPTQ recognizes that the change of mindset is necessary since the opinion that "no major problems are currently occurring and therefore no improvements are needed" dominates in general. Formulating regulations, developing SOPs, dispatching experts, and improving technology and facilities (securing laboratories and quarantine implementation space) are needed to be improved.

It is also recognized that, in establishing guidelines for seafood quality management, Cambodia is about 10-20 years behind other developed fisheries countries in the ASEAN region, such as Thailand and Indonesia. With the support of UNIDO, in 2021, Cambodia has established guideline for inspection and SPS, that meets the EU Requirement (the level of compliance with the EU Requirement is not 100%; Figure 4.4.6).


KINGDOM OF CAMBODIA
Nation Religion King

Technical Guidelines for Official Inspection and Control of Fish and Fishery Products in the Kingdom of Cambodia

July 2021

Figure 4.4.6 Inspection Guideline for Fish and Fishery Products

The guideline consists of four chapters:

- Chapter 1: Introduction
- Chapter 2: Legal Framework of the Competent Authority
- Chapter 3: Implementation and Management of Food Safety by the Competent Authority
- Chapter 4: Implementation of the Conditions of the Guidelines by the Fishery Business Operators

Chapter 3 defines import control, traceability management, aquaculture management, etc. Currently, capacity building in line with these guidelines is being implemented for FiA staff.

In addition, under UNIDO and EU's CAPFISH Capture project, a Quality Seal (QS certification; one of the certification schemes for safe seafood) is being developed, with FiA as the scheme owner and certifying body. DFPTQ, has been establishing GAqP certification, QS certification, Good Hygienic Practice (GHP), and other national certifications to support operators in gradually approaching international standards.

As mentioned, the fisheries-management administration, led by the FiA, is in the process of being gradually enhanced. Some private operators have actively accepted various FiA-led certifications and have achieved export potential through business efforts and government support. One example is Pangasius aquaculture company A, which has obtained GAqP certification, a requirement for exporting to the Chinese market, has passed an online inspection by Chinese customs, and is exporting to the Chinese market on a trial basis. Company B, which farms tilapia, has already obtained GAqP and GHP certifications and is currently preparing to obtain HACCP certification for export to Japan, with support from a consultant. On the other hand, except for a few advanced companies such as Companies A and B, the production environment for most aquaculture operators in Cambodia remains at a low level. It has been pointed out that general aquaculture farmers have limited knowledge and in some cases purchase seedlings with poor genetic properties from overseas, so it is still necessary to raise the level of the aquaculture environment through awareness-raising and educational activities.

(2) Issues identified through FGDs

An FGD with invited SPS stakeholders from the public and private sectors was held in December 2022, with the agenda identifying issues and considering measures in Cambodia related to Activity 2.3.1 of the SPA: Fisheries (2021-2025). The total number of participants was 16, which included FiA officers (9 participants), private fisheries operators (4 participants), and UNIDO officials implementing the project in collaboration with FiA (3 participants). At the request of the participants, the discussions were separately conducted between the government and the private sector (including UNIDO).

Through the group discussions, the following issues were identified as government-created challenges for fisheries quarantine and fisheries SPS, etc. (Table 4.4.10). The agenda covered a wide range of topics related to fisheries SPS, including fisheries quarantine, inspection and sampling methods for aquaculture products, and biosecurity.

Table 4.4.10 Issues Identified in FGD (Government, Cambodia)

Challenge	Contents
Inadequate legislation on quarantine measures	Legislation and regulations on fisheries quarantine measures are inadequate.
Limited national resources	Insufficient human resources, inadequate finances, limited facilities (e.g. laboratories), and underdeveloped logistic infrastructure for fisheries quarantine and inspection are noted.
Lack of coordination of national agencies (government)	Inter-organizational cooperation within the country is inadequate. Inefficient operational structures due to inadequate coordination of the roles of the relevant administrative bodies are also noted.
Inadequate coordination among private and government organizations	Insufficient cooperation between the public and private sectors, incomplete regulatory compliance, and the inability of the private sector to keep up with the level of production management required by the public administration are among the issues raised.

Source: JICA Survey Team

On the other hand, the private-sector group's discussions mainly articulated demands from the field for national regulations and management structures to be developed by the FiA. Although all the participating private sector contractors have good relationships with the FiA and are considered to have a high standard of field activities, there was some confusion about the lack of concrete methods and pathways to comply with the high level of regulations imposed by the administration.

Table 4.4.11 Issues Identified in FGD (Private Sector, Cambodia)

Challenge	Contents
Low level of trust in national laboratories.	Some export partners do not trust the results of laboratory tests in Cambodia. Laboratory facilities that meet international requirements are needed.
Insufficient information and training leading to capacity building.	Establishing the training schemes and providing the relevant information for operators are needed to meet the government's requirements.
Regulations on fisheries inspections are unclear.	The content of inspections (sampling protocols and methods) supervised by FiAs is unclear.
Insufficient knowledge of	Insufficient knowledge of private traders on food safety, traceability, seafood

private sector contractors about fisheries SPS	hygiene, biosecurity, disease control, etc.

Source: JICA Survey Team

In the fisheries sector of this study, Cambodia was analyzed as a country with challenges in its ability to apply the measures. Considering, however, the historical transition and socio-economic environment that Cambodia experienced, it is inevitable that the development of fisheries administration lagged advanced ASEAN countries such as Thailand and Indonesia. On the other hand, Cambodia is in the process of rapidly developing its administrative standards, as evidenced by the progress made in formulating seafood-inspection guidelines that meet international standards and the presence of several young, highly competent, and leadership-oriented administrative officials. The following five issues or requirements for raising the level of SPS in Cambodia were identified.

- Further administrative efforts on legislation and regulation building
- Improving the effectiveness of laws and regulations
- Expansion of the domestic fisheries infrastructure
- Building close relationships between the government and private sector (e.g., information sharing)
- Raising the level of expertise and skills possessed by private-sector workers

4.4.6 Analysis of Factors in Differences

Indonesia and Cambodia were selected and analyzed as the countries in the fisheries sector of this study that have the effective ability to apply measures and challenges in the application, respectively. A comparison of the current status of fisheries SPS in the two countries and the content of discussions in the FGDs identifies the following differences.

Table 4.4.12 Comparison of Fisheries Administrations in Two Countries

Item	Indonesia	Cambodia
Legislative system	• Legislation for fisheries quarantine has been established.	• Laws and regulations on fisheries quarantine are inadequately developed.
Ability to implement laws and regulations	• The level of compliance in the field is relatively high, but it is recognized that there is room for improvement.	• Except for a few good operators, there are challenges in enforcing laws and regulations.
Regional Fisheries Management Organization	• It is a member of several management organizations, including WCPFC and IOTC.	• Not a member of any major management organizations.
Fisheries guidelines applied to international standards	• Guidelines like Good Quarantine Practice have been developed.	• Technical Guidelines for Official Inspection and Control of Fish and Fishery Products have been developed.
Level of domestic fisheries administration	• Administrative aspects are being strengthened to meet international standards.	• Administrative aspects are being strengthened to comply with ASEAN standards (with international standards, partially).

Source: JICA Survey Team

Although it is difficult to make a general assessment of administrative capacity due to the very wide range of administrative responsibilities and different socio-economic environments, as the Cambodia DFPTQ points out, fisheries management in Cambodia is said to lag developed countries in the region by about 10-20 years. The following three factors are reasons for the aforementioned differences.

Positioning of the fisheries industry: Indonesia is one of the world's leading fisheries countries in terms of both seafood production and seafood exports. When exporting to other countries around the world, it is necessary to adapt to the different requirements of each country and to comply with ever-changing requirements. Therefore, it is considered that the accumulation of information and experience is advanced. In other words, the level of maturity of fisheries administration in Indonesia is considered higher than that in Cambodia.

Membership in Regional Fisheries Management Organizations: Whereas the indicator was used to determine the ability to implement measures, this is also one factor in the occurrence of the differences. Indonesia is a member of several Regional Fisheries Management Organizations. In carrying out their responsibilities, member states must have a minimum level of viability to comply with the regulations set by the management bodies. Indonesia's ability to fulfill its international commitments is considered to be of a sufficient level of viability regarding the domestic regulatory enforcement. (Similar perceptions were also mentioned in the interviews with SEAFDEC.)

Historical background: In addition to statistical differences in terms of seafood production and seafood exports, Cambodia lags decades behind its neighboring countries in the development of aquaculture. This lag can be attributed to various historical events associated with the Pol Pot regime. As a result, the amount of information and experience accumulated by private aquaculture companies is low. Also, the level of administrative maturity supporting private companies is weak compared to that of Indonesia.

The above is related to the social, economic, and historical background, and they are not differences caused by a specific issue. Besides, FISHERIES COUNTRY PROFILE: INDONESIA[10] of SEAFDEC points out the rejection of some fishery products from some importing countries due to quality issues, and the unbalanced development of the country's overall fisheries sector caused by the geographical characteristic (vast archipelago). Even Indonesia, which is considered to have the ability to implement measures, requires human resources and technological interventions to cope with compliance with standards and requirement for fisheries development.

From the above, the main factor of the differences in the fishery administration of both countries is estimated to be a gap in social and economic development.

4.5 Status of Application of Key Measures Promoted by ASCP in Member States

4.5.1 Key Measures Promoted by ASCP

The main STs and action programs listed in the SPA-ASCP are designed to promote coordination and cooperation with ASEAN countries and monitoring. Specific activities in the SPS field are listed as part of each SWG's SPA. Therefore, among the activities listed in the SPA-Crops (2016-2020) that have been implemented, those that have been prioritized for action were extracted through interviews with the ASEAN Secretariat. As a result, five activities shown in Table 4.5.1 were selected as priority activities.

Priority activity 1.2 aims to increase private sector participation and create an enabling environment. Priority activity 2.3 aims to rationalize and improve quarantine systems and procedures, and harmonize standards and legislation.

[10] SEAFDEC (2017), Fisheries Country Profile: Indonesia, <http://www.seafdec.org/fisheries-country-profile-indonesia/>

Table 4.5.1 Progress and Challenges of Priority Activities Related to SPS sector in SPA-Crops

Priority Activity	Objective	Progress and Challenges
1.2.1.1 Collaborate with relevant private sectors in the area of pesticides, including proper pesticide management and research leading towards the development of regional standards (i.e. maximum residue limits).	To establish the ASEAN MRLs of pesticide residue	Achievement: More than 1,000 ASEAN MRLs established and reviewed based on the Codex development Challenges: Some proposed MRLs are harmful pesticides that are not accepted by other AMS
1.2.1.2 Implement ASEAN-wide agricultural standards and best practices through development partnerships with the private sector.	To promote the ASEAN Standards and best practices	Achievement: Several ASEAN Standards and best practices had been established. AMS is in the process of aligning their national standards with these ASEAN Standards. "A mutual recognition agreement on organic agriculture (MRA-OA)" for agricultural best practices and Organic Agriculture are being developed. Challenges: Based on the result of the alignment exercise, the AMS must amend/ revise their national standards
2.3.1.2 Develop importation guidelines for intra-ASEAN trade significant commodities.	To harmonise phytosanitary import requirements for crops	Achievement: ASEAN has established Importation Guidelines for more than 14 commodities Challenges: Challenge in conducting Pest Risk Analysis (PRA) as the basis for developing the Guidelines
2.3.2.1 Capacity building on pest surveillance, following the international standards.	To enhance the knowledge and skill of AMS on pests surveillance, including pest information framework, data collection, internationally recognised data standards, and protocols for exchanging data.	Achievement: Activities are underway to strengthen Member State and ASEAN expertise in pest risk analysis and invasion alert measures and management. It is expected that this activity will strengthen quarantine systems and procedures and harmonise standards and regulations in Member States. Challenges: Lack of expertise in Member States to analyse and monitor pest and disease risks in line with international standards
2.3.3.2 Establish framework on ASEAN cooperation in emergency response and management for prioritized quarantine pest	Establish a framework for ASEAN Member State coordination and develop an emergency response and quarantine pest management system	Progress: Being discussed in Expert Working Group on Phytosanitary under SOM-AMAF

Source: Prepared by JICA Survey Team based on Questionnaire Interviews with ASEC-DOs.

4.5.2 Degree of Application of Key Measures

Activities related to SPS implemented by ASEAN are not only in the SPA-ASCP, but are also integrated into the SPAs of the respective SWGs as listed in Table 4.5.1. The ASCP-led activities are listed in the SPA-ASCP, but these activities are mainly coordination, promotion of cooperation and monitoring. Many activities of the current SPA (2021-2025) have been taken over from the previous SPA (2016-2020), with the only difference being the addition of activities related to information sharing to realize the ASEAN Single Window, which aims to increase efficiency and standardization through electronic customs clearance procedures. Table 4.5.2 shows the status of Member States' efforts in relation to Activity 1.2.1 of the SPA-ASCP, whose implementation status was confirmed through hearings and other means.

Table 4.5.2 Status of Application of Key Measures of SPA-ASCP

Working group: ASCP		
Key measures: 1.2 Compilation of national law regulation related to SPS 1.2.1 Transparency of national legislation which include law, regulations and standards related to SPS within AMS		
AMS	Adaptation status	Summary
Brunei Darussalam	–	No response as of the end of January 2023
Cambodia	–	No response as of the end of January 2023
Indonesia	–	No response as of the end of January 2023
Lao PDR	–	No response as of the end of January 2023
Malaysia	–	No response as of the end of January 2023
Myanmar	○	
Philippines	–	No response as of the end of January 2023
Singapore	○	
Thailand	–	No response as of the end of January 2023
Vietnam	–	No response as of the end of January 2023

Source: JICA Survey Team based on interviews with ASCP FPs.

Note: "○" means the measures have been implemented or measures have been applied.

4.5.3 Countries for Field Survey on Application of Key Measures Promoted by ASCP

The selected key measures call for the development of SPS-related national laws and regulations, and based on the application of the key measures in the countries analyzed in section 4.4.2, it was determined that Indonesia is the country where the enactment of laws and regulations in the SPS sector and the promotion of FVC through the organic coordination of relevant agencies are effectively implemented. One country where the application of measures has not yet been achieved at the current stage and that is still in the process of being achieved is Cambodia whose national SPS main policy has only recently been enacted, and the country is in the process of enacting or amending relevant laws and regulations, and developing and reviewing its animal and plant quarantine implementation system on the basis of the laws and regulations.

Table 4.5.3 provides a typology of potential field survey target countries. The most important criterion to be considered in the selection process is the application status of the selected key measures based on the responses to the questionnaire, but as the questionnaire responses from each country were not sufficiently collected., Therefore the selection was made comprehensively on the basis of several items shown in the table below. The ASEAN Food Reference Laboratory defines laboratories with a high level of leadership in the ASEAN region for each of the 10 test categories (food additives, pesticide residues, mycotoxins, veterinary drug residues, heavy metals, genetically modified substances, microorganisms, food contact materials, environmental contaminants, fish and shellfish poisoning and histamines). ISO 17025 is an international standard that accredits third-party accreditation bodies on the basis of the ability of their testing and calibration laboratories to produce accurate measurement and calibration results, and certification means that the laboratory meets a certain standard. The countries with ISO 17025-accredited laboratories are deemed to have the inspection capacity to verify compliance with the standards required by international markets, and to represent the basis for food safety and SPS control. In addition, countries where agriculture plays an important industrial role in the country and where agricultural and fisheries products are among the main export products are strongly linked to the countries' economies in the SPS sector, which can be a major incentive to develop SPS-related legislation. Based on these indicators, Indonesia and Cambodia were selected as the field study countries.

Table 4.5.3 Status of AMSs regarding Key Activity of ASCP

Policy application ability to get things done	Country	Existence of ASEAN Food Reference Laboratory	Existence of ISO17025-certified laboratories	Importance of the agricultural sector	Main export product	Special factor
High	Indonesia	○	○	○	Mineral fuel, Fat	―
	Thailand	○	○	○	Automobile and its parts, Electronic device and its parts	
	Malaysia	○	○	○	Electronic products, Palm oil	―
	Philippines	―	○	○	Electronic devices and product	―
Medium to High	Vietnam	○	○	○	Fibrous and sewing goods, Mobile phones and their parts	―
Medium	Cambodia	―	―	○	Clothing, Footwear	―
	Lao PDR	―	―	○	Electricity, Gold, Paper and pulp	
	Myanmar	―	―	○	Natural gas, Clothing, Rice, Beans	Yes (Political situation)
Peculiar condition	Brunei Darussalam	―	(N.A.)	△	Petroleum oil, LNG	―
	Singapore	○	○	△	Machinery and Transport machinery	―

Source: JICA Survey Team

Table 4.5.4 Targeted Countries for Field Survey regarding the Key Activity of ASCP

Type	Country	Feature
Country in which the application of the measures seems effective	Indonesia	Laws and regulations on SPS are in place, as well as standards and guidelines for implementing them. Based on these laws and regulations, the roles and activities of the relevant ministries and agencies have been clarified, and border control measures and monitoring related to animal and plant quarantine are operating effectively
Country that faces challenges in the application of the measures	Cambodia	The main legislation on SPS has recently been established, and there are some underdeveloped aspects of the underlying standards and guidelines.

Source: JICA Survey Team

4.5.4 Country Where the Application is Effective (Indonesia)

(1) Current situation in the selected country

With a population of over 270 million in 2021, Indonesia is Southeast Asia's most populous country, accounting for over 40% of ASEAN's total population[11]. Its economy is also more than twice the size of ASEAN's second-largest country, Thailand, with a nominal GDP of USD 1.2 trillion in 2021, compared with USD 506 billion in 2021[12]. Agriculture, forestry and fisheries are the main industries representing 13.2% of nominal GDP in 2021, second only to manufacturing at 19.2%. Major primary commodities include palm oil, rubber, rice, cocoa, cassava and coffee beans, and as there are many cash crops for export, it is important that animal and plant quarantine is not a hindrance to trade for the smooth import and export of agricultural products with other countries.

The SPS contact points in Indonesia are the Indonesia Agricultural Quarantine Agency (IAQA), the Fish Quarantine and Inspection Agency (FQIA), and the Indonesia Food and Drug Authority (Indonesia FDA/Badan POM), which are responsible for animal and plant health management and protection, seafood health management and protection, and food and feed safety, respectively. In addition to participating in the annual ASCP meetings, the agencies form a National SPS Committee in the country, which regularly consults on national SPS-related issues and topics raised in the ASCP.

Table 4.5.5 Government Agencies Related to SPS Field (Plant and Animal Quarantine, Food Safety)

Category	Government Agency
Plant Quarantine	Indonesia Agricultural Quarantine Agency, Ministry of Agriculture
Animal Quarantine	Center for Animal Quarantine and Animal Biosafety, Ministry of Agriculture
	Directorate of Animal Health, Ministry of Agriculture
	Directorate of Veterinary Public Health and Post-Harvest, Ministry of Agriculture
Fishery Quarantine	Fish Quarantine and Inspection Agency, Ministry of Marine Affairs and Fisheries
Food Safety	Indonesia Food and Drug Agency (Badan POM)
	National Standardization Agency of Indonesia
	Ministry of Industry
	Ministry of Trade

Source: Prepared by the JICA survey team based on the collected information by interview

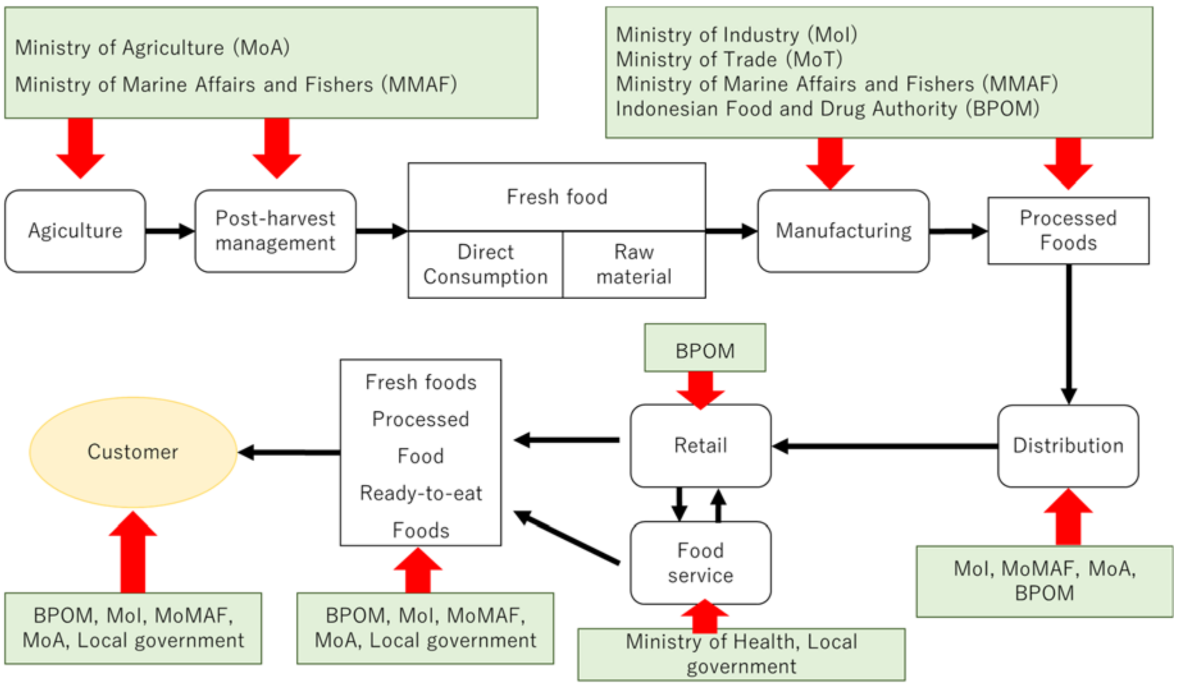


Figure 4.5.1 General Flow of FVC and Related Government Agencies in Indonesia

Source: Prepared by the JICA survey team based on the collected information

[11] World Bank, World Development Indicator database
[12] World Bank, World Development Indicator database

Table 4.5.6 Main Legislation on SPS Field (Indonesia)

Name of legislation	Year	Brief
Import Quarantine Requirements (UU No. 21 of 2019 article 33)	2019	Requirements for the import of Quarantine Fish Pests and Diseases (HPIK) and Plant Pest Organisms (OPT) carrier media from the Republic of Indonesia must meet quarantine requirements.
Export Quarantine Requirements (UU No. 21 of 2019 article 34)	2019	Requirements for releasing Quarantine Fish Pests and Diseases (HPIK) and Plant Pest Organisms (OPT) carrier media from the Republic of Indonesia must meet quarantine requirements.
First Time Carrier Media Import in the Republic of Indonesia (UU no. 21 of 2019 Article 6)	2019	(1) Importation of Carrier Media into the territory of the Republic of Indonesia for the first time or changes in status and situation of Quarantined Animal Pests and Diseases (HPHK), Quarantine Fish Pests and Diseases (HPIK), and Quarantined Plant Destruction Organisms (OPTK) in the country of origin is subject to risk analysis. (2) The results of the risk analysis as referred to in paragraph (1) become the basis for carrying out risk management. (3) Risk management as referred to in paragraph (2) is carried out based on the agreement on the sanitary and phytosanitary standards of the two countries.
Minister of Agriculture 55 of 2016 Articles 4 and 5	2016	Article 4: Fresh Food of Plant Origin (PSAT) importation is carried out based on a food safety risk analysis Article 5: Food safety risk analysis is carried out in determination: a. Entry Requirements b. Acknowledgment of the monitoring system and registration of safety testing laboratories for Fresh Food of Plant Origin (PSAT) in a country c. Import Control; and Monitoring
Food Safety Supervision on the Importation of Fresh Food of Plant Origin (PSAT) (Ministry of Agriculture 55 of 2016)	2016	Article 6: (1) Fresh Food of Plant Origin (PSAT) import for distribution must comply with Fresh Food of Plant Origin (PSAT) safety (2) Fresh Food of Plant Origin (PSAT) safety as referred to in paragraph (1) includes chemical contamination and biological contamination that does not exceed the maximum limit Article 7: The import of Fresh Food of Plant Origin (PSAT) as referred to in Article 6 paragraph (1) can come from countries that have it: a. A recognized Fresh Food of Plant Origin (PSAT) safety control system; or b. Registered Fresh Food of Plant Origin (PSAT) safety testing laboratory
Places of Import and Export of Carrier Media Quarantined Plant Destruction Organisms (OPTK) and Fresh Food of Plant Origin (PSAT) (Minister of Agriculture 20 of 2019)	2019	Minister of Agriculture 20 of 2019: Points of Import and Export of Carrier Media of Quarantined Animal Pests and Diseases (HPHK) and Quarantined Plant Destruction Organisms (OPTK)
List of airports and seaports (Minister of Agriculture 57 of 2015)	2015	Import and Export of plant-based feed ingredients to and from the territory of the Republic of Indonesia

Source: Ministry of Agriculture in Indonesia

Table 4.5.7 Main Legislation on Animal Quarantine Field (Indonesia)

Name of legislation	Year	Brief
Law Number 21 of 2019	2019	Animal quarantine, Fish and Plant quarantine
Law Number 41 of 2014	2014	Amendments to Law Number 18 of 2009 concerning animal husbandry and health
Government Regulation of the Republic of Indonesia number 47 of 2014	2014	The control and management of animal disease
Government Regulation No.48 of 2011	2011	Animal genetic resources and livestock breeding
Government Regulation No.95 of 2012	2012	Veterinary public health and animal welfare
Government Regulation No.3 of 2017	2017	Veterinary authorities
Government Regulation No.21 of 2005	2005	Biosafety of genetically engineered products
Government Regulation No.11 of 2022	2022	Amendments to government regulation number 4 of 2016 concerning the importation of livestock and/or animal products in certain matters originating from a country or zone within a country of origin
Minister of agriculture regulation number 12 of 2022	2022	Regulation of the minister of agriculture concerning food safety supervision on the importation of fresh food of animal origin and fresh food of plant origin into the territory of the unitary state of the Republic of Indonesia from radioactive contamination
Minister of agriculture regulation number 42 of 2019	2019	The importation of carcass, meat, offal, and/or their processed products for food into the territory of the Republic of Indonesia
Minister of agriculture regulation number 15 of 2021	2021	Business activity standards and product standards in the implementation of risk-based business licensing in the agricultural sector
Minister of agriculture regulation number 61/Permentan/PK.320/12/2015	2015	Eradication of animal disease
Minister of agriculture regulation number 13 of 2010	2010	Requirements for ruminant animal slaughterhouses and meat-cutting plants
Minister of agriculture regulation number 11 of 2020	2020	Certification of veterinary control number for animal product business units
Minister of agriculture regulation number 16 of 2021	2021	Field studies and supervision of veterinary medicine
Minister of agriculture regulation number 1 of 2021	2021	Animal quarantine documents and plant quarantine documents

Source: Ministry of Agriculture in Indonesia

(2) Challenges identified through the implementation of FGDs

An FGD was held in January 2023 with invited SPS officials from the public and private sectors. The FGD included face-to-face and online participants from the phytosanitary, animal quarantine, fisheries sector (including fisheries quarantine), food safety administrative bodies and the private sector in the fisheries sector (seafood production, processing and distribution trade associations, and aquaculture trade associations). Group discussions were held in each sector on the current status and challenges of legal standards, quarantine systems (border control measures, prevention method for outbreak, detection and alert systems and outbreak response) and inspection and sampling procedures.

In the group discussions, issues relating to phytosanitary, animal quarantine and food safety were pointed out, as shown in the table below. No issues regarding legal standards, were raised by the participants, as laws and regulations related to SPS, such as the constitution, government regulations, presidential decrees, ministerial ordinances and guidelines for animal and plant quarantine and food safety, are in place at each administrative level. The main challenges mentioned were the lack of budget, human resources and capacity at the stage of implementing quarantine and food safety operations of each administrative body to properly implement the legal standards in addition to the coordination and harmonization among other countries and national administrative bodies. ASEAN has a major role to play here, especially with regard to coordination in the field of SPS with other countries, and these issues should be resolved through the ASCP.

Table 4.5.8 Challenges Identified in FGDs (Indonesia)

Category	Challenge	Content
Plant Quarantine	Human resource	Insufficient human resources and the need to strengthen the capacity of human resources
	Lack of equipment and facilities	Lack of necessary equipment and materials for laboratories due to budget shortfalls
	Postharvest distribution management	Inadequate post-harvest management (mainly at the distribution stage) in the agricultural trade has led to the occurrence of contamination of food, agricultural products and feed with mycotoxins, requiring appropriate moisture control (necessity of dry storage and moisture meters).
Animal Quarantine	Animal health management system	Animal health (disease) management systems are not mandatory in all local governments and implementation varies
	Cooperation with central government and local government	Decentralization has resulted in some animal quarantine operations falling under the jurisdiction of local governments, but lack of cooperation and coordination between local and central governments is often a problem. There are also problems with different local governments having different legally binding powers and varying implementation.
	Human resource	Lack of human resource capacity in risk assessment and risk management. Lack of capacity to carry out identification tests for outpatient diseases.
	Lack of necessary equipment and facility	Lack of infrastructure for animal health care due to budget shortfalls.
Food Safety	Coordination among government agencies	The SPS has many cross-sectoral challenges, which cannot be addressed by each competent administrative body alone, and a cross-sectoral coordination function is needed.
	Requirement of legal standards in the destination country	Possibility of the product rejection at the destination country due to the deviation of legal standards (residue standards for additives, micro-organisms, pesticides, etc.) in agricultural products and food products caused by standard gaps.

Source: JICA Survey Team

4.5.5 Country with Challenges in the Application (Cambodia)

(1) Current situation in the selected country

Cambodia joined the World Trade Organization (WTO) on 13 October 2004 and became the 69th WTO Member State to ratify the WTO Trade Facilitation Agreement on 12 February 2016.WTO Member States have an obligation to report measures affecting trade and notify the SPS Committee, which was established to monitor Member States' compliance and consistency with the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement), of new or changed SPS measures. In Cambodia, efforts have continued to develop legislation on animal and plant quarantine, but many laws have not yet been fully implemented. As a result, it has been difficult to conduct adequate control of imported agricultural products and compliance with standards required by other countries for agricultural export products. In 2022, the Law on Plant Health and Plant Protection Act was enacted.

Table 4.5.9 Main Legislation on Plant Quarantine Field (Cambodia)

Legislation	Date of Enactment	Brief
Law on Seed Management and Breeder Right	13 May 2008	Appointed PQ inspector as a supporting agency to seed inspector in border check point
Sub-Decree (Government Regulation) No 15 on the Phytosanitary Inspection	13 March 2003	Appointed Plant Protection and Phytosanitary Office (PPPSO) of Department of Agronomy and Agricultural Land Improvement (DAALI) as Cambodian Plant Quarantine Authority (PQA)
Sub-Decree No. 69 on the management of border check points	09 July 2001	Plant and animal quarantine staff are not included in the team of border check point inspectors.
Sub-Decree No. 6 on the management of international airport of the Kingdom of Cambodia	30 March 2004	Plant and animal quarantine staff are included in the team of border check point inspectors.
Sub-Decree 188	14 November 2008	On the amendment of the General Secretariat, the promotion of Forestry Administration, Fisheries Administration to the General Directorate, the promotion of Department of Agronomy and Agricultural Land Improvement to the General Directorate of Agriculture and the amendment of General Directorate of Rubber Plantation to General Directorate of Rubber under Ministry of Agriculture Forestry and Fisheries : *Plant Protection and Phytosanitary inspection Office have been upgraded to Department level namely Department of Plant Protection Sanitary and Phytosanitary.*
Sub-Decree No. 21 on trade facilitation through risk management	01 March 2006	Custom is a leading agency in border inspection activities.
Sub-Decree No. 209 on the list of prohibited and restricted goods for import and export	31 December 2007	Import export requirement of goods according to customs codes.
Prakas (Ministerial Decision) No.100	10 March 2010	On the Cambodia Plant Quarantine Pest List of General Product: consisted of 184 pest species.
Prakas (Ministerial Decision) No.346	10 May 2010	On the Cambodia Plant Quarantine Procedures .
Law on Plant Protection and Quarantine	1 April 2022	This law governs plant health management, implementation of plant protection measures and phytosanitary measures, protection of all types of plant resources, prevention of the spread of pests and diseases, promotion of agricultural productivity, food security, hygiene, quality and product safety.

Source: Prepared by JICA Survey Team based on the document information from the Ministry of Agriculture, Forestry and Fisheries

Table 4.5.10 Government Agencies Related to SPS (Plant and Animal Quarantine, Food Safety)

Category	Government Agency
Plant Quarantine	Department of Plant Protection Sanitary and Phytosanitary, General Department of Agriculture (GDA)
Animal Quarantine	General Directorate of Animal Health and Production
Food Safety	Ministry of Agriculture, Forestry and Fisheries
	Ministry of Commerce (including CamControl)
	Ministry of Mines and Energy
	Ministry of Economy and Finance
	Ministry of Tourism
	Ministry of Health

Source: Prepared by JICA Survey Team based on the interview.

(2) Challenges identified through the implementation of FGDs

An FGD was held in late December 2022, inviting relevant government officials from the phytosanitary sector of the SPS. The issues identified by the FGD participants are as follows.

Table 4.5.11 Challenges Identified in FGD (Cambodia)

Category	Challenges	Content
Plant Quarantine	Human resources	Lack of human resources relevant to the SPS field.
	Lack of necessary equipment and facilities	Lack of equipment and facilities for quarantine and inspection activities.
Food Safety	Coordination among government agencies	Control and inter-organizational cooperation are difficult due to the six agencies with food safety jurisdiction. (Ministry of Health, Ministry of Agriculture, Forestry and Fisheries, Ministry of Tourism, CamControl under the Ministry of Commerce, Ministry of Mining and Energy, and the Ministry of Economy and Finance).

Source: JICA Survey Team

4.5.6 Analysis of Factors in Difference

A comparison of the SPS sector in Indonesia and Cambodia shows differences in the development of SPS-related legislation and in the animal and plant quarantine and food safety management systems. The following three factors are considered as factors in this difference.

1) Delay in the enactment of key laws and regulations on animal and plant quarantine as the backbone: as all administrative activities are carried out on a legal basis, it is essential to establish an animal and plant quarantine system and to develop relevant laws and regulations. In Cambodia, however, major laws and regulations on plant quarantine were not enacted until recently. Although some SPS-related laws and regulations in the surrounding areas have been developed, the delay in enacting the backbone laws and regulations is one reason for the difference in the degree of application compared to other ASEAN Member States.

2) Differences in perception of pest transmission between the island and continental countries: Indonesia is an island country making it difficult for pests and diseases to be transmitted from other countries. It is also an environment where it is easy to prevent pests and diseases from entering the country through border control measures when outbreaks occur in neighboring countries, and geographical conditions make it easy to take SPS measures.

3) Differences in the need for compliance with international standards: in addition to consuming agricultural and fisheries products domestically, Indonesia exports the products to other countries. The

domestic standards have been catching up with international standards by promoting compliance with the standards required by the destination countries. On the other hand, Cambodia is located between Thailand and Viet Nam, which are agricultural producers, and does not have a high comparative advantage in terms of agricultural exports, so there was not much incentive to develop SPS-related legislation or animal and plant quarantine systems.

4.6 Status of Application of Key Measures Promoted by ASWGAC in Member States

4.6.1 Key Measures Promoted by ASWGAC

The measures related to PPPs in the ASWGAC are as follows.

1) Establish business linkages among the potential agricultural cooperatives and farmers organizations.
2) Promote direct investment and strategic partnership with ASEAN agricultural cooperatives and farmers organizations, producers, consumers and traders
3) Strengthen the Food Marketing System of Agricultural Cooperatives for Enhancing Food Security in ASEAN.
4) Assist small scale producers in the FAF sector to become viable and competitive enterprises through the provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains

Of the above, the key measure contributing to the promotion of PPPs promoted by the ASWGAC, in terms of marketing partnerships between agricultural cooperatives or farmer groups and procurement and marketing enterprises, is iii. Strengthening the Food Marketing System of Agricultural Cooperatives for Enhancing Food Security in ASEAN, and the status of its application of the system was investigated. Details of the key measures covered by this survey are as follows.

Policy document:	SPA for the ASEAN Cooperation in Agricultural Cooperative
Action Program:	Strengthening the Food Marketing System of Agricultural Cooperatives for Enhancing Food Security in ASEAN,
Activity:	Strengthening the role of agricultural cooperatives in the food marketing chain
Sub-activity:	Matchmaking of agricultural cooperatives and investments for the identified cooperatives

4.6.2 Degree of Application of Key Measures.

The following table shows the status of activities in each country as confirmed by online interviews with Member States.

Table 4.6.1 Status of Application of Key Measures of SPA-AC

AMS	Status of Application	Summary
Brunei	-	· No response as of the end-January 2023.
Cambodia	△	· Food marketing has not yet been implemented due to the absence of specialists and budgetary constraints. The focus is on the value addition of agricultural

		products. ・ Participation in the ACBC.
Indonesia	-	・ No response as of the end-January 2023.
Laos	△	・ Focus on more basic food security and food safety until 2020; developing an Agricultural Cooperative Law by 2024. ・ Support for small-scale farmers to add value to their produce and improve market access.
Malaysia	-	・ No response as of the end-January 2023.
Myanmar	-	・ Not covered by the online survey.
Philippines	○	・ Several measures have been implemented to strengthen the food marketing system, using ASEAN measures as a guide. ・ A major example is the KADIWA project, which links farmers and consumers.
Singapore	-	・ No response as of the end-January 2023.
Thailand	◎	・ SPA measures are to be implemented across ASEAN, and Thailand will consider activities in line with these. ・ For Laos, Myanmar and Cambodia, bilateral cooperation has been implemented, with unique activities such as dispatching experts, matching agricultural cooperatives with each other and establishing sister agricultural cooperative relations.
Vietnam	○	・ Several activities under SPA measures are being carried out. ・ Promulgation of Decree No 98 of 2018 on building linkages between agricultural cooperatives and enterprises.

Source: JICA Survey Team based on interviews with FPs of ASWGAC.

Regarding the promotion of FVC through the strengthening of agricultural cooperatives, each country has its own policy in place, not necessarily as an application of the ASWGAC SPA; those that could be identified as referring to the SPA are participation in the ACBF and training visits between member states, which are addressed as the ASWGAC, and limited to the application of other countries' legal systems shared in the ASWGAC. The degree of application of ASWGAC key measures will therefore be determined based on the existence and implementation of policies in each country that share the same objectives as the key measures. Where they are immature, public-private partnerships are unlikely to benefit farmers, especially smallholder farmers. Therefore, it can be said that the level of organization affects the degree of implementation of private investment activities, and the level of organization is one of the indicators of the degree of policy application.

The following section analyzes the status of application of the above-mentioned key measures and the background environment influencing their application, based on online interviews and existing data on the implementation of FVC-related activities based on the status of agricultural cooperative-related policies and agricultural cooperative organizing in each country.

1) Current Situation of Cambodia's Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

The Department of Agricultural Cooperative Promotion (DACP) under the Ministry of Agriculture and Forestry is responsible for establishing and registering agricultural cooperatives, disseminating legislation on agricultural cooperatives, capacity building, business planning and marketing support for agricultural cooperatives, monitoring and guiding agricultural cooperative activities. The Law on Agricultural Cooperatives (2013) is currently in force, while other relevant legislations have been enacted, such as the Sub-decree on Contract Farming and the Model statute and internal regulation of Agricultural Cooperatives. Further legislation is currently being developed, including the Sub-decree on the Agricultural Cooperative Development Fund and the Sub decree on Policy Board for Agricultural Cooperatives. Policies have also been formulated to strengthen agricultural cooperatives, such as the National Policy on Agricultural

Cooperative Promotion (Version 4) and the Agricultural Cooperative Strategic Promotion Plan 2023-2030. In addition, agricultural cooperative strengthening and agribusiness development are also among the key policies in the higher-level policy, the Cambodian National Strategic Development Plan 2019-2023.

b. Current status of agricultural cooperatives

As of 2021, the number of agricultural cooperatives in Cambodia stood at 1,217, an increase of more than four times from a decade ago. Fifteen agricultural cooperative federations and the Confederation of Agricultural Cooperatives at the National Level (CACA) function as the super-organization of agricultural cooperatives. In total, there are 155,859 members, of which 98,900 are women members. Capital averages around USD 21,033 per agricultural cooperative. The main activities of agricultural cooperatives are credit activities and agricultural material supply business, while activities such as joint marketing, shared use of equipment and processing activities have been recently introduced.

The main objectives of agricultural cooperatives in Cambodia are stated as strengthening the marketing capacity of farmers through joint purchase and sales, promoting business linkages with investors through collective activities and grouping for agricultural extension, with the aim of strengthening the food value chain and access to finance through strengthening agricultural cooperatives. This suggests that they are trying to strengthen food value chains and access to finance through strengthening agricultural cooperatives. However, the reality is that many cooperatives lack capital and are unable to provide even small-scale loans to their members. [13]

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

Activities undertaken in FY2021 to support agricultural cooperatives include the development of policies and legal systems for agricultural cooperatives and their implementation in the field, training for personnel promoting agricultural cooperatives, strengthening the organization of agricultural cooperatives and promoting their business through business forums and other activities.[14] Agricultural value chains have been promoted mainly through adding value to agricultural products. The Ministry of Agriculture has been promoting Public Private Producer Partnerships (PPPPs) for a few years and focusing on the development of small and medium-sized agricultural cooperatives, facing challenges in strengthening their capacity.[15] In relation with the SPA, there is an exchange of agricultural cooperative visits between AMSs. As of 2021, there were about 200 cases of contract farming between agricultural cooperatives and the private sector in Cambodia for the crops such as rice, cassava, cashew nuts, pepper, mango and longan, some of which have been established through the ACBF. The number of contract cultivations is gradually increasing.

The challenges in the development of FVC through agricultural cooperatives include the absence of a national policy for supporting agricultural cooperatives, the absence of an agricultural cooperative support plan, the absence of central and regional training centers for agricultural cooperatives, lack of training materials, lack of human and financial resources to support agricultural cooperatives, etc. As an ASEAN regional activity, it is in the process of strengthening legislation and policy formulation for agricultural cooperative activities, as there are needs to share support policies, legislation and regulations for agricultural cooperatives among AMSs. According to government officials, major problems faced by agricultural cooperatives include: insufficient scale of the cooperatives with an average of around 100 farmers; lack of capital and investment from members; lack of capacity in cooperative structures; lack of business mind and entrepreneurship; difficulties in accessing loans from commercial banks; and low participation of youth. Most of the agricultural cooperatives still face organizational capacity challenges in working with private sectors that

[13] ASEAN Roadmap for enhancing the role of agricultural cooperatives in the global value chain 2018-2025 Annexes
[14] From the documents of the 23rd ASWGAC annual meeting.
[15] From online interview with ASWGAC Cambodia Focal Point, 24 November 2022.

require high quality standards. It was requested to ASEAN to provide with resources and experts to strengthen capacity, as well as learning opportunities to promoting the food marketing chain. [16]

2) Current Situation of Indonesia's Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

In Indonesia, the Ministry of Cooperatives and SMEs is the competent authority for cooperatives. The law on co-operatives currently in force is Co-operative Law no. 25/1992. In Indonesia, agricultural cooperatives are legally treated on par with for-profit private companies and are subject to government regulations and taxation as legal entities. The strategy document of DEKOPIN (The Indonesian Cooperative Council), DEKOPIN's Cooperative Vision 2045 strategy, aims to develop cooperatives by improving agroforestry business and food production, developing alternative energy source, creating employment and entrepreneurship opportunities for youth.

b. Current status of agricultural cooperatives

Cooperatives in Indonesia were initiated under colonial rule with the aim of promoting a farmers' financial system that utilized traditional mutual aid practices, and although the Cooperative Law of 1967 positioned cooperatives as socio-economic units, in reality they were institutions promoting the policy of food self-sufficiency and increased rice production, and were not long-term [17]In the 2000s, the cooperatives were freed from government intervention and their number increased, but their function was not independent and the functions of agricultural cooperatives are often basically limited to supplying fertilizers and acting as agents for the distribution of agricultural products. Out of the total of 212,135 cooperatives as of 2016, 148,220 are functioning. About half are credit unions and about a quarter are production cooperatives.[18] As of 2016, about 8% of the population were cooperative members, with an overall capital of USD 4.55 billion and an average capital of USD 37,183 per cooperative.

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

Measures to promote PPPs include the development of SME legislation, improving productivity of SMEs and cooperatives, improving market access for SMEs and cooperatives, improving access to finance and promoting cooperative self-reliance in the SME support policy, which is also combined with the ASEAN SPA for SME Promotion (SMED)[19] . Regarding access to finance, there is no agricultural bank in Indonesia and the central bank does not have a subsidized lending program for agriculture. On the other hand, there is a subsidized loan interest program for SMEs as Credit Usaha Rakyat (KUR).

One of the challenges in promoting FVC through agricultural cooperatives is that they are not able to fulfil their functions such as joint collection and marketing of goods due to a lack of awareness of agricultural cooperatives as farmer-led organizations and weak internal audit mechanisms of the organizations.[20] In addition, cooperative development is considered to be the responsibility of the government, and the cooperatives have been institutionalized as government extension organizations, such that all cooperatives are integrated into a unified system, and most cooperatives are under government control and dependent

[16] From online interview with ASWGAC Cambodia Focal Point, 24 November 2022.
[17] Okamoto, Ikuko, "Composition and Development Patterns of Asian Cooperatives", in Shinichi Shigetomi (ed.), Cooperatives in Development: Preliminary Considerations for Rural Studies in Developing Countries, Report of the Basic Theory Study Group, Institute of Developing Economies 2014.
[18] https://coops4dev.coop/sites/default/files/2020-07/Indonesia%20Key%20Figures%20National%20Report.pdf
[19] From a presentation by the Indonesian Ministry of Cooperatives and SMEs at the ILO/ODCD workshop for policy makers on productivity and working conditions in SMEs (2017).
[20] ICA-EU (2020) Legal framework analysis, National Report-Indonesia

on the government. As a result, co-operatives are not organized to advance the interests of their members through co-operation. While several ministries have been developing agricultural cooperatives in recent years, the cooperative model has been dominated by state-owned enterprises. [21]

3) Current Situation of Lao PDR's Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

The Department of Agricultural Extension and Cooperatives (DAEC) has jurisdiction over cooperatives and farmers' organizations. Cooperatives of the Lao PDR have the short history of legally positioned organizations, as recently defined in the Cooperative Ordinance of 2010 (Decree 136 of the Prime Minister). The Decree on Groups and Cooperatives, issued in 2020, promoted legal development of the cooperative formation environment, use of state-owned land, infrastructure development, access to finance, tax exemptions, technical assistance, market access and enhanced access to information. An Agricultural Cooperative Law is currently being prepared for implementation in 2024, with reference to the legal developments in ASEAN countries. In relation to the application of ASEAN measures, the experiences of ASEAN countries have been incorporated in the Cooperative Ordinance 2020, which was prepared with the support of Germany. In Laos, after the long strong negative impression of cooperatives in its history, they have learnt positive concepts of cooperatives from other AMS, such as the advantages of cooperatives and the benefits to farmers, which are currently reflected in Lao policies. [22]

In the Agricultural Development Strategy 2011-2020, it is aimed to strengthen links with the global economy through the commercialization of agriculture and to strengthen the role of farmers' organizations, moving them from subsistence to business-oriented organizations. The revised Agricultural Development Strategy for 2030 identifies the strengthening of farmers' organizations as a key program, including a target number of associations to be formed. In Laos, national policy is to promote commercially-oriented, self-reliant cooperatives, but the environment for cooperative activities is inadequate and the country is still in the process of formation of cooperatives.

b. Current status of agricultural cooperatives

As of 2022, the total number of cooperatives was limited to 62 (including 35 credit unions and 27 agricultural cooperatives)[23] while there are approximately 2,700 farmers' organizations nationwide (as of 2017) that are simply production groups in crop cultivation, animal husbandry and fishing. The Lao Government aims to establish 18 more agricultural cooperatives in 2021-2025 and is preparing a manual for the formation of agricultural cooperatives with reference to those in Japan and Thailand. The current policy focuses on forming effective and functional unions rather than increasing the number of unions.

Due to the small number of cooperatives, the total capital of the cooperatives is limited to USD 500,000. Many farmers' organizations are still subsistence farmers through traditional farming. Although the cooperatives have access to markets, they lack access to market information and marketing knowledge, not having the capacity to sell their products at fair prices.[24] Of the 27 farmers' cooperatives, only about 10 can be considered successful, most of which deal with commodity crops such as coffee for export, rice and organic vegetables.

[21] ASEAN Roadmap for enhancing the role of agricultural cooperatives in the global value chain 2018-2025 Annexes
[22] From online interview with ASWGAC Lao Focal Point, 9 December 2022.
[23] From online interview with ASWGAC Lao Focal Point, 9 December 2022.
[24] From a presentation at the Policy Dialogue Workshop (March 2022).

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

To strengthen the capacity of agricultural cooperatives, the DAEC provides training, human resource development and inspection training on the concept of farmers' cooperatives and organizational management. Although the Government's Economic Recovery Program promotes privatization and the Agricultural Development Fund provides loans to farmer organizations and agricultural cooperatives, access to finance is rather limited for most of them. The SME Promotion Fund, promoted by the Ministry of Commerce, is favorable to agricultural cooperatives, with an annual interest rate of 3% and a five-year repayment period for government funds, but the fund is only 1.6 billion yen and at this stage it is not possible to extend another loan until the loaned funds have been repaid. Only one, the Coffee Agricultural Cooperative, has been able to do so.[25]

Marketing support for agricultural cooperatives is aimed at promoting the distribution of agricultural products, and apart from the development of marketing infrastructure, the main focus is on facilitating product exhibition and matching at the ASEAN Agricultural Cooperative Business Forum. although there are several external supports for cooperative development, they focus on building a foundation for cooperative promotion, such as developing legislation, building model agricultural cooperatives and strengthening the organization of agricultural cooperatives.

The fact that lack of effective government support system is often cited as one of the difficulties in strengthening agricultural cooperatives implies that the environment for the development of agricultural cooperatives is underdeveloped. Problems in the government support system identified are: inadequate legal framework and policies for cooperatives; lack of teaching materials and facilities for human resource development; lack of frontline human resources to support cooperatives; inadequate financing system for cooperatives by financial institutions and high interest rates; and insufficient enforcement of laws and policies in the field due to lack of understanding by extension workers. The situation is such that an improved environment and government support system are needed to strengthen and promote the functioning of agricultural cooperatives.

On the other hand, the problems faced by agricultural cooperatives include low access to finance and the fact that many of them doubt repaying their debts, resulting in a lack of funds and the inability to secure the necessary equipment and materials for the production of agricultural products and infrastructure for marketing. This has prevented them from reducing production costs, leading to reduced competitiveness. In terms of market access, in many cases, long-term subsistence production practices have led to selling through private sales channels and intermediaries, with the selling price controlled by intermediaries. Other factors that hinder cooperative development are that many farmers are skeptical about cooperative activities due to past experiences of losses incurred through participation in cooperatives, and that government support is limited, with only an exemption from land tax even when organized as an agricultural cooperative. Although the Lao government is trying to strengthen the collection, processing and marketing functions of agricultural cooperatives through support on necessary inputs and infrastructure this has not been implemented due to lack of budget. [26]

4) Current status of Malaysian agricultural cooperatives and application of key measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

In Malaysia, cooperatives are under the jurisdiction of the Malaysia Cooperative Societies Commission (MCSC), while agricultural cooperatives are under the Farmers Organization Authority (FOA). The

[25] Interviews with Lao officials (26/12/2022).
[26] From online interview with ASWGAC Lao Focal Point, 9 December 2022.

ASWGAC focal point is also Appointed from the FOA. There is a separate Central Agricultural Marketing Authority (FAMA) under the Ministry of Agriculture and Food Security, which is responsible for supporting the activities of agricultural cooperatives and is responsible for developing marketing chains for agricultural products.

In Malaysia, the Cooperative Act (1993) has been revised and implemented in 2007 and 2021. In terms of policy, the Eleventh Malaysia Plan (EMP) (2016-2020) aims to improve the agricultural sector with the aim of delivering both the capital and people economy. The strategies in agricultural sector includes; collaboration with the private sector for the application of ICT and agricultural technologies, agricultural modernization and agribusiness promotion; improving advisory services from the industry and academia; building capacity of agricultural cooperatives along the value chain by establishing vertically integrated supply chains; improving market access for both domestic and international markets, and improving access to agricultural finance by providing loans with flexible repayment mechanism. In addition, there are other policies for cooperatives, including the National Cooperative Policy (DKN) 2011-2020,the Malaysian Cooperative Transformation Plan (2021-2025), as well as the National Entrepreneurship Policy and the Cooperative Digitization Plan, which have been launched to promote the corporatization and digitization of cooperatives.

b. Current status of agricultural cooperatives (2021)

As of 2021, there were 14,657 cooperatives, of which 3,262 were agricultural cooperatives.[27] The number of members was 7,040,000 with an overall capital of approximately USD 3.7 billion. Although there are a certain number of cooperatives registered as agricultural cooperatives, only a limited number of them are involved in joint purchasing, marketing and processing related to FVCs. In particular, for plantation crops (oil palm, rubber, cocoa, pepper, etc.), agricultural cooperatives are mature and economically active.

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

Government programs to promote cooperatives focus on the liberalization in the cooperative legal system, business development, capacity building, sales promotion support and the provision of loan schemes. In relation to FVC development, FAMA has a modern market infrastructure development project and marketing support measures such as contract farming programs, collection and distribution center development and a supply and demand virtual information (SDVI) matching system[28] . The contract farming program supports establishing linkages with buyers, such as private companies and exporters, and also ensures stable marketing channels through purchases by government-subsidized companies. The SDVI matching system analyses information on the demand and supply of agricultural products to stabilize prices of agricultural products. The FAMA has also established a system of marketing support measures, such as the development of a modern market infrastructure and the development of collection and distribution centers.

5) Current Situation of Myanmar's Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

In Myanmar, the Cooperative Department is responsible for registration, supervision and auditing of cooperatives. The Ministry of Agriculture, Livestock and Irrigation as a whole aims to develop the agricultural sector through strengthening farmer associations and cooperatives that are inclusive of

[27] Cooperative Statistic Malaysia Interim 2021
[28] https://www.fama.gov.my/en/maklumat-korporat-fama

smallholders.

The cooperative-related agricultural legislation in Myanmar is based on the Co-operative Society Law (1992), which was enacted during the military regime. Following civilization, the Co-operative Society Rules (2013) provided for the democratization of cooperatives, which banned previous government intervention and granted autonomy to cooperatives. In policy, the 2016 Agricultural Policy set the goal of increasing rural population and agro-industry profits, and the Agricultural Development Strategy (2018-2023) was established as an implementation strategy. One of the key issues highlighted in the strategy is the organization of farmers cooperatives inclusive of smallholders to improve the production, service and marketing capacity of agricultural cooperatives. [29]

b. Current status of agricultural cooperatives

After the transition to civilian rule, cooperative organizations, which had been under state control under military rule, were freed from government control and made into associations of people as independent organizations. However, spontaneous activities by farmers did not spread and their role as agent organizations of the government remained. As of 2019, the number of cooperatives was 39,929, of which 32,746 were agricultural cooperatives. They have 4,220,000 members, equivalent to 7.9% of the population. The capital and savings of the microfinance implementing cooperatives (35,050 cooperatives) amount to approximately USD 120 million, or USD 3,478 per cooperative. Many co-operatives are limited to credit activities, with members only using them as a vehicle for micro-financing, as co-operatives engaged in production and marketing activities are yet to be developed.

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

In its agricultural cooperative development policy, the Government has implemented support activities such as microcredit schemes, long-term lending of agricultural machinery to promote mechanization and initial investment support, supply of agricultural inputs, support for the establishment of cooperatives, and training of cooperative personnel. However, the majority of the budget for agricultural development is still allocated to infrastructure and government legislation. Since the transition to civil administration, a number of external support agencies have introduced credit guarantee support for loans from commercial banks, and attempts have been made to introduce agricultural crop insurance by the private sector.

6) Current Situation of Philippines' Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

The Cooperative Development Authority (DCA) is the responsible body for cooperative development in the Philippines. Philippine Cooperative Code of 2008 (Republic Act No. 9520) and the Cooperative Development Authority Charter (Republic Act No. 6939) regulate the organization and operation of cooperatives.

In terms of policies on agricultural cooperative development, cooperatives are expected in the Philippine Development Plan 2011-2016 to provide a significant contribution to inclusive and sustainable economic development, financial inclusion and poverty reduction. In the Philippine Cooperative Development Plan (PCDP) 2018-2022, the strategic goals emphasize the global competitiveness of cooperative products through the application of good practices and business matching and increased financial and market access, in addition to policy and regulatory development, strengthening cooperative structures and human resource development, which is in line with policies such as improving food marketing systems through

[29] ASEAN Roadmap for enhancing the role of agricultural cooperatives in the global value chain 2018-2025 Annexes

strengthening agricultural cooperatives in ASEAN.

b. Current status of agricultural cooperatives

In the Philippines, formation of farmer organizations has been strongly influenced by politics as part of post-war poverty alleviation and as a lending institution to improve agricultural production, which has hindered the activities and development of the cooperatives and many of them are still functioning as agents of government programs[30]. Of the 18,848 registered unions in 2020, only 10,900 had regular reporting (of which 4,200 were agricultural cooperatives). Multipurpose unions are the most common in the Philippines, followed by credit unions and agricultural cooperatives. 11.5 million people, or about 10% of the country's population, belong to cooperatives and the capital of the cooperatives amount to USD 10 billion, of which USD 2.6 billion is capitalized by agricultural cooperatives[31]. The cooperatives are allowed to receive domestic and foreign funds such as grants, subsidies, support funds and donation funds, which supplement the capital from members.

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

The Government's main co-operative development programs include the following activities

- Koop Kapatid Program; aims at formal and effective collaboration between cooperatives to increase mutual economic advantage and improvement of management efficiency, and to help micro/small cooperatives become viable.
- Cooperative Market Access through Cooperative Business Matching Information System (CBMIS): to promote cooperative products and services through an online platform, which is in line with the promotion of the cooperative food marketing chain in the ASEAN measures.
- Establishing Foreign Alliances/Linkages: to establish partnerships with foreign organizations including with AMSs through the ACBF, etc., and support the promotion of investment and sales both domestic and foreign.
- Credit Surety Fund Program: supports micro, small and medium-sized enterprises in accessing bank loans and stimulating cooperative activities, thereby contributing to improved access to finance. In addition, the Land Bank of the Philippines, a government financial institution, as a commercial bank, provides loans to cooperatives and development assistance programs to the cooperatives to which it provides loans.
- Agricultural Cooperative support in specific agricultural products: market support is provided for key products such as coconut, fisheries products and rice, through cooperation with the respective responsible Authority.
- Kadiwa program: a program implemented by the Ministry of Agriculture, mainly providing marketing support to small and medium sized agricultural cooperatives; building linkages with private traders through an e-platform called Coop-Biz, but currently only non-food products are traded and food products are to be introduced in due course[32].

With the exception of a few large economically active agricultural cooperatives, many are still weak in their organizational management, business development, professionalization and internal capitalization.

[30] Okamoto, Ikuko, "Composition and Development Patterns of Asian Cooperatives", in Shinichi Shigetomi (ed.), Cooperatives in Development: Preliminary Considerations for Rural Studies in Developing Countries, Report of the Basic Theory Study Group, Institute of Developing Economies 2014.
[31] From the CDA 2020 Annual Report (https://cda.gov.ph/updates/fy-2020-cooperative-statistics/) and the 27th ACEDAC Commission meeting presentation.
[32] From online interview with ASWGAC Philippines Focal Point, 6 December 2022.

They are also highly dependent on government support, having operated under government intervention for many years. In addition to the vulnerable financial, production and marketing systems of agricultural cooperatives, the persistent dominance of intermediaries in the supply of agricultural inputs and the marketing of agricultural products prevents from benefiting upstream farmers in the food value chain. Therefore, it is essential to support small and medium-sized agricultural cooperatives, which account for about 80% of the cooperatives, in parallel with the development of large-scale FVCs for high-potential agricultural products.

7) Current Situation of Thailand's Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

The administrative body responsible for cooperatives is the Cooperative Promotion Department (CPD), Ministry of Agriculture and Cooperatives, which does not only support and strengthen cooperative organizations but also suggest the guidelines to the National Cooperative Development Board. With regard to value chain development, it assists cooperatives in strengthening their business management capacities and facilitating business linkages.

In terms of policy, the 12th National Economic and Social Development Plan (2017-2021) envisions agricultural cooperatives to be the key management vehicle in the entire agroindustry value chain, and highlights sustainable agriculture through technology improvement, responding to market demands and strengthening agroindustry value chains as key measures. In the context of Thailand's domestic economic environment, where modern trade is expanding, there is a noticeable trend towards establishing food value chains linked to higher value-added markets, and private companies, both domestic and foreign. In addition to promoting higher value-added agricultural products and exports, the Government promotes 'smart agriculture' through digital transformation establishing an e-commerce and value chain system, public-private partnerships, and fair contract farming with social responsibility.

b. Current status of agricultural cooperatives

As of 2018, the number of all cooperatives was 8,130 (of which 4,376 were agricultural cooperatives). The number of agricultural cooperatives shows an overall downward trend, but new agricultural cooperatives have also been established to benefit from tax exemptions and other advantages. Having overall members of 11,636,166 the economic impact of agricultural cooperative activities accounts for 13% of GDP, with transactions worth USD 64.9 billion annually.

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

Government measures to support cooperatives include the Cooperative Development Fund (CDF), which provides government-subsidized loans to farmers' organizations and cooperatives to finance their activities; the Farmers' Organization Development through Cooperative System Support, which strengthens the human resources of cooperatives through non-formal education; allocation of land to cooperatives for agricultural activities; national and international trade fairs to develop sales channels for cooperative products; Mega-Farm projects to promote linkages between cooperatives, the private sector and government agencies; and promotion of digital marketing platforms. Support for linkages between agricultural cooperatives and the private sector has been provided for 7~8 years, building linkages through platforms and improving the quality of agricultural cooperative products.

The number of cooperative members in Thailand is large compared to other AMSs, with an average of over 1,400 members. While there are large mature agricultural cooperatives, there are also many immature small-scale cooperatives. The Government has introduced the Big-Brother Cooperatives system to strengthen and ensure benefits to small-scale agricultural cooperatives. Under the system, a network of agricultural cooperatives has been established, with large agricultural cooperatives acting as collection and distribution centers for other small-scale cooperatives. This enables small-scale cooperatives to supply and sell efficiently by being part of the value chain of large-scale cooperatives, even if they cannot collect and sell on their own.

In the ASEAN context, Thailand has been sharing its experiences in implementing SPAs with other AMSs, including linkages between agricultural cooperatives and the private sector and markets. In particular, Thailand's policy on strengthening agricultural cooperatives in the food marketing system has been shared in ASWGAC as a reference to other countries, based on the experience that policy has played an important role in this area. With regard to activities related to agricultural cooperatives, ASEAN as a whole is not at the stage of implementing joint programs, and is trying to strengthen agricultural cooperatives in each country or through bilateral cooperation, etc. Therefore, in addition to sharing policies and guidelines, Thailand is dispatching experts to provide TOT and advice to Cambodia, Laos and Myanmar. Based on Thailand's experience, quality improvement is essential for agricultural cooperatives to enter the food marketing system, and they are providing cooperation to other countries on quality improvement support policies, including GAP and packaging. [33]

8) Current Situation of Vietnam's Agricultural Cooperatives and Application of the Key Measures

a. Legislation and policies on agricultural cooperatives and their relation to ASWGAC key measures

In Viet Nam, the Department of Cooperatives and Rural Development under the Ministry of Agriculture and Rural Development (MARD), together with the Ministry of Planning and Investment (MPI), is responsible for cooperative-related affairs. Cooperative Law No. 23/2012/QH13 regulates the formation and operation of cooperatives, which gives cooperatives more significance as economic groups focused on providing services to their members and marketing activities. Relevant legislation also provides for preferential treatment for agricultural cooperatives, such as the Land Use Law, which provides for the free lease of land to facilities for cooperatives' activity, tax exemptions for agricultural production and services under the Income Tax Law, and free collateral of loans to agricultural cooperatives under the Credit legislation. With regard to cooperation between agricultural cooperatives and the private sector, Decree No. 98 of 2018 provides for the establishment of partnerships between cooperatives and enterprises. Where the promotion of cooperation between cooperatives and enterprises, including contract farming, had been implemented before but without much success, the decree promoted various support activities.[34]

Cooperative development support has been identified as one of the key tasks of the national program, with particular targets to disseminate effective agricultural cooperative management models, improve agricultural cooperative development policies, strengthen capacity, promote linkages in the value chain, and improve financing. In relation to food value chain development, the Agricultural Cooperative Innovation and Development Plan 2014-2020 focuses on building pilot models in the value chain and applying foreign experience, while the Agricultural Production Development Plan 2020 states the importance of involving the private sector and investing in high-tech agriculture. With regard to the application of ASEAN measures, it is recognized that the matching of agricultural cooperatives and enterprises is already positioned as one of the country's policies and has been integrated into the mandate of the DCRD. DCRD is also developing legislation, learning from the International Cooperatives Alliance (ICA) and Thailand's cooperative-related legal system. According to the officer in charge, sharing the

[33] From online interview with ASWGAC Tie Focal Point, 2 December 2022.
[34] From online interview with ASWGAC Vietnam Focal Point, 29 November 2022.

experiences of ASEAN countries is very useful for the development of national legislation, as legislation is important and complex.

b. Current status of agricultural cooperatives

Although various policies promote the economic activities of cooperatives in Vietnam, the Law on Cooperatives defines cooperatives as part of the agency for public services, and many cooperatives are government-led and dependent on government support. The main activity of agricultural cooperatives is mostly the supply of agricultural inputs, with a limited number of cooperatives engaged in distribution of agricultural products. As of 2019, 22,714cooperatives out of a total of 24,618 were functioning, of which 15,495 were agricultural cooperatives[35]. In total, there are 7 million members, representing about 7% of the total population, with a further 3.4 million members in the pre-union organizations. The assets of all cooperatives and the legal capital of agricultural cooperatives are USD 7.5 billion and USD 550 million respectively, while the average earnings and average capital of the cooperatives are around USD 160 and USD 56 000 respectively, contributing 4% of GDP in 2017.

c. Status of application of key measures and related government measures/activities to support agricultural cooperatives

In Vietnam, a large amount of financial resources for cooperative development are still spent on infrastructure development. The Cooperative Act B.E. 2542 (1999) defines the Cooperative Development Fund (CDF) and the Special Cooperative Development Fund was established in 2017, which provides loans to cooperatives without collateral. Although a system has been established, the low capacity of cooperatives to conduct business has limited the implementation of the loans. Although the government support to agricultural cooperatives has mainly consisted of infrastructure development, land rental and distribution, provision of soft loans, disaster relief and processing technology support, activities related to FVC promotion include promoting cooperation between agricultural cooperatives and enterprises through contract farming, introducing the Vietnamese version of the One Village One Product (OCOP) movement, and organizing seminars and promotional activities for agricultural cooperatives to share information with each other, and matching opportunities between agricultural cooperatives and enterprises. The number of agricultural cooperatives participating in the matching activities is currently around 30% of the total number of agricultural cooperatives, while it was about 10% 5-6 years ago. Although the number of participating agricultural cooperatives is increasing, many are not able to meet the quality and stable supply requirements of buyers.[36] Regarding difficulties in supporting cooperatives, the Government pointed out weak legislation and government support structures as bottlenecks, while the problems faced by agricultural cooperatives are weak financial base, single business line and low competitiveness that hinder the development of cooperatives and prevent them from carrying out economic activities.

4.6.3 Countries for Field Survey on Application of Key Measures Promoted by ASWGAC

Based on the application of key measures in each country analyzed in section 4.4.2, Thailand is judged to be the country where the promotion of FVC through strengthening agricultural cooperatives is most actively implemented, and the other AMSs have also referred to the Thai case. Countries facing some implementation difficulties include Lao PDR and Cambodia, where legislation and policies for agricultural cooperatives are still being developed and the organization of agricultural cooperatives is underdeveloped, thus agricultural cooperatives have not yet reached a state where they can participate in economic activities. Since, the foundations for FVC development through agricultural cooperatives are not yet in place in Laos, the scope of analysis is considered to be limited. Cambodia was selected as a target country for this further analysis as

[35] ICA-EU (2021) "Mapping: key figures - National Report: Vietnam".
[36] From online interview with ASWGAC Vietnam Focal Point, 29 November 2022.

it still faces various difficulties while trying to promote FVC activities through agricultural cooperatives.

4.6.4 Country Where the Application is Effective (Thailand)

(1) Current situation in selected country.

Thailand is the second largest economy in South-East Asia after Indonesia and a major agricultural country. As one of the world's leading exporters of agricultural products, including rice, natural rubber, prawns, processed poultry products and sugar, Thailand has also developed an export industry. Foreign investment is also active, and various measures are being taken to ensure transparency of information and speed up procedures for investment facilitation under the ASEAN Investment Facilitation Framework (AIFF), which is being promoted by ASEAN. The measures are also progressing. [37]

The market size of modern retailing such as supermarkets and convenience stores is the largest among AMS countries, standing out at USD 25.7 billion in 2020, with the share of modern retailing in food expenditure reaching nearly 50%.[38] Many supermarket chains such as Lotus's, Makro and Big C by the Chalong Pokaphan (CP) Group, mainly in major cities and regions such as Bangkok, Chiang Mai and Phuket, are one of the marketing destinations of agricultural cooperatives, and modern retail is another feature of the development of modern retailing.

Agricultural cooperatives in Thailand are relatively large in size, often formed by merging farmers' groups, and act like federations of agricultural cooperatives. Agricultural cooperatives form further federations for major products and collectively operate marketing activities, and modern trade has been promoted by the leading cooperatives.

Reflecting an active agricultural export industry and a growing modern retail sector, the main sales destinations of Thai agricultural cooperatives are 1) exporters (export products are basically sold to exporters, as agricultural cooperatives themselves are not permitted to conduct export operations), 2) supermarkets, hotels, etc. (high-quality products are sold directly through contract farming, etc., though the proportion is small), 3) processors (sales of low-grade products that do not meet the quality requirements for direct sales), 4) local traders (sales to local markets). The marketing activities of agricultural cooperatives can be said to be established to a certain extent.

(2) Issues identified through FGDs

FGDs was held in January 2023 for further clarification of the situation inviting relevant government officials, agricultural cooperatives, private companies and other PPP stakeholders. The FGD was divided into two days due to the availability of the participants. A total of 15 people (9 on the 1st day, 6 on the 2nd day) participated in the FGD, including staff from the Cooperative Promotion Department (CPD), staff from the Local Cooperative Promotion Department, representatives of cooperative federations, representatives of cooperatives, and representatives of private companies. The situation and issues identified through discussions at the FGD and individual interviews with companies, agricultural cooperatives, etc. that could not participate in the FGD are as follows.

As mentioned above, in addition to promoting high value-added agricultural products and exports, Thailand's policy encourages agricultural cooperatives that are engaged in 'smart agriculture', which aims to adopt value chain systems through public-private partnerships, fair contract farming and digital transformation, as part of the promotion of modern agriculture. Accordingly, a number of programs and support are being implemented in modern trade, including smart agriculture and e-commerce, for the establishment of linkage with the

[37] ASEAN "ASEAN Investment Report 2022" https://asean.org/wp-content/uploads/2022/10/AIR2022-Web-Online-Final- 211022.pdf

[38] McKinsey&Company, 2022.12.13 "The state of grocery in Southeast Asia" https://www.mckinsey.com/industries/ retail/our-insights/the-state-of-grocery-in-southeast-asia

private sector and stable value chains for farmers.

As for measures directly linked to strengthening FVC through agricultural cooperatives, the CPD has been focusing on building relationships between the private sector and agricultural cooperatives for 7-8 years; it has been promoting matching between agricultural cooperatives and the private sector since 2019, providing opportunities for both at central and local government levels. In addition to private companies, there are also activities to connect producers' associations with buyers' associations. Some agricultural cooperatives have actually started doing business with private companies through such business matching. In addition, the CPD has established an online product catalogue system (Coopmart.com) to introduce agricultural cooperatives' products to buyers, providing an opportunity for agricultural cooperatives and buyers to connect. Leading agricultural cooperatives that have been able to access matching opportunities with the private sector through these measures, or that are able to adapt to advanced systems, have been proactively integrated into the value chain, taking roles of collection, packing, grading and marketing.

In Thailand, compared to other ASEAN countries, the government's policy and system for supporting agricultural cooperatives in terms of finance is well established, with a relatively adequate budget and staffing. Agricultural cooperatives have access to loans from the Bank for Agricultural and Agricultural Cooperatives (BAAC), the Cooperative Development Fund (CDF) and other private financial institutions. Interest rates on BAAC and CDF loans vary depending on the type and amount of loan, the size and repayment capacity of the agricultural cooperative and other factors, ranging from 1% to 4.5% for the CDF.[39] There are four types of loans provided by the CDF: (i) principal funds for agricultural cooperatives to lend to their members for the purchase of materials, etc., (ii) funds for agricultural cooperatives to buy agricultural products from their members, (iii) funds for the purchase of agricultural machinery and equipment, and (iv) funds for infrastructure development including factory construction, of which the most common use is the case of (ii)[40] . As agricultural cooperatives are in direct competition with private buyers in buying from farmers, these funds are important for agricultural cooperatives to secure sufficient volumes, and interviews with agricultural cooperatives in the FDG also revealed that they are not troubled in terms of access to loans due to funds allocated to the CPD through the state government. It can be said that the system and support for agricultural cooperatives to access the necessary funds is relatively well developed. This ensures that cash flows in the purchase from farmers and sales to buyers are uninterrupted, which in turn provides confidence to both suppliers - farmers and buyers - and enables them to conduct sales activities. Agricultural cooperatives with a certain degree of maturity that have access to CDF and bank loans for agricultural inputs are able to use them to ensure required quality and quantity of supply to the buyers. Support is also provided to agricultural cooperatives in terms of staffing and training for capacity building in modern trade, as well as packages.

In addition to government measures, the private sector also plays a certain role in strengthening the marketing of agricultural cooperatives. The major supermarket chains interviewed have been focusing on building relationships with agricultural cooperatives for the past 35 years or more. Procurement from agricultural cooperatives has become one of their key KPIs, with agricultural cooperatives responsible for 60-70% of food procurement from the country. Agricultural products destined for modern distribution are required to be of high quality and have detailed specifications depending on the destination. Support is provided to agricultural cooperatives and farmers from whom retailers procure products to ensure compliance with safety standards, improve quality and add value to products, which ensures traceability and builds consumer trust, thereby establishing a relationship that is beneficial for both cooperatives and retailers.

Thus, there is a situation in Thailand where measures to strengthen the food marketing system are being effectively implemented due to the development of modern retailing and the effective support system of the government. On the other hand, although it depends on the commodity, according to interviews with CPD, the number of agricultural cooperatives with access to modern retailing is around 3-5% in Thailand as a

[39] From interview with Provincial Agricultural Cooperative office officer, 11 January 2023.
[40] same as above

whole[41] and there is significant room for expansion. For example, there is only one rice product sold in supermarkets as an agricultural cooperative brand. It is also noted that the participation rate of small farmers in registered agricultural cooperatives is low, and that immature cooperatives often have difficulty meeting the quality standards and volumes required by modern retail, and are unable to respond to Thai government initiatives to support marketing.

Another problem faced by many agricultural cooperatives is the high level of losses in post-harvest handling and distribution. Agricultural cooperatives and federations with sales channels to private buyers collect crops from a wide range of farmers and small-scale agricultural cooperatives to secure product volumes, but it has been noted that there are high losses during distribution due to transport times and temperature changes, especially in the distribution of agricultural products from mountainous areas to major urban centers. Therefore, there is a need to introduce environmentally controlled greenhouse cultivation, which is less susceptible to climate change, and precision agriculture and production management technologies through smart agriculture, and public-private partnerships in these areas are also expected.

4.6.5 Country with Challenges in the Application (Cambodia)

(1) Current situation in selected countries.

Cambodia's agriculture, forestry and fisheries sector is an important industry, accounting for 20% of GDP. While some products such as rice, natural rubber, bananas and cassava are exported, domestic production of vegetables and fruit cannot meet demand, and the country imports from neighboring countries through border trade, resulting in an over-import situation. Although modern retailing is gradually developing, traditional retailing accounts for more than 80% of food expenditure. Overall, modern retailing plays a relatively small role in the marketing of domestic produce, as domestic produce is of low quality and supermarkets rely on imports for the products they sell.

In recent years, the Government of Cambodia, with support from Thailand and other countries, has been developing laws and policies on agricultural cooperatives and FVCs, including those related to the application of ASWGAC SPA measures, such as the enactment of the law of PPP and the Sub-decree on Contract Farming, revision of the Investment Law (2021), legal standard letters on community organization, declaration on organic farming (CAMOrganic), and the Strategic Plan for the Development of the Agro-Industrial Sector. Although these laws and government strategies have been put in place, they are not fully enforced because the laws and policies are not well known and farmers and agricultural cooperatives do not have the capacity to apply these legal instruments.

(2) Issues identified through FGDs

Further study was conducted through an FGD organised in December 2022 with relevant government officials, agricultural cooperatives, and PPP-related parties such as private companies. The FGD was attended by 10 people from the Department of Agricultural Cooperative Promotion (DACP), Department of Agricultural Industry, Cooperative Unions, Cooperatives and NGOs. The situation and issues identified through discussions at the FGD and individual interviews with private companies and agricultural cooperatives that had not participated in the FGD are as follows.

Although the Cambodian Government aims to promote agricultural cooperatives, the Government's financial resources are limited, thus the main actors in supporting agricultural cooperatives are external support organizations such as NGOs and aid agencies. Although the Ministry of Agriculture provides support to agricultural cooperatives for organizational strengthening and financial management, this support is not sufficiently widespread due to a lack of frontline staff, accordingly, many agricultural cooperatives do not

[41] From interview with CDP officer (11 January 2023).

yet have sufficient management capacity. Many agricultural cooperatives are also short of funds. Although the Agricultural and Rural Development Bank (ARDB), a government-affiliated bank, has recently launched a loan facility for agricultural cooperatives, the number of cooperatives that can meet the conditions of the facility is rather limited. In some cases, agricultural cooperatives have obtained loans through private contractors with whom they have cultivation contracts in order to obtain bank loans, in which problems have been noted between the private contractors and the agricultural cooperatives regarding the use of the loans. As many agricultural cooperatives fall short of funds, one federation of agricultural cooperatives reported to have plan of a system of loans by the federation to its member agricultural cooperatives.

The number of cases where agricultural cooperatives are involved in marketing activities is limited in Cambodia, as most agricultural cooperatives are small and their activities are limited to credit activities and supply of agricultural inputs. Except for specific products, such as export products, the main objectives of agricultural cooperative federations are to support the management capacity and productivity improvement of agricultural cooperatives and to coordinate with private traders and financial institutions, thus agricultural cooperative federations are not directly involved in collection and marketing activities. In terms of cooperation with the private sector, exporters buy export crops and other products from agricultural cooperatives and specific farmers, while several cases have been reported where the Federation of Agricultural Cooperatives, with the help of NGOs and external support, provides assistance to member agricultural cooperatives in matching them with private buyers, negotiating contract farming and helping them to obtain bank loans. In Cambodia, the federations of Agricultural Cooperatives do not act as marketing agents, but rather act as facilitators between member agricultural cooperatives and traders. However, only a few member agricultural cooperatives are able to establish sales channels with private buyers, and the majority of transactions are still conducted in local markets. Many farmers are facing production challenges and are unable to meet the demands of private buyers due to the lack of quality and supply management as an agricultural cooperative, making it difficult for them to establish and continue contract farming. Some private buyers also reported that they prefer producing on their own farms or buying from conscious philanthropists to contract farming with agricultural cooperatives whose quality and supply are inconsistent. The hindering factors of marketing activities by agricultural cooperatives are pointed out that lack of experience of agricultural cooperatives in the business sector caused lack a business mindset and business planning skills, while that a lack of post-harvest handling and processing technology limited their activities to merely supplying raw materials. It can also be said that a lack of management capacity of agricultural cooperatives or insufficient trust between them and their members affects sales activities through collective credit. Furthermore, the fact that the main products purchased by the private sector are high quality agricultural products with high market value, and that there is a lack of companies that handle these products, is also considered to be a factor in the lack of cooperation with the private sector.

Digitalization of the economy is being promoted in Cambodia, and while private companies are using online payments, most agricultural cooperatives are still paper-based in their organizational and financial management, and digital technology has not penetrated the country. The Government is currently experimenting with a mobile phone application for agricultural cooperatives, with the aim of developing sales channels through the digitalization of agricultural cooperative activities.

As a result of the Government's efforts to promote cooperation between agricultural cooperatives and the private sector, a certain number of partnerships were established. As a result, while there have been advantages for the agricultural cooperatives, such as stable prices, stable income and improved quality, negative effects have also been heard, such as increased debt to ensure a stable supply, and problems with the private sector over the fulfilment of contracts with them, which imply a possibility that contract farming can have a negative impact due to insufficient trust and management capacity of agricultural cooperatives.

4.6.6 Analysis of Factors in Difference

- Government support structure and capacity (personnel, budget, activities): As in Thailand, the Cambodian Government is promoting cooperation between buyers and agricultural cooperatives, including matching with private traders, legislation on contract farming and plans for digital platforms. However, the Government's budget and human resource are limited. This has meant that policies have not been fully implemented. The Thai Government has been providing assistance to the Cambodian Government to strengthen its capacity to support agricultural cooperatives. In terms of support for strengthening the management capacity of agricultural cooperatives and improving and ensuring the quality of the products, Thailand has annual budgets for these technical assistances, whereas Cambodia relies heavily on NGOs and external assistance. The lack of capacity of agricultural cooperatives is a major challenge in promoting cooperation between agricultural cooperatives and private sector providers.
- History of agricultural cooperatives and maturity of agricultural cooperatives: In Thailand, the main role of established agricultural cooperatives is collection and marketing of products, although there are differences depending on the maturity level of agricultural cooperatives, whereas in Cambodia, the role of agricultural cooperatives is still mainly limited to internal loaning and inputs distribution and they are not recognized as being responsible for activities such as sales. In Cambodia, the lack of historical experiences of farmers' collective activities and the low financial management capacity of agricultural cooperatives make it difficult for them to gain the trust of their members in collective activities and develop into sales and other activities. Agricultural cooperatives have the strength to help small farmers who have difficulty in gaining the trust of other FVC actors on their own by organizationally managing the quality and quantity of their products. However, organization of the cooperative itself is immature, the organizational activities of the cooperative are no longer advantageous to the buyer.
- Capital flows of agricultural cooperatives: Many agricultural cooperatives in Cambodia do not have sufficient capital to carry out investment and marketing activities due to the low level of their own funds and limited access to loans. In terms of marketing activities, they are unable to secure funds between buying from farmers and selling to traders, and are unable to pay farmers when they buy from farmers, making it difficult for them to meet farmers' needs and take on the responsibility of buying and selling. In Thailand, on the other hand, farmers' cooperatives are able to mitigate cash flow problems because a certain amount of CDF and BAAC loans are secured by the government. Therefore, while in Cambodia, sales are mainly made to intermediaries who can pay immediate cash. In Thailand, farmers are able to avoid a situation where they sell to intermediaries at a lower price as they can sell to agricultural cooperatives. As the financial flows of agricultural cooperatives have a significant impact on production and sales activities, the availability of loans for agricultural cooperatives to ensure smooth financial flows is an important issue for farmers to be proactively involved in FVC.
- Modern retail development and public-private partnerships: Against the background of the development of modern distribution markets in Thailand, supermarket chains are playing an important role in strengthening the food marketing system of agricultural cooperatives by providing them with sales outlets as well as support for cultivation and quality improvement. In selecting agricultural cooperatives to procure from, they receive referrals from the provincial government and make use of business matching opportunities initiated by the government, and other government-industry partnership initiatives are also being used to strengthen the marketing activities of agricultural cooperatives. On the other hand, the foundation for strengthening the sales activities of agricultural cooperatives through modern retailing is weak in Cambodia, as traditional retailing accounts for a relatively large proportion and modern retailing tends to rely on imported products. For both farmers, agricultural cooperatives and the government, the first and most urgent task is to improve the quality level of agricultural products, and marketing and sales support is currently recognized as the next stage,

- Digital transformation and farmers' capacity to utilize it: Digitalization is rapidly progressing in FVCs in Thailand, especially in matching farmer cooperatives and buyers, as well as in managing collection and sales and developing sales channels for farmer cooperatives. While direct online sales from cooperatives to customers is currently limited due to high transport and management costs, there have been cases where businesses of cooperatives have been established through online matching measures with buyers. Although digitalization has not spread evenly among farmers and agricultural cooperatives, the introduction of digital transformation is playing a significant role in expanding their activities and sales channels. In Cambodia, although there is a similar trend towards digitalization, the low level of digital literacy among farmers is a challenge and a hindrance to efficient cooperation with the private sector.

4.7 Support Activities Provided by ASEAN to Promote Application

(1) Support from the ASEAN Secretariat (Food, Agriculture and Forestry Division) through the Implementation of SPA

The Food, Agriculture, and Forestry Division provides support through the supervision of the implementation of each activity in each SPA. An example is the capacity-building project in the SPA on Agriculture Cooperative. This project was funded by the Japanese Ministry of Agriculture, Forestry, and Fisheries and is still ongoing. Through various training courses, seminars, and the dispatch of Japanese experts, the project has contributed to capacity building of government officials, agricultural cooperative officials, and others in member states. Themes are mainly related to strengthening agricultural cooperative activities but also include the definition of food value chains (FVCs) and case studies of FVCs in various countries. Japanese experts have been dispatched for one to three weeks from agricultural cooperatives across Japan through JA-Zenchu, who are relevant experts in providing guidance on their agricultural activities in line with the themes. Experts are also dispatched from relevant specialized organizations and institutions outside the agricultural cooperatives. In the project, evaluation tests are conducted on the participants before and after each training session in order to check whether their capacity has improved.

(2) Support for the Establishment of Regional Mechanisms (MAMRASCA)

In ASEAN, Good Agricultural Practices (GAPs) for fruits and vegetables, Good Animal Husbandry Practice for Layers and Broilers (GAHP) and Guidelines on Good Aquaculture Practices (GAqP) for food fish have been stipulated. However there are many challenges in implementing each GAP, including low adoption and low incentives for compliance. MAMRASCA aims to help establish effective mechanisms in order to manage these GAPs at the national and regional levels.

(3) Activities by the ASEAN Public-Private Sector Task Force.

The ASEAN Public-Private Taskforce for Sustainable Fisheries and Aquaculture gathers information from the public and private sectors on key and emerging issues affecting the growth and sustainability of the fisheries and aquaculture sector. It also aims to conduct activities through a task force that includes human resources from the public and private sectors. Activities include regular reviews, evaluations, and reporting to ASEC and ASWGFi. Priorities are determined based on the information gathered and are based on the following criteria: 1) ASEAN focus (participation of two or more AMSs), 2) feasibility of implementing and delivering results in a reasonable timeframe, and 3) use of a public-private partnership approach.

(4) Efforts to Prepare Roadmaps for Specific Priority Issues and Cross-Cutting Issues

One example is the initiative to develop a roadmap for the prevention of Illegal, Unreported and Unregulated (IUU) fishing in the ASEAN region, with 24 activities implemented to date. Of these, one has been completed, seven are under implementation, four are awaiting approval for implementation and a further 12 activities are under consideration for the future. For some of the activities under consideration, it has been difficult to secure suitable donors. In addition, in some activities, difficulties in obtaining the participation of Member States that are not parties have been identified in the roadmap.

4.8 AMSs' Request for Further Development

(1) ASWGC

One of the expected supports for this project is the effort related to mutual understanding involving stakeholders among AMS. This could include activities at different levels: 1) workshops inviting government officers in AMS (e.g., providing opportunities for government officers from countries with little experience in implementation through third-country training to learn about inspection and certification systems in more-experienced countries), (2) workshops inviting traders (e.g., inviting exporters and importers from the exporting and importing countries, respectively, where exporters give presentations on their safety-management standards and importers explain the requirements and quality standards, thereby contributing to eliminating the gap in recognition of both exporters and importers, (3) workshops inviting farmers (e.g., farmers from countries with little experience in introducing GAP will report on the difficulties they are facing, while farmers from countries with significant experience in implementing GAP in their countries, such as Thailand and Malaysia, will share their knowledge on how they have dealt with the issues raised in their experience). These efforts are expected to contribute to mutual understanding to pursue common interests in AMS with diverse values and to contribute to raising the level of the overall ASEAN region by transferring experiences in neighboring countries that are considered to have similar challenges to the less developed ASEAN countries.

In countries with little experience in the application of ASEAN–GAP, pilot activities could be conducted on a trial basis involving producers, importers/exporters, and government organizations in charge of certification and inspection, in a series of processes ranging from obtaining national certification in accordance with ASEAN-GAP by farmers to exporting agricultural products to other countries. Through the implementation of the pilot project, issues and best practices for promotion and dissemination will be identified and lessons learned for the future.

(2) ASWGFi

A common issue among AMS is the lack of human resources that have an adequate level of knowledge and technical skills. Although the positions of the fishery industry in each AMS are different, the difficulties in complying with the requirements forced by the export markets are considered common challenges. There is also a need for technology improvement on the field level. The human resources in each country are limited, however, and the accumulated technology skills and experiences cannot meet current needs. Therefore, AMS has a strong desire for information-sharing seminars and technical training.

For the above issues and challenges, each AMS has an expectation for collaboration with SEAFDEC, which has a prominent presence in ASEAN as a regional organization that specializes in the fishery sector and continuously contributes to the long-term development of fisheries in the region. Through the interview survey, the JICA study team confirmed the high expectation for collaboration with SEAFDEC in the implementation phase of the selected activities of SPA. Therefore, it is expected to use the human resources and network that SEAFDEC possesses to implement the activities for meeting these needs.

Through the analysis of Indonesia and Cambodia, it is pointed out that the knowledge of the problem-solving that advanced countries such as Indonesia possess may effectively contribute to resolving the issues that Cambodia currently faces. At the same time, the utilization of the knowledge in Japan, European, and the US countries is expected to contribute to issues solving of Indonesia, etc.

(3) ASCP

The SPS field covers a wide range of issues and activities, including trade, commerce, politics, and industry, as well as FVCs, and there are many relevant organisations and stakeholders in ASEAN and in member states, so the status of initiatives and future challenges and demands are also diverse. However, all relevant organisations mentioned the importance of information sharing on the status of good practice and human resources in other countries, while many requested supports from ASEAN and donor organisations, given the limited budget allocation in each country for the SPS sector.

With regard to capacity building in the SPS field, it is desirable that the capacity building program such as training for AMSs contributes to the export of agricultural and fisheries products of ASEAN countries to the international market. If so, the program could be a major incentive for ASEAN countries. It was also pointed out that, when transferring technology, the content should be at a level that can enhance or transfer technology that already exists in ASEAN countries. Although the level of technology transfer and education and training within ASEAN member countries are different, there is concern that overly advanced technology transfer and education and training will ultimately not take root.

During the online interview, one of the focal point persons mentioned that there are difficulties to refer other countries' national legal standards and animal and plant quarantine enforcement systems through online due to language problems. ASEAN is one of the biggest regional associations with different cultural backgrounds and languages. Therefore, it is desirable to have a platform where information on legal standards and requirements for the import and export of agricultural and fisheries products, including the SPS, can be shared in English. This is expected to facilitate effective information sharing, as focal points in each country may not have accumulated knowledge due to staff turnover and other factors. The ASEAN Trade Repository, an ASEAN webpage, has similar functions, but there is a lack of information, some parts do not function properly, and there is a lot of information that cannot be accessed in English. The ASEAN Trade Repository, an ASEAN webpage, has a similar function, but there is a lack of information, sections that do not function properly, and information that cannot be accessed in English.

(4) ASWGAC

Each Member State is at a different stage in the promotion of the strengthening of food marketing systems by agricultural cooperatives, and their demands vary. Overall, the challenges facing agricultural cooperatives include strengthening their organizational capacity, improving and stabilizing quality of the products, ensuring a certain volume to trade with the private sector and improving access to finance, which are being addressed at the level of each Member State. ASEAN is expected to continue to provide opportunities for networking with the private sector, such as the ACBF, and to share and apply good practices, such as national policies, regulations and best practices in strengthening food marketing chains. Common challenges for member countries include addressing climate change and dealing with agricultural residues and losses, and good practices in both policies and activities should be shared in these areas as well.

CHAPTER 5. ANALYSIS OF COOPERATION WITH OTHER DEVELOPMENT PARTNERS ON STRENGTHENING FVC

5.1 Status of Other Development Partners' Cooperation on Strengthening FVC in ASEAN

Status information on the cooperation between the ASEAN Community and other partners has been collected and analyzed within this chapter. Specifically, after identifying development partners which have partnerships with the SOM-AMAF, the Survey Team has identified and outlined the key objectives relevant to strengthening FVCs targeting the ASEAN Community as follows.

5.1.1 Australian Government

A long history of cooperation lies between ASEAN and Australia since 1974, and a strategic partnership was established in 2014 in order to promote cooperation and dialogue at the heads-of-state- and ministerial level. In promoting cooperation, the first phase of the ASEAN-Australia Development Cooperation Program (AADCP) was implemented from 2002 to June 2008 (AU$45 million) and the second phase of the program was implemented from 2009 to December 2022 (AU$ 57 million). In addition, a Plan of Action for implementing the ASEAN-Australia Strategic Partnership 2020-2024 (POA 2020-2024) has been developed and is currently being acted on.

The following aspects are essentially taken into account in order to implement the projects under AADCP:

1) Building a knowledge and evidence base for the development of AEC's regional policies;

2) Supporting the development of norms and standards in the AEC;

3) Ensuring help socialize concept , benefits, and opportunities involved in the AEC.

Of these, all partnerships in agriculture and forestry, except for the REDD+ initiative[42], are related to the Mutual Recognition Agreements (MRAs) for agricultural standards (e.g., GAPs) and the Establishment of Multilateral Arrangement for the Mutual Recognition of Agri-food Standards and Conformity Assessment (MAMRASCA). Multilateral Arrangement for the Mutual Recognition of Agri-food Standards and Conformity Assessment). The following activities have already been implemented:

1) Study on a mutual certification model for ASEAN Production Process Management (ASEAN GAP, ASEAN GAHP and ASEAN GAqP).
2) Establishment of ASEAN GAHP (approved in 2014)
3) Establishment of ASEAN GAqP (approved in 2014)
4) Global recognition of quality assurance systems through ASEAN GAP (approved in 2006, covering vegetables and fruit only, not rice), Preparation of management manuals by governments and certification manuals by public bodies and private organizations so as to make certification systems function according to national GAPs).

In recent years, their main focus is the steady implementation of the ASEAN-Australia-New Zealand Free Trade Agreement (FTA) and efforts to promote ASEAN economic integration. The following supporting actions for the agriculture and forestry sectors have been carried out as economic cooperation under Plan of Action for implementing ASEAN-Australia Strategic Partnership 2020-2024:

1) Capacity building for ASEAN and Australian products in order to enhance their access to regional and

global markets, strengthen agricultural markets, and enhance collaboration between relevant agricultural organizations.

2) Carrying out a joint search for sustainable management of soil and water resources for soil conservation and productivity maintenance through the implementation of the VSP-FAF (2016-2025) (specifically, ST4, AP4.2 "Promotion of GAP" initiative in the plan).

3) Reducing emissions caused by deforestation and degradation, forest conservation, sustainable management, and support for enhanced forest carbon sequestration.

4) Control illegal deforestation and promote trade in sustainable and legal forest products

Regarding the livestock sector, support is provided under a framework separate from the one mentioned above, and a joint support program with FAO is underway (details are shown in 5.1.2).

Besides, the Australian Government provides comprehensive support (AUD 15.6 million 2014-2022) to ASEAN through Grow Asia, which is headquartered in Singapore. Grow Asia[43] is a multilateral stakeholder platform, which aims to build sustainable, inclusive and resilient farming systems in South-East Asia. It encourages smallholders, governments, private sector and other stakeholders to build inclusive and sustainable agricultural value chains.

Grow Asia is currently working with 520 partner organizations and 46 working groups across six AMSs (Cambodia, Indonesia, Myanmar, Papua New Guinea, the Philippines, and Vietnam). It is also assisting the ASEAN Secretariat in developing agricultural policies and providing seedbeds for private sector development.

5.1.2 FAO

Based on a letter exchanged between FAO and the ASEAN Secretariat in 1999, FAO's cooperation has been promoted for food security, agriculture, fisheries, forestry, and sustainable development. Since then, a number of regional projects and activities have been implemented.

The Memorandum of Understanding (MOU) signed between ASEAN and FAO in 2013 would strengthen its collaboration in the areas of transboundary animal disease control, food safety, nutrition, food security and bioenergy development.

FAO has supported policy making in agriculture and forestry sectors for many years. As part of this support, FAO drafted ASEAN Vision and Strategic Plan towards 2025 and submitted at the 36th AMAF meeting in September 2014. After discussion with the relevant SWGs, Task Forces and Technical Committees, the draft was finally approved at the 37th AMAF meeting in October 2015.

FAO emphasizes its support within the livestock sector, including the preparation of the SPA for Cooperation on Livestock (2016-2020) with AMS in July 2015. FAO foresees that as income per capita increases in AMSs, demand for livestock products is also expected to increase. Thus, AMSs need to meet this increased demand and to harmonize the trade policies of the livestock sector among each other, both internally and externally.

FAO also supported the implementation of the AIFS & SPA-FS, a strategic document on food security. They held a workshop in July 2015 (two days before the above livestock sector meeting) and incorporated nutrition elements into the plan. In 2016, ASEAN, , decided to establish the ASEAN Coordinating Centre for Animal Health and Zoonoses (ACCAHZ) in order to promote the One Health Approach through a joint support program by Australia and FAO. Its specific initiatives have started since September, 2021 (Australia's contribution is AUD 2.9 million). FAO plays a coordinating role in this program. ACCAHZ was already incorporated in the ASEAN Strategic Plan 2016-25 for Food, Agriculture, and Forestry: The Livestock Sub-

Sector, which was developed in 2014. However, details of implementation, such as funding sources, were not finalized at the time.

The FAO Asia and the Pacific Office has implemented a comprehensive SPS-related measures project for many years with funding support from the Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF). The project includes ASEAN as a target region. The project covers two areas, food safety and plant quarantine. It has dispatched experts and contributed to human resource development. However, the FAO Asia and the Pacific Office does not have much specific cooperation with ASEC on this project.

Financial supports from FAO to ASEAN is few these days. Aside from the supports for livestock sector mentioned above, FAO's recent supports are following, experts' participation and consulting support for seminars and workshops organized in relevant sectors (food security, policy making for agriculture and forestry, etc.); capacity building of ASEC through workshops; and coordination of livestock projects (Table 5.1.1).

Table 5.1.1 Recent FAO Initiatives for ASEAN

Number	Initiative	Description
1	Highly Pathogenic Newly Emerging Diseases (HPEC) in South and South-East Asia Regional Cooperation Program	Promote cooperation on transboundary livestock diseases and new emergent zoonotic diseases on an individual institutional level.
2	Bioenergy and food in ASEAN.	Support for policy formation to organize offsetting relationships between bioenergy development and food production.
3	Support for the development of a strategic plan and vision for the food security sector in ASEAN	-
4	Capacity-building support for the ASEAN Secretariat	Strengthen the capacity of the Secretariat staff to fulfil their mandated coordination and monitoring roles in a timely and appropriate manner in order to effectively implement the AIFS and SPA-FS.

Source: JICA Survey Team

5.1.3 GIZ (Gesellschaft für Internationale Zusammenarbeit)

GIZ's support toward ASEAN has three main pillars, environmental field (e.g., promoting biodiversity, reducing carbon emissions and addressing climate change); promoting ASEAN integration by reducing disparities; and market integration through common ASEAN standards. It has carried out projects at three different levels, 1) global cooperation, 2) bilateral cooperation, and 3) regional cooperation., In ASEAN region, GIZ projects have been implemented selectively according to the priorities indicated by the relevant working groups (ASWGC, ASCP, etc.), rather than targeting 10 countries at the same time.

In ASEAN, a number of guidelines have been set up within the region, however some AMSs may not be able to apply these guidelines by themselves. GIZ is trying to close such gaps. Specifically, to establish a national standard system, through building recognition mechanism for certification and inspection.

On the other hand, consumer awareness is essential for the dissemination of standards and guidelines. As consumers demand clean and quality products, GIZ projects encourage consumers awareness of the standards and guidelines in supermarkets. In order to achieve this, innovative methods of production, processing and distribution should be applied in the country. GIZ introduces trainings for various commodities rather than concentrating on a single commodity.

GIZ facilitates project planning and implementation, working with consultation with the relevant SWGs and EWGs. Firstly, GIZ proposes a project proposal, these SWGs and EWGs review it and feedback to GIZ. Then GIZ finalizes the proposal based on the feedbacks and proceeds to the official ASEAN approval process. This process takes several months for the final approval.

An example of collaboration between GIZ and the relevant WGs is the development of the ASEAN Guidelines on Soil and Nutrient Management (ASEAN Guidelines). The development of the guideline was carried out on the request from ASWGC as a climate change response task. It was completed in 2017 with the collective wisdom of soil experts from AMSs and with financial support from GIZ.

The AgriTrade project (implementation period; 2018-2023) covering Cambodia, Lao PDR, Myanmar, and Vietnam is currently underway. One of the project components is to exchange best practices in the public and private sectors on smart technologies in order to address climate change. Specifically, an Agri-Innovation Fund has been established, and innovative technologies have already been put into practice by 21 public and private organizations through the fund. Another component is the assessment of ASEAN standards.

According to interviews with GIZ officials, consumer awareness of the ASEAN GAP is limited and much work needs to be done to accelerate commercial progress, including support from other donor agencies. GIZ will continue to focus on cooperation with private sector involvement.

5.1.4 The Ministry of Agriculture, Forestry, and Fisheries, Japan (within the ASEAN Framework)

The Ministry of Agriculture, Forestry, and Fisheries, Japan (MAFF) has been implementing various projects in comprehensive areas based on a common understanding with AMSs through AMAF+3 meetings. Its initiative sets goals on achieving sustainable agricultural production and food systems, reducing chemical pesticides use, and strengthening innovation to achieve these goals.

MAFF raises nine strategic areas of cooperation. Various projects have been implemented in each of these areas with various funding sources.

1) Strengthening food security;
2) Biomass energy development;
3) Sustainable forest management;
4) Climate change mitigation and adaptation;
5) Management of livestock diseases and plant pests;
6) Strengthening capacity building and human resource development;
7) Improving productivity, quality and marketability of agricultural products;
8) Strengthening information and knowledge networks and exchanges;
9) Strengthen joint research and development.

Nowadays, global concern on supply of chemical fertilizer is getting escalated after the Russian invasion of Ukraine. The price of chemical input is surging and disruption of food supply causing serious rise of food price. Most of these problems are unlikely to be resolved in near future. Under such circumstances, AMSs emphasizes more on securing sustainable agricultural production and food system, therefore MAFF plans programs that can solve these challenges through discussion with AMSs.

MAFF provides its funding directly to ASEC and also dispatches coordinators to ASEC. Currently, MAFF has an office room inside ASEC building and administrate projects under the fund. Individual projects catered by MAFF are as follows.

(1) Support program for capacity building of farmer organizations in Asia and Africa and collaboration with Japanese food-related companies

The first MAFF program to ASEAN was in 2006, when the AMAF approved the implementation of the South-South Cooperation Project (five years) and MAFF sent a staff member to coordinate the project.

The program components shifted its focus from South-South cooperation to capacity building of the officials of Ministry of Agriculture and Agricultural Cooperative staff in AMSs, now it is named Capacity Building Project for Farmer's Organizations to Support the Development of Food Value Chain in ASEAN Countries (CB Project), which is still being implemented under the SPA-AC (2021-2025) under the ST 5 Capacity building for assisting small scale producers in the FAF sector. The project is still being implemented under the SPA-AC (2021-2025) and is currently being implemented under "Project for Capacity Building of Farmers' Organizations in Asia and Africa and Support for Cooperation with Japanese Food-Related Enterprises".

Many of the activities in the project has been outsourced to the Central Union of Agricultural Cooperatives in Japan (JA Zenchu) and has been implemented with the support of ACEDAC. Below are a few examples:

1) Organizing agricultural policy seminars (e.g., on ASEAN GAP and marketing, biomass energy, food security through water management and sustainable agriculture) (duration; 2-3 days)

2) Conducting training (examples of topics; agricultural cooperatives, crop production and quality, agribusiness, value addition of agricultural products, irrigation and water management, agricultural technology diffusion, gender in the agricultural sector).

3) Carrying out a short-term dispatch of Japanese experts (e.g., leaders of Japanese agricultural cooperatives) to local agricultural cooperatives (examples of topics; marketing of agricultural products, human resource development of agricultural cooperatives, irrigation management, post-harvest technology, Japanese statistical methods).

These themes are decided by considering of needs of AMS at the annual meeting of the project.

The Survey team visited the Lembang Agricultural Cooperative in Indonesia, where Japanese experts were dispatched for short term through the above project with activities on marketing of agricultural products (direct sales shops and club organizations) in 2018. It was found that after four years since the dispatch of the experts, the cooperative no longer recognized the dispatch of experts at the moment, suggesting a challenge to achieve a good outcome in short-term activities.

The Agricultural Produce Procurement Support Project for Japanese Food-related Companies, also included in this support program, aims to link farmers in ASEAN who are struggling to secure a market for their agricultural produce with Japanese food-related enterprises seeking stable suppliers that meet certain quality standards. The project promotes collaborative relationships between farmer cooperatives and companies such as contract farming, by improving the capacity of prospective cooperatives.

The project has called for proposals from AMSs to implement activities under the project. As a result, matching has been observed among food and beverage industries and farmer cooperatives in Brunei, Cambodia, Malaysia, and the Philippines. New value chains are being established through the introduction of new technologies, such as salad processing technology, PC-based management of farmer associations, and long-term potato storage technology; however, the project has only just started and is not yet at the stage of evaluation.

According to the project coordinator, there were unexpected obstacles in the administration process, such as delays in procurement in ASEC when launching the project. It can be assumed that the project coordinators had to solve many problems before the launch of the project.

(2) The Human Resource Development Project in Food-Related Areas through Partnership Program with universities in ASEAN Region

The project caters to specialized courses in agriculture related universities in AMS. The courses are made in cooperation with Japanese private companies and conducts lectures and practical training in food value chains, such as from seed production to food processing, distribution and consumption (seed, agriculture, food processing, distribution, food service industry, marketing, food culture, agricultural finance, environmental measures, analysis technology, food safety management, food standards, etc.). In addition to the courses, the project promotes joint research with private companies and internship, and invites students with excellent performance to Japan for training. Activities have already been carried out for nearly 10 years, and it is believed that progress is being made in developing local human resources who can contribute to the development of the food industry.

(3) Japan-ASEAN collaboration to promote better understanding of GAP

This new project was supposed to be implemented with the budget in 2021. However, the actual launch of the project was delayed by about a year. One of the reasons of the delay could be the approval process for ASEAN projects has many stages.

In this project, the first three years it aims at enhancing understanding of ASIA GAP, which is a GAP certification originating from Japan, through trainings on internationally accepted GAP certification, etc. However, currently there are only three AMSs which had aligned their national GAP with ASEAN GAP, it is difficult for the other AMSs to enhance the understanding of ASIA GAP, which is at the next stage. Thus, it is still not reaching on the stage of evaluation.

(4) Comprehensive SPS-related measures

Although this support is not by a contribution to ASEC, comprehensive SPS-related measures have been implemented through contributions to FAO and the International Epizootic Office (OIE) for the Asia-Pacific region and the dispatch of experts for many years.

These measures are aimed at facilitating the export of Japanese agricultural and food products. In the field of food safety, the FAO Regional Office for Asia and the Pacific (FAORAP) is working to harmonize international standards in the agricultural and food sectors by assigning experts and developing human resources in food safety. Trainings are carried out in order to develop human resources capable of collecting scientific data necessary for the formulation of SPS-related international standards and also human resources capable of disseminating the formulated international standards within their own countries.

Furthermore, in the field of plant quarantine, MAFF dispatches experts to FAORAP and supports facilitating regional workshops, and improves capacity related to plant quarantine in the Asian region to prevent pests and diseases from entering and spreading in Japan to ensure the safe production and export of Japanese agricultural products.

However, there are no initiatives, such as human resource development, being implemented in cooperation with the ASEAN Secretariat in this regard.

(5) Others

Aside from those projects for ASEC funded by MAFF, there are some projects such as using Japan-ASEAN Integration Fund (JAIF) and dispatchment of experts (especially in SPS-related measures).

For example, Economic Research Institute for ASEAN and East Asia (ERIA) which is funded by MAFF to implement "the Study for Building and Enhancing Sustainable Agriculture and Food System in ASEAN Countries" and is starting in 2022. Experts from MAFF are dispatched to ERIA to identify, analyze and make recommendations on relevant legal systems and policies, disincentives and challenges, with consideration to sustainability from economic, environmental and social perspectives. Currently, the project is working with AMS on the details of specific measures (project formation) for the establishment of a sustainable agriculture and food system, based on an analysis of the situation surrounding agriculture and food since the outbreak of the Ukraine crisis, and ASEAN countries are calling for an immediate start of the initiative, with financing.

5.1.5 SEAFDEC (Southeast Asian Fisheries Development Center)

SEAFDAC is an international intergovernmental organization established in 1967, comprising 11 member countries, including the 10 AMS plus Japan. Its Secretariat is located in Bangkok, Thailand. SEAFDEC's mission was adopted in the SEAFDEC council in 2017 which is to promote and facilitate concerted actions among the Member Countries to ensure the sustainability of fisheries and aquaculture in Southeast Asia.'.

The ASEAN-SEAFDEC Strategic Partnership (ASSP) was adopted in the SEAFDEC Council in 2007 and further approved by the 28th AMAF meeting, including details of its ToR and mechanisms of scope.

SEAFDEC's TOR in the ASSP are as follows:

1) SEAFDEC, through the implementation of its appropriate technical programs in collaboration with ASEAN/SEAFDEC Member Countries, would assist ASEAN to clarify and develop common/coordinated positions on international fisheries issues to be discussed at the international fora.
2) ASEAN Sectoral Working Group on Fisheries (ASWGFi) would screen the fisheries issues and decide whether an ASEAN common or coordinated position is needed, and whether it will require further coordination and policy consideration with other line agencies through submission to ASEAN higher level meetings, based on the level of integration needed.
3) SEAFDEC would provide technical inputs and support to ASEAN Member Countries prior and at relevant international meetings in support of ASEAN common positions so as to enable ASEAN member countries to coordinate their interventions on the target issues to safeguard ASEAN interest.
4) SEAFDEC, when appropriate and within SEAFDEC's capacity and capability, will implement mutually agreed ASEAN-SEAFDEC fisheries programs/activities as ASEAN's Executing Agency. This arrangement will provide for greater integration of ASEAN and SEAFDEC fisheries programs thereby avoid duplication and enable better utilization of resources.

In terms of the mechanisms, ASEAN-SEAFDEC Fisheries Consultative Group is the place to discuss, review and approve ASEAN-SEAFDEC fisheries programs and policies. ASEAN invites SEAFDEC representatives to meetings of the ASWGFi and other relevant organizations and SEAFDEC invites the ASEN Secretariat to SEAFDEC meetings.

In relation to Japan, MAFF has provided a contribution fund (193 million yen in 2022) in order to implement the following initiatives:

1) Strengthening international situation analysis capabilities and catch certification systems for the sustainable use of fishery resources;
2) Enacting fish disease and sanitation control measures for farmed fish species corresponding to the region;
3) Promoting the breeding of fishery target species that are expected to become endangered targets in order to promote resource management;
4) Development of handling and processing technology for inland water catches that are not being used

intensively.

5.1.6 Japan-ASEAN Integration Fund (JAIF)

JAIF is a fund established in 2006 based on Prime Minister Koizumi's pledge during the 9th ASEAN Summit in December 2005. Its objectives are to promote the integration of ASEAN in line with the 2025 Blueprint, as well as the basic matters of technology transfer, Japanese investment, trade, and people-to-people exchanges, research and studies in the ASEAN region and between Japan and ASEAN with regard to the areas in the ASEAN-Japan Vision Statement of Friendship and Cooperation. The promotion of cooperation between the two parties was also added in 2017.

MAFF is also using the fund to develop the following activities:

1) Carrying out a learning and certification program for the implementation of the ASEAN version of the Guidelines for Responsible Agricultural Investment;
2) Improving coordination and capacity building on dealing with the invasive pest, tuta absaluta, in mainland Southeast Asia;
3) Developing and promoting good practice on field irrigation management in CLMV water utilization organizations; sharing case studies;
4) Capacity-building of ASEAN biotechnology researchers on livestock resource resilience and sustainability, and;
5) Other research and capacity-building projects.

5.2 Case Studies on Initiatives by Other Development Partners

Based on some support programs which had brought impacts on the ASEAN Community or AMS, the cases and lessons learned from them are as follows.

(1) Case study 1: Developing an Action Plan (2020-2025) for the Control of the Fall Armyworm, by Grow Asia with Support from Australia and others)

The fall armyworm is a serious pest which was first reported in India, in 2018. It has rapidly spread across a wide area of the South Eastern Asia and Pacific region, causing severe damage to maize and other field crops. Under this initiative, an action plan for its effective control (2020-2025) has been developed to tackle the problem as it relates to the ASEAN region as a whole.

It should be noted that it was able to launch the action plan exceptionally fast among other ASEAN initiatives. Upon a request from SOM-AMAF to Grow Asia to develop a regional response framework in cooperation with the Vietnamese Ministry of Agriculture and Rural Development, the ASEAN Secretariat and ASWGC immediately utilized Grow Asia's cumulative knowledge and more than 30 researchers around the world. It developed the draft of action plan in six months then finalized in May 2020.

In order to prevent such a transboundary pest, it is important to control it based on reliable monitoring of outbreaks before it escalates, but it is difficult for a single country to take action by itself, so it is essential to establish a wide-area monitoring and surveillance system. This action plan includes the use of new technologies such as drones for monitoring, and an effective system is being established. In addition, it does not simply require farmers to implement Integrated Pest Management (IPM) but also provides specific measures for IPM that are commensurate with the cost and effort involved. Therefore, if this action plan is adequately funded and effectively implemented, Significant reduction of the damage caused by the pest is expected.

Although the impact has not been realized yet, the process of quick preparation of the action plan is a good example of a project within ASEAN framework.

(2) Case Study 2: AgriTrade Project in Lao PDR (GIZ implementation period: 2018-2023)

Lao PDR is one of the countries targeted by this project. An overview of the status of the project in Lao PDR is provided as follows according to the Department of Agriculture, Ministry of Agriculture and Forestry, which is responsible for coordinating the project.

Under Agri-Innovation Fund, which was mentioned above, 21 projects were implemented in total. Among them, six has been carried out in Laos as business development through collaboration between farmer groups with new processing technologies and private companies. The six projects were adopted after screening many project proposals made by several private companies.

Within the project, the farmer groups are organic producers supplying raw materials to the companies, which process and sell them. Their products are, for example, tea made from dried butterfly peas new products bananas mixed with chocolates. The fund has been used for installation of necessary drying facilities (with solar system), processing machineries, warehouses, and others as well as for purchasing packaging materials. In particular, processing techniques and coordination with farmers were supported by Organic Home Lao (htpps://organichoelao.com/). Organic Home Lao has developed an application for market information on organic produce and provided trainings for the stakeholders for its use.

The project also supports promotion of ASEAN GAP. Lao GAP, which was established in 2011, which is partially compliant with ASEAN GAP. and has been revised in 2022. The project seems brought contribution for the formulation of the general rules and crop-specific parts of Lao GAP, as well as an establishment of inspection systems and certification systems. However, as of November 2022, only 27 farms had been certified of Lao GAP, which is based on ASEAN GAP, showing there are challenges to diffuse it.

Lao's Agricultural Products Certification logo

The Ministry of Agriculture of Lao PDR recognizes the importance of informing consumers about GAP, but the reality is that they cannot take action to educate consumers because they lack the budget. Logos shown in the right have been designed, but no examples have yet to be found of them being displayed on farms or on products.

5.3 Lessons Learned from Other Development Partners' Cooperation

In many cases when a development partners prepare proposals of activities in SPAs in each sector, it works together with ASEAN Secretariat Desk Officer (ASEC-DO) in order to find funding sources to implement the activities. Many of the activities are dependent on development partners for the funding. The different difficulties encountered in the implementation of such projects are described below.

(1) Long Period of Time to Solve Key Issues and Achieve Objectives

All of the projects supported by these development partners have taken a great many years to show results. For example, the issue of dissemination and promotion of ASEAN GAP has still in progress even though it has already taken16 years since the approval of the ASEAN GAP Guidelines in 2006 with Australia's support. According to interviews with ASEC-DOs, as of November 2022, only three AMSs (Malaysia, Cambodia and Thailand) currently align their national GAPs with ASEAN GAP, meaning ASEAN is still on the way to promote ASEAN GAP.

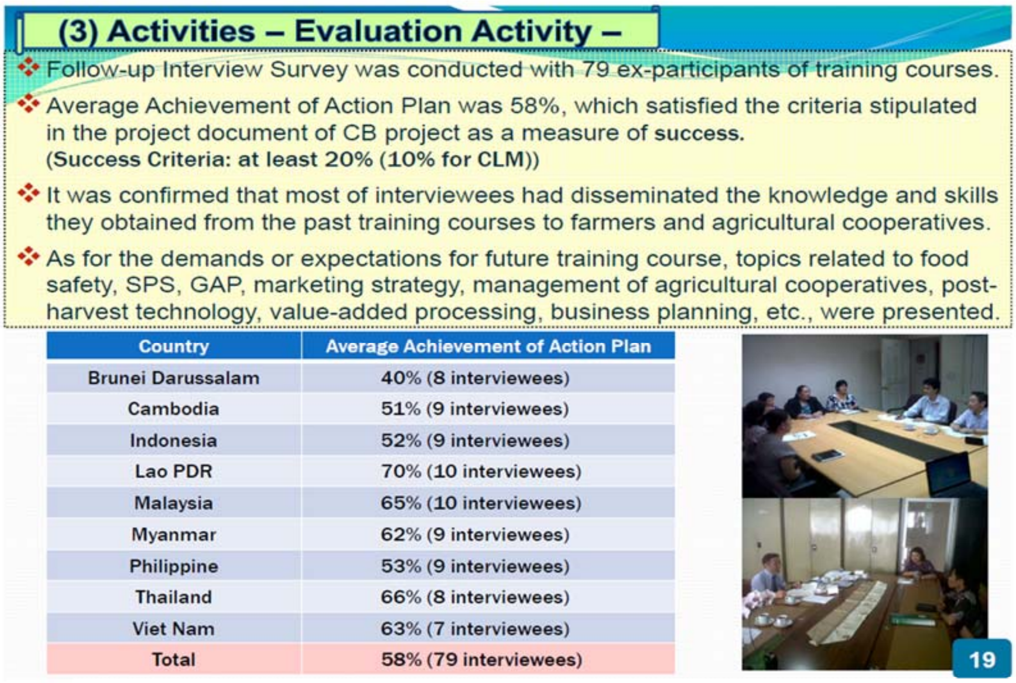
According to GIZ, it is assessed that little commercial progress has been made. GIZ officials currently implementing the AgriTrade project (2018-2023) were also keenly aware that many of the tasks would take many years to accomplish.

(2) Difficulties in Identifying Outcomes of Capacity-Building Projects

One of the major specific activities of the project to support ASEAN is about capacity-building, and it is assumed that the individual officials of the governments and agricultural cooperatives of AMSs who participated in the project have acquired new knowledge and been enlightened through their participation. However, it is quite difficult to trace and evaluate how their knowledge is brought back to their home countries and utilized in their organizations.

Annual evaluation reports are submitted by each AMS to the relevant working group, but it is not certain whether they describe the information mentioned above. For example, the interviews conducted with past participants in the Capacity Building project in 2011-2014 (see figure below) show that the achievement rate of the Action Plan of individual participants (mainly in terms of transferring acquired knowledge to farmers and agricultural cooperatives in their country) was not low, but it does not mention that the further application or diffusion of the gained knowledge.

Furthermore, the Capacity Building project has frequently conducted trainings in Japan, providing many opportunities for visits, tours and explanations to wholesale markets and agricultural cooperatives in Japan. However many challenges remain to utilize the knowledge and apply it for practical implementation in the wholesale market systems and initiatives in agricultural cooperatives in AMSs.



Country	Average Achievement of Action Plan
Brunei Darussalam	40% (8 interviewees)
Cambodia	51% (9 interviewees)
Indonesia	52% (9 interviewees)
Lao PDR	70% (10 interviewees)
Malaysia	65% (10 interviewees)
Myanmar	62% (9 interviewees)
Philippine	53% (9 interviewees)
Thailand	66% (8 interviewees)
Viet Nam	63% (7 interviewees)
Total	58% (79 interviewees)

Figure 5.3.1 Evaluation in CB Project

Source: cited from the project leaflet

CHAPTER 6. COMPARATIVE ANALYSIS OF HISTORICAL EVOLUTION OF FVC STRENGTHENING

This chapter organizes a historical review and discussion of efforts of Japanese industry, government, and academia in relation to food value chain (hereinafter referred to as "FVC") strengthening, their backgrounds, and epoch-making events during the postwar period. Focusing on the transition in food demand and changing consumer needs due to population growth, measures and initiatives in response to these changes are organized and analyzed from the perspectives of "human resource development and organization," "policy and institutional development," "technological innovation," "infrastructure development," and "promotion of private investment."

In addition, the Survey Team collected information on the historical transition of the FVC in Thailand through field research and made a comparative analysis with Japan. Thailand was selected from among AMSs because it is a rice-producing country and has experienced a postwar food demand increase, agricultural policies like land consolidation and mechanization, industrialization, and population outflow to urban areas, and the aging of farmers, issues that are highly similar to those of Japan, and thus it is easy to draw comparisons and lessons from the Thai example.

6.1 Historical Transition of FVC Strengthening in Japan

6.1.1 Historical Classification for FVC Enhancement

This section summarizes and analyzes the events, such as domestic agricultural production, distribution, and consumption processes, that led to the strengthening of the FVC during the "reconstruction period" from the end of the war to 1954, the "growth period" from 1955 to 1990, when the economy was booming, and the "stable growth period" from 1991 to the present. The related industry-government-academic initiatives, their backgrounds, and events are also discussed. Since, in many AMSs, the improvement of small-scale farmers' livelihood of, e.g., rice and vegetables is an issue, this study focuses on rice and vegetables.

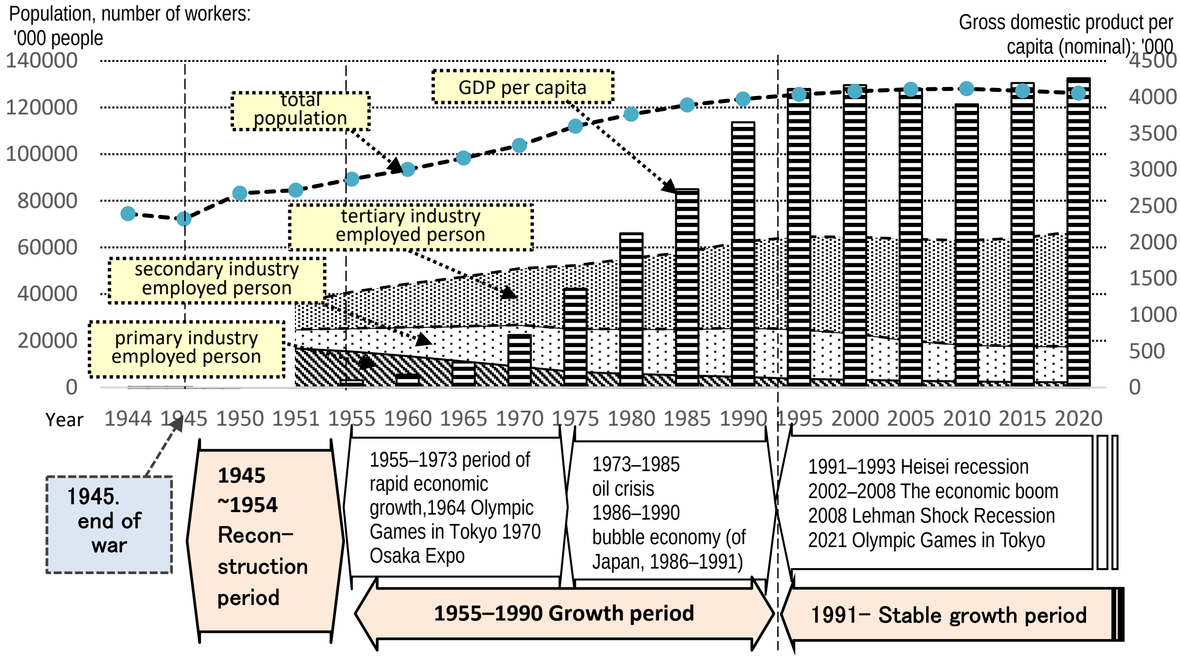


Figure 6.1.1 Postwar Japan's Population, Workers by Industry, & National Income per Capita

Source: Population, number of workers by industry - e-Stat
National Income - "Labor Survey" Ministry of Internal Affairs and Communications
Economic Classification from Postwar to Present - Ministry of Economy, Trade and Industry

Note: The Economic Planning Agency (as it was known at the time) stated in its 1956 edition of the Economic White Paper that "it is no longer postwar." The Ministry of Economy, Trade and Industry (METI) refers to the period after the bubble economy (Yama: February 1991) as "the beginning of the Heisei recession." Although sometimes described as economic stagnation, the Cabinet Office refers to the period since the 1990s as a period of low growth.

6.1.2 Reconstruction Period (Postwar-1954)

In 1945, Japan faced not only the end-of-war process but also weather disasters that brought the staple rice crop to its lowest level of production in 40 years and three consecutive earthquakes that left over 1,000 people dead or missing. The history of rice cultivation in Japan has been a struggle against cold weather and typhoon damage, especially for tropical rice, which is susceptible to low temperatures, because the amount of sunlight and long-term low temperatures (air and water temperatures) prevented pollination and fruiting, risking a loss of revenue, and, because most farmers produced rice, this period also represented the worst famine since the Meiji era (1868–1912).

Under the postwar circumstances illustrated in Figure 6.1.1, one of the things that wreaked havoc on Japan's FVC was the shortage of rice supplies due to an extremely poor rice crop. In response, the government had tried to ensure that all citizens received an equal amount of rice and other necessities through the rationing system of the Food Control System but was unable to supply enough. As a result, residents who had returned from evacuation centers and urban residents with demobilized soldiers had to go to rural areas to buy food or pay high prices on the black market. Even so, not everyone in the family was able to eat enough food, and many ate rice cooked in a porridge instead of cooked rice, resulting in poor nutrition.

As fundamental measures to strengthen the FVC, the eradication of rural poverty and democratization were taken up as major issues, and measures like agrarian reform, the creation of agricultural cooperatives, agricultural improvement and livelihood extension, and land reform were implemented, indicating that both the national and local governments were preparing for post-economic recovery despite their extremely limited budgets.

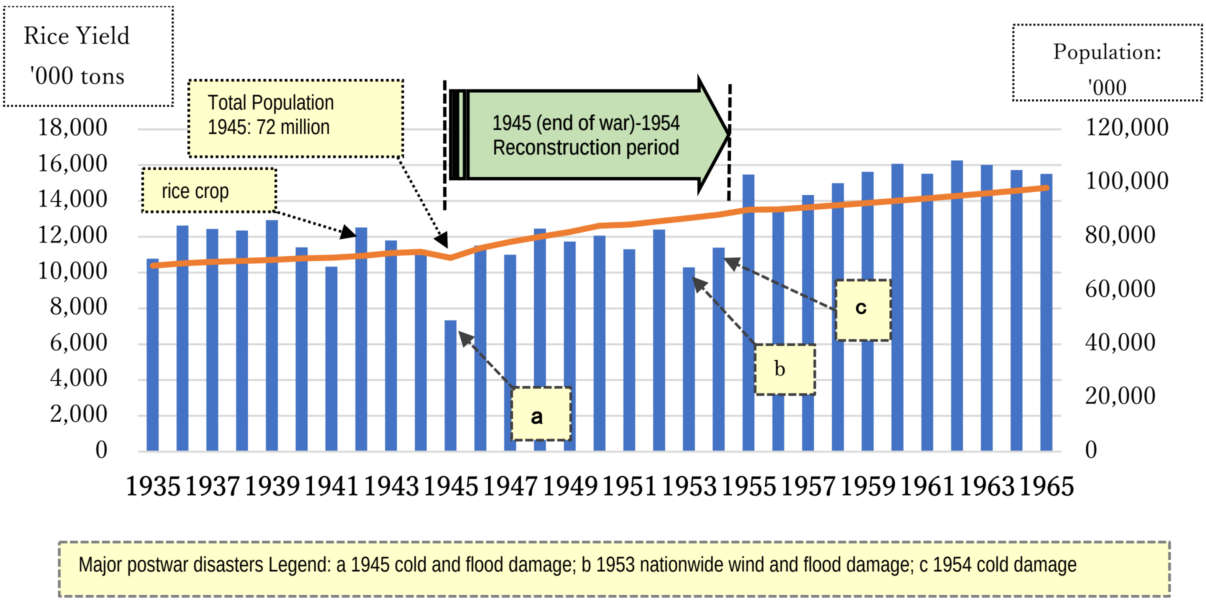


Figure 6.1.2 Rice Harvest and Population before and after the Reconstruction Period

Basic data: Based on cumulative statistics from the Ministry of Agriculture, Forestry and Fisheries.

The following is a list of characteristic events during the reconstruction period.

(1) Rural poverty alleviation and democratization (1946-)

The emergence of many owner-farmers as a result of the agrarian reform provided the impetus for the elimination of poverty and democratization of rural areas through the organization of farming, the emergence of advisors for farming and livelihood, and the reorganization of water-use organizations.

1) Agrarian reform and creation of owner farmer

To that point, tenant farmers had been in a low social position, with high rents (around 40%) making it difficult for them to escape from improving their low incomes. Agrarian reforms took place from 1947 to 1950 following the recommendation of the General Headquarters (GHQ). About 1.93 million hectares (ha) of the 2.23 million hectares of smallholdings, which accounted for 46% of the total 4.8 million hectares of arable land, were purchased from landowners, and the government sold them at a low price to 4.75 million small farmers. As a result, a rural society composed mainly of owner-farmers with a management scale of 1.0 ha was formed. In addition to these measures, legal measures for land were also implemented (Law on Special Measures for Owner Farmers, and Agricultural Land Law) to prevent owner-farmers from becoming tenant farmers again.

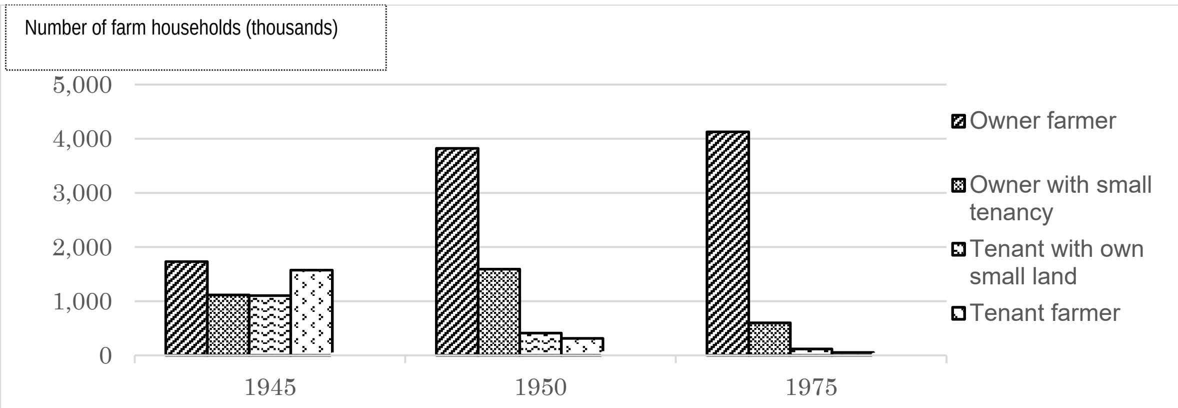


Figure 6.1.3 Number of Farm Households Classified by Ownership through Agrarian Reform in Japan

Source: Ministry of Agriculture, Forestry and Fisheries, "Statistics on the Results of Agricultural Land Reform" and Ministry of Agriculture, Forestry and Fisheries, "Agricultural Census.

The following measures, 2) through 4), were rural poverty-alleviation and democratization measures that complemented the agrarian reforms mandated by GHQ and were to play an important role in Japan's FVC.

2) Organization of owner-farmers for self-sustaining farming (1946)

As the population became concentrated in the cities, the old-fashioned activities of wholesalers (wholesalers and middlemen) who bought cheaply in the production areas and sold at high prices in the cities became the norm, and farmers could no longer sell their products at appropriate prices. The same situation also applied to the purchase of agricultural materials and equipment, forcing farmers to pay higher prices. In response, the former landowners in the village joined together, and all farmers organized to improve and stabilize agricultural income by jointly purchasing farming equipment and materials and jointly marketing products (Agricultural Cooperative Law).

3) Emergence of advisors for independent farming and livelihoods (1948–)

Although small farmers followed the instructions of their landowners to farm and made a living with the remainder of the small farm fee paid in kind, they lacked someone to consult in order to maintain their farming techniques and family livelihoods after becoming independent as owner-farmers. The Cooperative Agricultural Extension Service was established in August 1948 with the enactment of the "Agricultural Improvement and Assistance Law," in which specialized prefectural officials offered assistance on agricultural production and -management techniques while interviewing farmers directly. This program was introduced under the guidance of the GHQ and in accordance with U.S. methods. It not only teaches farmers crop cultivation and business-management techniques but also concerns farmers' livelihoods and consists of three divisions: agricultural extension, livelihood-improvement extension, and youth education. The government and prefectures cooperated in this program, and, as the living standard of farmers improved, the program was later consolidated into the agricultural extension service only (Agricultural Promotion Law).

4) Beginning of activities by land-improvement districts organized by former landowners and newly created owner-farmers (1949)

The land of Japan is generally sloped, and a large amount of water is needed continuously from the rice-planting season to the harvest season. The order of water use in paddy rice production in such an environment coincides with the history of the village, and the management of water resources by all villagers under the direction of the village head is attributed to the fact that it was essential to distribute water equally to each field. With the dismantling of the landowner System during the agrarian reform, the organization of Land Improvement Districts to promote agricultural land-use and water-use projects, mainly by the owner-farmers, became a major issue. The Land Improvement Districts were to take over the implementation of projects and maintenance of facilities related to agricultural land and agricultural water use. (Land Improvement Law).

(2) Improved cultivation techniques and new varieties born from farmers' fields (1944)

The history of rice cultivation in Japan has been a history of struggle against cold damage. Cold damage is caused by prolonged low temperatures due to insufficient sunlight after rice planting and insufficient sunlight at the time of heading and flowering. In 1942, a farmer in Nagano Prefecture realized that "the earlier rice varieties are planted, the more resistant they are to cold damage and better yield," and subsequent applied research by the prefectural agricultural experiment stations was taken up by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and spread rapidly throughout Japan. The development of cultivation-management techniques and new varieties was not only carried out by the national and prefectural experiment stations but also by farmers, and was then taken up by the prefectural and national experiment institutes, leading some varieties to be spread nationwide. Examples of such breeding and cultivation techniques include the "Kyoho" grape, the "Ohrin" and "Fuji" apple varieties, the "Nyoho" strawberry variety, and the grafting technique for vegetable seedlings.

6.1.3 Growth Period (1955-1990)

Beginning in 1955, a 35-year economic boom led to a rapid increase in the demand for urban labor and a surge in mass employment and the migration of workers from rural areas to the cities. National income per capita (nominal) rose from less than 10,000 yen to 4 million yen. This increase in national income resulted in the diversification of food, with the expansion of purchasing options, which led to a rapid increase in demand for agricultural products other than rice, and the production of vegetables, fruits, meat, raw milk, and eggs grew, with the consumption of vegetables and meat in particular increasing significantly. In parallel with this production of domestic agricultural products, there was a rapid increase in imported agricultural products. The number of farmers engaged in dual-income farming increased as the number of full-time farmers decreased, and farming operations were differentiated from those centered on rice cultivation, those combining rice cultivation with vegetables and fruit trees, and those specializing in vegetables, fruit trees, beef cattle, dairy cattle, poultry farming, and so on. In addition, the "One Village, One Product" movement emerged in 1961, and initiatives to explore the direction of agriculture in the region have begun to spread.

Annual rice consumption per capita (rice grain) decreased 59% from 118 kg in 1960 to 70 kg in 1990. The reason for the decline in rice demand but the increasing value of output is due to the fact that even under the policy of reducing rice acreage there was an increase in volume of purchases due to the continuation of the food control system as well as the effect of the availability of rice with high prices but good quality. During this period, as the volume of distribution of many agricultural products increased, the "Vegetable Production and Shipment Stabilization Law" was enacted to designate production areas for cabbage, onions, etc., which were particularly consumed more than other vegetables, and to stabilize the shipment of these products. Furthermore, "wholesale markets (for fruits and vegetables, fish and shellfish, flowers, and livestock)" were opened in various regions to collect and distribute these products, formulate prices, and settle payments, and information on the daily arrival volume and prices by product category became publicly available.

During the war in 1942, the government directly intervened in the food control system to stabilize the supply, demand and price of food (mainly rice). It was a system aimed at equal access by citizens. The food control system functioned effectively during the period of food shortages immediately after the end of the war. The acreage reduction policy was adopted to allocate and adjust the acreage allocated to farmers, and continued until 2018. In 1994, instead of the food control system in which the government purchased the entire amount of rice except for seed rice and the rice for farmers' households, the food law was enacted in which the government purchased only stockpiled rice.

Economic growth transformed consumer lifestyles, and during this period, electric rice cookers, refrigerators, and microwave ovens began to grow in popularity, while instant noodles and retort-pouch foods were developed and put on the market, resulting in the diversification of food products and the improvement of food-storage and -preparation methods. The "Large-Scale Retail Store Law" was also established, supermarkets opened nationwide, and the distribution of agricultural products in the city became larger and more extensive, leading to the opening of long-distance ferry routes and the development of an expressway network. Along with this expansion of distribution, cell phone service was launched as a business and personal tool, marking the beginning of its subsequent development into data communication.

The measures to strengthen FVC are characterized by an increase in those related to production and consumption, with a general increase in technological innovation, private investment promotion, and policy and institutional development. Infrastructure development has also increased.

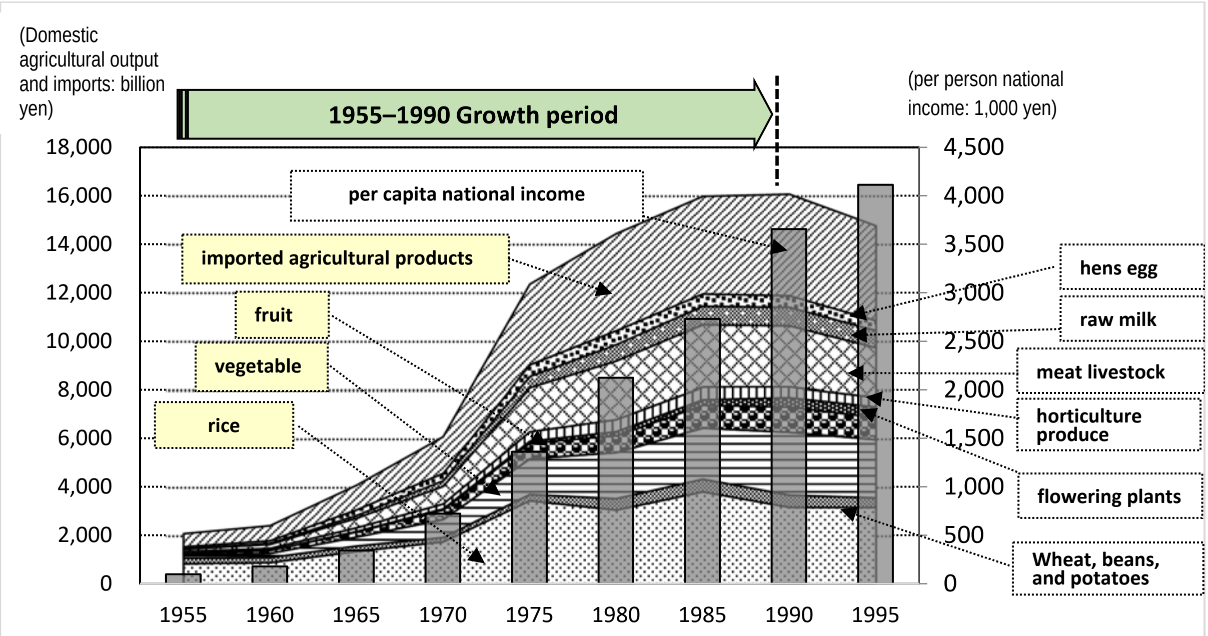


Figure 6.1.4. National Income per Capita (nominal), Domestic Agricultural Production, and Import of Agricultural Products

Basic data: Compiled based on cumulative statistics from the Ministry of Agriculture, Forestry and Fisheries. Note: Imported agricultural products exclude forest and marine products.

The following is a list of characteristic events during the growth period.

(1) Agricultural machinery shifted from vertical development and diffusion to horizontal development and diffusion (1960~)

While the owner-farmer performed tasks like rice planting and harvesting through mutual assistance with "yui," plowing work began to be mechanized, moving from oxen and horses to tillers, and threshing work moving from human power to threshing machines. Later, as the economy continued to boom, more and more farmers migrated to work in other industries, leading to a polarization of farmers into two groups: full-time farmers and dual-income farmers. In dual-income farming households, sons worked as migrant workers or in industries other than agriculture, and farming continued to be run mainly by his father, mother, and wife. This outflow of labor from rural to urban areas led to a shortage of agricultural workers and an increased demand for agricultural machinery, and research on mechanization technology for rice farming management suited to Japan's climate was conducted in collaboration with the national agricultural experiment stations and manufacturers.

The mechanization of agriculture was preceded by paddy rice cropping, and a consistent system of small and medium-sized paddy rice crops, including rice transplanters, tractors, and combine harvesters, became standard equipment for farmers. Subsequently, mechanization technology for paddy rice farming spread horizontally to mechanize vegetable, fruit, and flower farming, as well as horticulture. In recent years, the Smart Agriculture Technology Pilot Project has been undertaken nationwide, and various developments are underway from crop production to livestock farming.

(2) "Koshihikari" variety developed for taste (1956)

The post-war economic boom led to the diversification of the Japanese people's diet, and they shifted from eating 'rice and a side dish' at every meal to eating a wide variety of foods and dishes, such as 'bread or noodles and a side dish', Western and Chinese food, and so on. This has led to a decline in rice consumption. Against this backdrop, the National Agricultural Experiment Station, which had previously set cold resistance and high yield as its main goals in developing rice varieties, created the Koshihikari variety in 1956, which inherited its parents' resistance to disease (rice blast) and superior eating quality. Demand for the high-end Koshihikari variety has been strong, and rice farmers have been switching to Koshihikari to secure their income. Today, more than 40 years after its creation, Koshihikari and its varieties still account for the largest area planted (approximately 40% in 2021).

(3) Auction sales transactions brought appropriate price transactions to agricultural producers and consumers (1971)

1) Wholesaler intervention forced urban consumers to purchase food at a premium

As the population became concentrated in cities, wholesalers (both wholesalers themselves and middlemen) became accustomed to buying cheaply in production areas and selling at high prices in the cities. Farmers constantly struggled to sell their products at appropriate prices, and city dwellers were forced to buy overpriced fresh foods.

2) The "central wholesale market" based on auction sales forms a fair price (1927-)

The first central wholesale market was established in Kyoto in 1927, and since then wholesale markets have spread nationwide. In this central wholesale market, wholesalers auctioned off fresh foods to intermediate wholesalers, who in turn resold them to supermarkets and other retailers, thus achieving fair pricing, clear transactions, stable prices and quality, and health and hygiene benefits. On the other hand, farmers began to "sell jointly" through agricultural cooperative organizations rather than individually, and the wholesalers' purchasing of underpriced agricultural products changed.

3) Rapid sales and cargo handling of large quantities of fresh produce concentrated in large cities, with wholesale quantities and prices published (1971-)

In 1971, the "Wholesale Market Law" was enacted to respond to the increasing sophistication and diversity of fresh-food consumption (fruits and vegetables, marine products, and meat) due to the rapid expansion of the urban population, including Tokyo, the growing domestic and overseas production centers and the large volume of incoming goods, fair price formation through auctions, bidding, and over-the-counter (OTC) purchasing, sanitary inspection, prompt sales and cargo handling to numerous retailers, and reliable settlement of payments. The Wholesale Market Law was enacted after a major overhaul of the Central Wholesale Market Law.

The daily production by commodity, wholesale volume, and wholesale prices published at wholesale markets have become important indicators for Japan Agricultural Cooperatives (JA) and other sales representatives in selecting markets for their sales crops and for producers in planning their farming operations. Furthermore, the published wholesale price is a valuable indicator for buyers and retailers in planning their operations. The wholesale market system based on auctions was not developed by a few scholars acting alone but was the result of discussions among various people involved in market transactions based on actual conditions.

(4) Revitalizing the community through the OVOP Movement (1961)

In the 1960s, when the big cities were booming, in Oyama Village, Oita Prefecture, the village head and head of the agricultural cooperative association initiated the 'Ume-Kuri Movement', in which he called on young farmers to switch from paddy rice to high income fruit production. This movement aimed not only to increase crop yields, but also to increase income by adding value to products such as processed products, and to develop farmers into "farmers who can earn a monthly wage" by producing not only Japanese apricots and chestnuts, but also a wide range of other products on a year-round basis. The movement was based on 'human resource development', rather than on the top-down instructions from the village head and the head of the agricultural cooperative association, and was designed to develop the farmers' own ideas through their own self-improvement.

Since then, Oita Prefecture, having taken an interest in Oyama Village's efforts, has extended its support to the Oita OVOP Movement, with the aim of further promoting villages and cities in the prefecture, under the slogan 'the people play the leading role, the administration the stage assistant', and activities are still ongoing. The OVOP Movement is a symbolic expression, and it does not matter whether there are three products from one village or one product from two villages. Another characteristic of the current direct sales points in Oyama, Hita (merged with Hita City) is that the sales area for processed products occupies a larger area than for fresh agricultural products.

(5) Shuttered streets that emerged in various areas due to the expansion of large-scale stores (1973)

In 1973, in order to modernize the retail industry, the "Large-Scale Retail Store Law" was enacted to reconcile the interests of large retailers aiming to expand into regional areas with those of small and medium-sized local retailers. Supermarkets have strengthened their influence on all stages of the FVC through rationalisation and cost reduction, including standardisation of agricultural products, management of product distribution using ICT, and advertising strategies using media such as newspaper adverts and TV.

However, the advancement of supermarkets into small and medium-sized cities, which sell at low prices using a variety of purchasing methods, has forced specialty retailers such as rice dealers, greengrocers, tofu shops, butchers and fishmongers, which have long been based on traditional business practices, into a situation where they are unable to sustain profitability. This resulted in the restructuring of FVCs, with shuttered streets appearing in many areas. As the car-oriented society has taken root, it has become convenient for consumers to be able to drive into a supermarket and complete their shopping in one place and at a lower cost. In recent years, convenience stores with large parking lots have begun to appear on every street corner, competing with supermarkets.

6.1.4 Stable Growth Period (1991-Present)

After the bursting of the bubble economy in 1991, the Japan economy plateaued due to corporate restructuring and the relocation of manufacturing bases overseas, and food demand also remained flat due to the cessation of population growth and the increase in the elderly population. Under these circumstances, a situation arose that shook Japan's agriculture. The 1993 negotiations on the General Agreement on Tariffs and Trade (GATT Uruguay Round), which had been in place since 1986, led to the opening of markets for all agricultural products, including rice (see (2) GATT Uruguay Round Agricultural Agreement).

Since then, Japan has made the expansion of free trade and the promotion of economic partnership agreements the pillars of its trade policy, and as of February 2023, 21 economic partnership agreements, including CPTPP and RCEP agreements, have been signed and entered into force with 50 countries. The import value of agricultural products in 1990~2022 increased from 4.1 trillion yen to 13.4 trillion yen, while the export value was 350 billion yen in 1990, but reached 1.4 trillion yen in 2022, and the country has set export targets of 2 trillion yen in 2025 and 5 trillion yen in 2030. Since such an opening up of the domestic agricultural market to the world is based on ensuring the safety of agricultural products from the standpoint of consumers not only in Japan but also in trading partner countries, policies and systems such as food safety, traceability, food labeling, food loss, organic farming, and recycling have been finely arranged. In addition, under the "Green Food System Strategy," the government is working on concrete support for the transition to cultivation and management technologies that are environmentally friendly and contribute to labor-saving.

In terms of the formation process of consumers' food and beverage expenditures in FY2015, 18.4 trillion yen of food ingredients (9.6 trillion yen of domestic agricultural, forestry, and marine products, 1.6 trillion yen of imported edible agricultural, forestry, and marine products, and 7.2 trillion yen of imported processed foods) were processed by a 29.5-trillion-yen distribution industry, a 19.8-trillion-yen food-manufacturing industry, and a 16.1-trillion-yen food-service industry, for a total expenditure of 83.8 trillion yen. Until the economic growth period, all sectors including food ingredients, distribution, food manufacturing and food service industry, especially the distribution sector, showed significant growth. But since 1995, domestic agricultural, forestry and fishery products have been decreasing, whereas imported edible agricultural, forestry and fishery products, food manufacturing and food service industries are in an almost flat trend, and imported processed products and food-related distribution industries continue to show a gradual increase.

Since the post-war period, food distribution has expanded in both variety and quantity as the population has grown, but there have also been major changes in quality, and this trend is outlined in terms of the laws and systems in force. During the reconstruction period, the Food Sanitation Law, the Pesticide Control Law, the JAS Law and the Agricultural Produce Inspection Law were established to ensure the production and supply of safe food. During the growth period, the 'Food Hygiene Law' set out arrangements for the safe handling, processing and preparation of food, while the 'Agricultural Land Pollution Prevention Law' dealt with the preservation of agricultural land and water quality, as pollution was a problem in many areas. And during the stable growth period, the Food Recycling Law, Food Safety Basic Law, Food Education Basic Law, Rice Traceability Law, Consumer Safety Law, GAP Common Basis Guidelines, Food Labelling Law, Geographical Indications Law, Law for Promotion of Food Loss Reduction, and Agricultural Products Quality Law were introduced so that consumers could purchase food with peace of mind. As described above, it should be noted from the perspective of strengthening FVC that, through the reconstruction, the growth and the stable growth periods, a system relating to food safety is being formed.

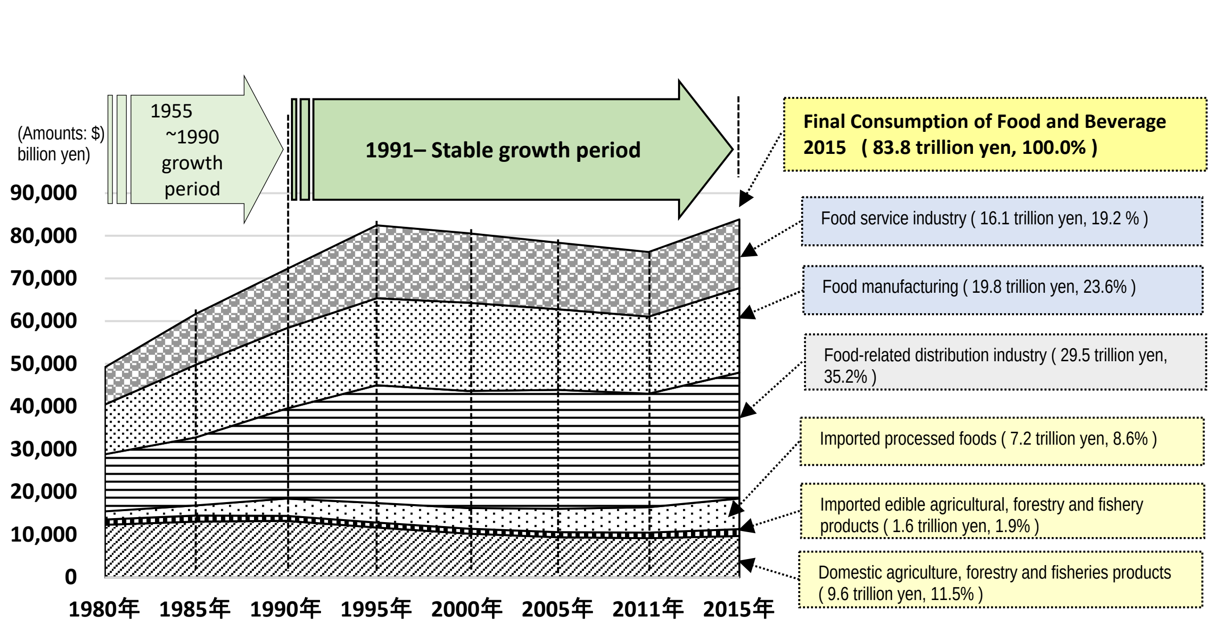


Figure 6.1.5 Composition of Food and Beverage Expenditures by Industry

Basic data: Based on "Table 4 Trends in Food and Beverage Expenditure Flows" in "2015 Input-Output Tables Focusing on Agriculture, Forestry, Fisheries, and Related Industries" (Statistics Department, Minister's Secretariat, February 2021, Ministry of Agriculture, Forestry and Fisheries).

The following is a list of characteristic events during the stable growth period.

(1) Improvement of serious working conditions in the transportation industry (1991)

1) Urban consumption demand requires products from all parts of the country

As the population has become more urban, what was once a sufficient supply of foodstuffs from nearby areas has come to require supply from a wider area. Still, the collection and delivery of perishable agricultural and food products remain a serious issue in the trucking industry, as most of these products are transported by truck. The trucking industry has placed a high priority on improving the working environment, which is becoming increasingly serious.

2) Long-distance transportation from truck to rail to sea route

Modal shifts reduce CO^2 emissions and the burden on the natural environment, ease traffic congestion, alleviate labor shortages, reduce logistics costs, etc.[44]. In particular, various measures have been taken in the transport industry in anticipation of the limitation of overtime hours to 960 hours per year (the 2024 problem) under the Law on Reform of Working Conditions from April 2024. In addition, in fiscal 2021 and 2022, new long-distance ferry vessels with significantly increased loading capacity will be put into service and new routes will be opened one after another, and modal shifts are highly anticipated (Law for Comprehensive Logistics Efficiency Improvement). However, at present, problems such as "convenience is difficult due to inability to sufficiently meet demand due to accidents, weather, holidays, vibrations (trains), etc.", "transportation time is extended", and "available routes are limited" are being resolved. It is a situation to wait for. ("Logistics Comprehensive Efficiency Improvement Law").

[44] This modal shift is an initiative that significantly reduces environmental impact. The amount of CO_2 emitted when 1 ton of cargo is carried 1 km (= 1 ton-kilometer) is 216 g for trucks (commercial freight vehicles) but only 21 g for rail and 43 g for ships (FY 2020 Estimate, Ministry of Land, Infrastructure, Transport and Tourism).

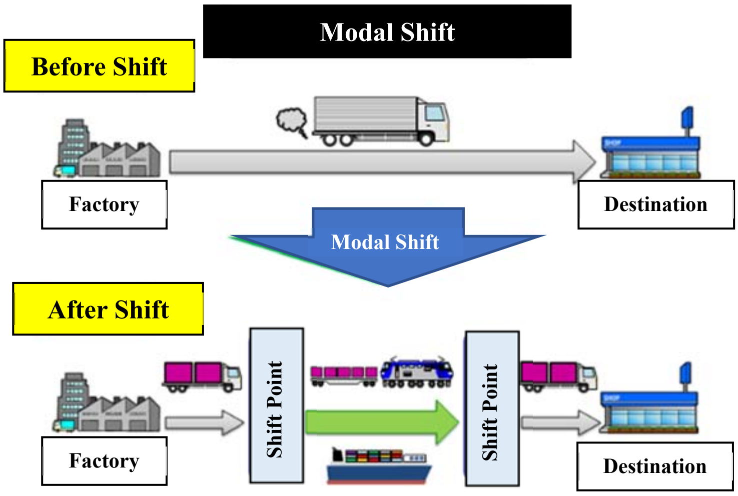


Figure 6.1.6. Conceptual Diagram of Modal Shift

Source: Ministry of Land, Infrastructure, Transport and Tourism

(2) GATT Uruguay Round Agricultural Agreement (1993)

1) Emergency import due to rice crop failure

In 1993, the year was a record cold summer, and rice grew poorly. The harvest was 7.81 million tons against the demand for 9.71 million tons of rice, and it was predicted that there would be a shortage of 1.9 million tons, so it was decided to import from Thailand, the United States, and China in a hurry. This emergency import was about 2.6 million tons, and since Thailand took the lead in complying, Thai rice was distributed for staple food and processing. At that time, the global rice trade volume was about 12 million tons in Asia and about 16 million tons worldwide, so not only the international market price soared, but also the domestic market price in Thailand rose.

2) Trade liberalization and multilateral trade promotion negotiations open Japan's markets to the world

The 1980s was a period of global economic stability, and each country began to engage in protectionist movements and increase trade in non-commodities. On the other hand, the Japan government has basically not allowed rice imports to protect the livelihoods of rice farmers and that it is the staple food of the people, but the 1994 negotiations on the General Agreement on Tariffs and Trade (GATT) concluded that "tariffication without exception" was concluded, partly due to criticism that the large import of rice in this Japan affected the world market. As a result, the Japan government decided to accept the UR agricultural agreement, which included the liberalization of rice trade, and the opening of Japan agriculture to the world market was imminent.

3) Promotion of agricultural and rural development in preparation for trade liberalization

In conjunction with the implementation of the UR Agricultural Agreement, the Japan Government has established the following four basic policies and will implement necessary measures in a focused and systematic manner in order to mitigate the impact of trade liberalization of agricultural products on agriculture and rural areas as much as possible and to pass them on to the next generation as key industries and regions in the future.

1) Establishment of agriculture as an attractive industry
2) Maintain and expand domestic production as much as possible and secure domestic supply capacity

3) Stable supply of high-quality, safe, and fresh food at an appropriate price level
4) Building livable and vibrant rural areas

In line with these basic policies, the Food Control Law will be transferred to the Food Law, and the Basic Law on Agriculture will be transferred to the Basic Act on Food, Agriculture and Rural Areas.

As a countermeasure to this end, the government have set forth the following three points and started implementing countermeasures.

1) **Agricultural structure and management:** accumulation of farmland to bearers, implementation of land improvement plans, development of high productivity infrastructure, increase in new farming, advancement of agricultural production, value-added of agricultural products.
2) **Agricultural production:** Large-scale development of paddy farming, introduction of highly profitable crops, promotion of upland farming management, etc.
3) **Rural areas:** Creation of diverse income opportunities through processing and sales of agricultural products, formation of livable rural areas, etc.

(3) Aging and declining agricultural producers cooperate to advance village farming

After the war, the area of farmland in Japan temporarily increased due to the progress of farmland development, but since the period of high economic growth, the aging and decrease of farmers have become noticeable due to the decrease in the number of agricultural successors due to the outflow of the workable population to cities, and the number of abandoned farmland has increased. In 1960, the number of core agricultural workers was 11,949,000 and the number of workers aged 60 and over was still 13.8%, but in 2000, the number of core agricultural workers was 2,400,000, the average age was 62.2 years and 66.5% were aged 60 and over. The number of core agricultural workers was 1,363,000 in 2020, the average age will be 68.4 years, and 69.6% of workers will be aged 65 and over, indicating a significant decline and aging of the farming population.

Under these circumstances, there have been cases of the remaining farmers organizing in each village to engage in village farming and produce paddy rice and high-profit crops all over the country. In such a management body, it is an issue to secure income by thoroughly reducing labor costs, machinery, and input materials such as fertilizers and feed. Since agricultural machinery is high-performance but expensive, there are examples of villages collaborating over a wide area, and cases of incorporating and working on smart agriculture in redeveloped fields.

In recent years, it can be said that there has been a polarization between small and medium-sized individual farmers who engage in large-scale cultivation of rice, wheat, vegetables, fruits, meat, and milk, which are consumed in large quantities, and livestock farming, and small and medium-sized individual farmers who focus on local markets for vegetables and fruits, which are characterized by their varied varieties and small quantities. Low-interest funds related to the improvement of agricultural management have also been set up for management bodies, and their use is progressing.

(4) Concerns about food safety

1) Food poisoning by O157 and other harmful microorganisms (1996)

Since June 1996, food poisoning cases due to pathogenic *E. coli* O157 have frequently occurred in various regions, and in July 1996, a mass food-poisoning outbreak involving more than 9,000 infected people occurred at an elementary school, resulting in 12 deaths. This was followed by a widespread outbreak of food-poisoning cases due to *Salmonella* bacteria in dried squid products in 1999, resulting in 1,634 patients, and food poisoning cases due to *Staphylococcus aureus* in low-fat milk and other products in 2000, resulting in 13,420 victims.

To prevent the entry of food-poisoning bacteria, it is essential to restrict the entry of outsiders, inspect employees' fecal matter, and clean and disinfect equipment, utensils, and transportation vehicles at each stage of production, shipping, distribution, processing, and retail, as well as properly treat food at the cooking stage. To reduce food poisoning, MAFF is committed to exchanging information with the relevant parties (producers, distributors/processors, consumers, etc.) to enhance mutual understanding and transparency, holding "risk management review meetings," and using press releases and websites for public announcements.

2) BSE (Bovine Spongiform Encephalopathy) countermeasures (2001)

BSE spread to cattle, mainly in the United Kingdom and other countries, because feed made from the brains and spinal cords of cattle infected with BSE was fed to other cattle, and 36 infected cattle were found in Japan between September 2001 and January 2009. In response to this, as a result of the implementation of regulations like not mixing cattle brains, spinal cords, and other tissues with livestock feed, BSE has not been confirmed in cattle born in Japan after 2003. At the General Assembly of the International Epizootic Office (OIE) in May 2013, Japan was given the highest BSE safety rating (BSE status) and the status of "BSE risk negligible."

Since then, the number of BSE cases has decreased dramatically in Japan and abroad, and BSE testing of healthy cattle has been discontinued. BSE testing, however, is still conducted for cattle slaughtered at 24 months of age or older that (1) have neurological symptoms, such as motor, sensory, reflex, or consciousness disorders suspected during the biopsy, or (2) show systemic symptoms of BSE. Removal of specific parts is also ongoing.

3) Food-deception case (2007)

Food-safety incidents that could be hazardous to human health, such as the Meat Hope incident in 2007 (involving the sale of beef containing different allergens) and the accidental rice-resale incident in 2008 (in which rice contaminated with mold poison was resold from industrial use to edible use), were not caused by the production or supply side; both were caused by the processors. The other incidents involved wine suppliers. There were also incidents involving wine suppliers, and these cases were deliberately caused by members of the company's chain of command or internal company members.

In the case of the Meat Hope Incident, the company that caused the incident went bankrupt, and recovery of the loss amount was hopeless. In addition, as the company's whistle-blowing had been left unchecked at national and local levels, the person in charge at the time was reprimanded under the Civil Service Act. Food fraud cases are still surfacing in one form or another today, leading to bankruptcies of companies, layoffs of employees, and liability issues for government departments.

While pursuing profits in their business, companies are also socially responsible for the quality of the products that they manufacture and sell. In other words, the basic requirement for the organizational sustainability of food-related companies is to prevent food mislabeling and take measures to prevent food poisoning caused by harmful microorganisms that may occur at the food-processing stage. Compliance audits and in-house quality control and audits by neutral third-party organizations are essential conditions for this purpose. After the Meat Hope incident and the accidental rice resale incidents were uncovered, the Consumer Affairs Agency was established in 2009 with the aim of creating an organization to monitor overall policy from the consumer's perspective.

(5) Direct sales and value-adding of local products revitalize the region (2010)

Farm stands (direct sales of agricultural products), agro-processing, sightseeing farms, farmer restaurants, and farmer's inns have started operating throughout Japan, and total sales have grown to approximately 2 trillion yen (in 2017). The largest share of these businesses is generated by farm-stand outlets (24,000 outlets), and there are examples of small-scale farmers participating in farm-stand businesses, expanding the variety of products they produce, thereby increasing their income, creating a sense of fulfillment, and promoting interaction with consumers, which in turn leads to regional revitalization. Some of the aging farmers participating in farm stands have begun to manage their businesses with their grandchildren (sixth industrialization and local production for local consumption).

(6) GAP certification is essential for ingredients needed by Olympic athletes (2016)

The procurement standards or "Procurement Code" for the food to be provided to Olympic athletes and others emphasizes (1) how the food is sourced, (2) from where it is harvested and with what it is made, (3) how the supply chain is approached, and (4) whether resources are used effectively. This procurement code was designed with sustainability in mind, and GAP certification (GLOBALG.A.P., ASIAGAP, and JGAP) and prefectural GAP, among others, have become requirements for the procurement of agricultural products. In 2017, when the Tokyo 2020 Olympic and Paralympic Games were held, there were approximately 480 Japanese business entities certified under Global G.A.P. (4,581 when including ASIAGAP and JGAP).

In 2021, in the main dining room of the athletes' village and other facilities of the Games, which were postponed for one year due to the spread of the new coronavirus (COVID-19), the percentage of foodstuffs that met the procurement standards was 100% for vegetables and 82% for rice. This adoption of GAP-certified food-procurement standards has increased awareness of GAP at production sites.

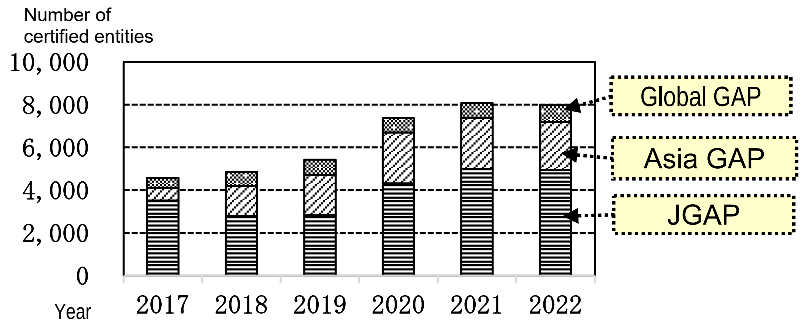


Figure 6.1.7 Number of GAP Certified Businesses in Japan

Source: Ministry of Agriculture, Forestry and Fisheries

(7) COVID-19 infection, agriculture, and food consumption (2020)

1) Effect on Consumption

The COVID-19 virus developed into a global pandemic in 2020 and had a major impact on the world's economy and society. In Japan, the food-service industry and related industries were severely affected by voluntary restraint from going out, school closures, and a sharp decline in inbound demand since February of the same year. Looking at food-consumption expenditures since 2020, compared to 2019 (before the spread of infection), expenditures on food services declined significantly after March 2020, while expenditures on fresh food increased and remained high. A joint survey of trends by three supermarket industry associations indicated that, since April 2020, consumers have tended to shop less frequently and buy in bulk as they refrain from going out. It also shows that food spending via the internet has increased since March 2020, with a 50–80% increase over the same month the previous year.

2) Effect on production

Among vegetables, the wholesale price of cabbage from April to September of 2020 remained higher than the average price for the same month in the last five years. Since the harvest of vegetables is prone to fluctuate depending on weather conditions and poor shelf life, their prices fluctuate significantly with changes in supply. Although it is not possible to say that the fluctuations in wholesale prices were caused by the effects of the new coronavirus infection, it is expected that the large volume of cabbage used by households led to the increase in wholesale prices.

3) Impact on FVC

The COVID-19 disaster began with people refraining from going out, elementary and junior high schools were closed, senior high schools and universities began to offer remote classes, companies started to work remotely for in-house work, meetings and business trips, and hotels, inns and restaurants were closed due to a sharp decline in visitors, thus disrupting the flow of food. As a result, the supply of foodstuffs was disrupted for school lunches, restaurants in business districts and tourist attractions, and the nature of agricultural product distribution from production to consumption was questioned in the disruption of existing distribution channels.

Thus, people spent longer periods of time at home and cooking at home by each household member increased and became a habit. Against this backdrop, the Tokyo Olympics and the growing interest of agricultural producers in GAP certification led to the importance of agricultural production management and progress in improving the quality management of produce. In addition, individual home deliveries of fresh and processed foodstuffs through online supermarkets, etc. and individual home deliveries of food from restaurants, etc. have increased, and even as the Corona disaster is subsiding and school classes and company operations are returning to normal, these home delivery businesses have been able to secure a certain market.

6.2 Historical Evolution of FVC Strengthening in Thailand

6.2.1 Historical Classification for FVC Enhancement

Sotaro Inoue of the Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries (PRIMAFF), in his study, Trends and Political Implications of Agricultural Policy in Thailand (Institute of Agriculture, Forestry and Fisheries Policy, 29.5.2018). categorizes the stages of development of Thai agriculture into three stages. The first stage was from 1960 to around 1980, when agriculture developed significantly by expanding upon the abundant farmland resources. The second stage was from 1980 to 2000, during which time agricultural intensification in Thailand progressed and land productivity increased. The third stage is from 2000 onward, during which time the outflow of labor from rural areas and the aging of farmers in rural area progressed, slowing the increase in land productivity, and agriculture entered a period of stagnation, according to the report.

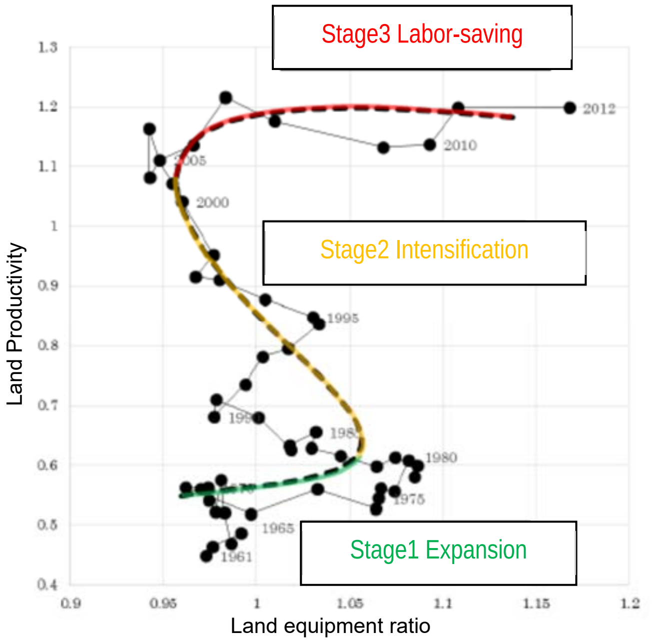


Figure 6.2.1 Stages of Agricultural Development in Thailand

Source: "Trends and Political Impact of Agricultural Policy in Thailand," Sotaro Inoue, PRIMAFF, May 29, 2018.

By tracing these three stages over time, with the land (capital) equipment ratio on the horizontal axis and land productivity on the vertical axis, it can be recognized that Thai agriculture's historical trend shows an S-shaped development pattern over the long term (see Figure 6.2.1).

Table 6.2.1 Stages of Agricultural Development in Thailand

Stage	Time	Feature	Summary
Stage I	1960-1979	Expansion	Land (capital) equipment ratio* increases, land productivity** does not increase
Stage II	1980-1999	intensification	Land (capital) equipment rate decreases, land productivity increases
Stage III	Since 2000	labor saving	Land (capital) equipment rates increase, land productivity growth stalls

Source: "Trends and Political Implications of Agricultural Policy in Thailand," Shoutaro Inoue, National Institute of Agriculture, Forestry and Fisheries Policy, May 29, 2018.
Note. *Land (capital) equipment ratio = agricultural land / labor (higher is more capital-intensive, lower is more labor-intensive)
**Land Productivity = Agricultural Production / Agricultural Land

The land (capital) equipment ratio increased in the first stage (expansion) because the area of farmland increased faster than the growth rate of the rural population, and it increased again in the third stage (labor-saving) because the increase in the area of farmland stagnated while the labor force flowed out of the rural areas.

The reason for the decrease in the land-equipment rate during the second stage (intensification) may be that the harvested area began to decline in the late 1980s as a result of industrialization, while the rural population was still increasing during this stage .

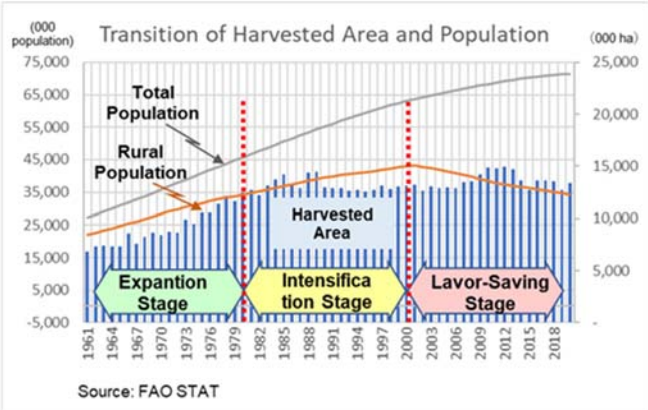


Figure 6.2.2 Harvested Area and Rural Population in Thailand

This section summarizes the events that affected the FVC and the measures had taken based on the three development periods of Thai agriculture: the period from the postwar period to 1979 as the "expansion period," the period from 1980 to 1999 as the "intensification period," and the period from 2000 to the present as the "labor-saving period." Table 6.2.2 summarizes the major events during the three stages.

Table 6.2.2 Major Events Affecting FVC in Thailand

Period	Event	Details	Change to VC
I. Expansion period (Postwar–1979)	Demands for increased food production due to population growth	The need to increase rice production increased due to the decrease in food production caused by WWII, to feed the rapidly growing population, and as a means of obtaining foreign currency. Against this backdrop, the Green Revolution took place in Thailand in the 1950s.	Promotion of outward expansion of farmland area, introduction of agricultural machinery (e.g., tillers), and infrastructure development (land consolidation, irrigation facilities). As a result, rice production increased.
II. Intensification period (1980-1999)	1980s onward: Increased industrialization and lack of farmers	Industrialization progresses; shortage of agricultural labor becomes more serious; need for mechanization increases. Under the industrialization policy, number of food industry, including agro-processing, increases.	Introduction of low-interest loan programs for agriculture. Mechanization of agriculture. Diversification of agricultural products' VC and value addition. As a result, land productivity increases, and the country becomes the world's number-one rice exporter in the early 1980s.
	1990s: Supermarket Revolution	Modern retail chains are created, and the number of stores increase in contrast to traditional small-scale retailing in traditional markets.	Diversification of distribution channels, standardization of agricultural products, contract farming.
III. Labor-	2005: Entering	Issues such as aging farmers,	Progress in mechanization of

Period	Event	Details	Change to VC
saving period (since 2000)	an aging society	depletion of the young labor force due to the declining birth rate, the widening gap between urban and rural areas, and unstable and low income for farmers become apparent.	agricultural work and outsourcing of work. Changes in post-harvest processes (promotion of the introduction of dryers) and the elimination of small and medium-sized rice mills that cannot cope. As a result, the increase in land productivity slows down.
	2004: Avian flu pandemic	Imports of Thai chicken meat from Japan, the EU, and elsewhere were suspended due to an outbreak of avian influenza around November 2003.	Increased vertical integration (poultry industry) and growing interest in food safety, especially from export destinations, which require GAP certification and traceability assurance.
	2010 and beyond: Expansion of modern trade	Expansion of modern trade (hypermarkets, department stores, convenience stores, supermarkets) in the retail market.	Emergence of brand-name rice (aromatic rice), improvement of broadcasting technology, acquisition of various certifications.
	2019-: Epidemic of new coronavirus infection	Nest-building demand is occurring, and contactless purchasing activity increases.	Expansion of new transaction methods such as food delivery services and e-commerce, especially in urban areas. Expansion of the ready-to-eat food market.

Source: JICA survey team

6.2.2 Expansion Period (Postwar–1979)

(1) Demand for food production increases due to population growth

During World War II, rice production declined, and domestic food supply and export revenue plummeted. After the war, increasing production of rice, a staple food and major export good, became a major issue in order to feed the rapidly growing population and obtain the foreign currency needed for industrial growth. Against this backdrop, the "Green Revolution" was promoted in Thailand in the 1950s.[45] The government also promoted the development of production infrastructure, including the expansion of the farmland area and the construction of irrigation facilities. The construction of key irrigation facilities was promoted after the war, and by 1978, the total irrigated area was approximately 2.74 million ha, 23% of the country's total rice-paddy area of 12 million ha.

For farmers in the agrarian reform area, ownership of capital was their hope for the future. (Source: Thailand Agrarian Reform Area Integrated Agricultural Development Project.)

In 1974, the "Land Consolidation Act" was enacted, and the Central Land Consolidation Office (CLCO) was established as the organization to promote the project. The first land-consolidation project in Thailand was implemented in 1969, covering 176 ha in North Chao Phia in the Central Plains. Since then, the government has taken the initiative to develop the land consolidation to achieve proper water management, and by 1980, 22,812 ha had been developed.

Meanwhile, the Agrarian Land Reform Act was enacted in 1975, and the Agrarian Land Reform Office (ALRO) was established to promote the Act. The ALRO promoted not only the distribution of farmland to landless farmers, but also the improvement of basic living conditions for

45 Thailand and the green revolution", Bangkok Post, February 25, 2014. https://www.bangkokpost.com/life/social-and-lifestyle/396809/thailand-and-the-green-revolution

farmers, supporting small farmers in establishing their own businesses through loans for farm management, and the development of irrigation facilities, such as reservoirs.

In terms of education, human-resource development in the field of agriculture was promoted at, for example, Kasetsart University, Thailand's first agricultural university, established in 1943. The university was initially established as a part of the Ministry of Agriculture and consisted of four faculties: agriculture, forestry, fisheries, and cooperatives, but the number of faculties was increased to meet the needs of the times, and today it is the largest university in Thailand.[46]

In addition, the number of agricultural cooperatives, which were established under the government's initiative in 1916 to alleviate the debt problems of small-scale farmers. Until then, the overseas Chinese had been the dominant power in rice distribution in Thailand, and loans were extended to farmers. In the 1910s, growing farmers' debts became a problem, and an anti-Overseas Chinese movement emerged, mainly in central Thailand. Under these circumstances, the government supported the establishment of credit cooperatives, with the aim of improving farmers' debt by providing organised farmers with low-interest loans.

The cooperatives grew rapidly beginning around 1940 and continued to increase until the 1960s as a recipient of government support. The number of cooperatives began to decline after the 1970s, however, and has continued to do so to the present day. This is due to the fact that until the 1960s, credit unions (cooperatives) accounted for about 90% of the total number of cooperative, but from the late 1960s, the Government began to merge credit unions and reorganise cooperatives in order to improve their efficiency. As a result, the number of cooperatives has decreased, but the number of members has increased, with most farmers participating in agricultural cooperatives as of 2014[47].

In 1947, the Bank for Cooperatives was established to provide financial services to agricultural and rural communities that were not easily served by general financial institutions. In 1966, the Bank for Cooperatives was renamed the Bank for Agriculture and Agricultural Cooperatives (BAAC). BAAC's network of branches and offices was developed during the 1980s and 1990s, and today it boasts the largest network in Thailand, with 1,500 branches, far exceeding the 600 branches of the second-largest bank, the Government Savings Bank (GSB) and Thai Farmers' Bank.[48]

The BAAC contributed greatly to the development of Thai agriculture, including support for agricultural cooperatives.

As a result, the rice harvested area increased 1.5-fold, from 6.12 million ha in 1961 to 9.2 million ha in 1980, and rice production increased 1.7-fold, from 10.15 million tons to 17.37 million tons over the expansion period. During this period, the FVC in Thailand is considered to have greatly developed its distribution industry, including the brokerage and rice-milling businesses in rural areas, in order to respond to the rice trade that was expanding in terms of both area and volume. Regarding rice distribution in Thailand, overseas Chinese monopolized rice brokerage and rice milling, in addition to making financial loans to farmers, and had overwhelming control of rice VC.[49] Under this dominance, farmers became heavily indebted, leading to a series of support policies by the government, including the establishment of agricultural cooperatives and loans by BAAC to farmers, farmer groups, and agricultural cooperatives. In addition, along with rice, the production and distribution of corn, tapioca, and sugarcane increased during this period, and FVCs of these

[46] "Thailand: Kasetsart University", KTH Royal Institute of Technology <Thailand: Kasetsart University | KTH >

[47] 'Chapter 5: A Note on the Generation of Cooperatives in Thailand', by Shinichi Shigetomi, "Cooperatives in Development: a Preliminary Study for the Study of Rural Areas in Developing Countries", Report of the Fundamental Theory Study Group, Institute of Developing Economies, ed. by Shinichi Shigetomi, 2014.

[48] Financial Support for the Promotion of Rural Enterprises: A Case Study of the Bank of Agriculture and Agricultural Cooperatives of Thailand (BAAC)," Naohiro Kitano, Institute for Development Finance Research Report No. 3, July 2000.

[49] The Formation and Development of Cooperative Institutions in Indonesia and Thailand," Masahiko Shiraishi, Rural Studies, Tokyo University of Agriculture, Agricultural Economics Society, March 1990.

products were developed as an export products.

6.2.3 Intensification Period (1980‑1999)

(1) Progress of industrialization and shortage of farmers

Industrialization in Thailand can be characterized as import-substitution industrialization in the 1960s, export-oriented industrialization in the 1970s, and export-oriented industrial expansion led by foreign capital from the 1980s until the 1997 currency crisis.[50] In the first half of the 1980s, economic growth slowed due to the deterioration of the balance of payments caused by the second oil crisis, falling primary commodity prices, and the global recession. Still, the appreciation of the yen following the Plaza Accord in 1985 led to a rapid increase in foreign direct investment, mainly by Japanese companies, resulting in the rapid growth of export-oriented manufacturing and foreign capital-led industrialization.

As a result, the Thai economy grew at an average annual rate of 7.8% from 1980 to 1990, and 8.0% from 1992 to 1995. During this period, per-capita income also increased from US$106 in 1960 to US$1,866 in 1999, and a middle class was created and developed in this process. The agriculture, forestry, and fisheries industry accounted for the highest percentage of nominal GDP by sector until 1980, but since 1985 it has been overtaken by the manufacturing industry. Today, there is a threefold gap between agriculture, forestry and fisheries (9%) and manufacturing industry (27%)[51].

Established in 1988, Siam Makro PCL manufactures and sells its own brand of processed food, "aro."

The rapid growth of the food industry in Thailand also began in the 1980s.[52] According to the classification by Professor Hiroshi Tsujii of the Graduate School of Agriculture, Kyoto University, in his study on 'Trends in Thailand's Agricultural Policy and the Response of the Administration and Food Industry' (Report on the Project to Study and Analyse Information on Food and Agriculture in Asia and the Pacific Region), the Thai food industry exported surplus agricultural products with simple technology in the 1950s, but in the 1060s, it responded to domestic demand under the import substitution industrialization policy, and in the 1970s, exports increased but faced low quality problems. In the 1980s, imports of food processing technology from Europe and the U.S. led to a rapid increase in the production and export of frozen and chilled products, resulting in a rapid growth of the food industry.

In the process of industrialization, the number of people working in agriculture declined, forcing agriculture to evolve from a labor-intensive to a capital-intensive industry. The government promoted the mechanization of agriculture, enacted a law that allowed banks to provide low-interest loans to the agricultural sector, and promoted the mechanization of agriculture through the BAAC. In addition, land productivity was improved by promoting farmer education, irrigation, and the development of road networks.[53] For example, the total length of paved roads more than doubled from 22,404 km in 1981 to 46,331 km in 1995, and the progress of

[50] Overview of Industrialization in Thailand," Development Bank of Japan, Singapore Representative Office, December 2001.

[51] Office of the National Economic and Social Development Council (NESDC), < National Account (nesdc.go.th)>

[52] "Trends in Thailand's Agricultural Policy and Responses by the Administration and Food Industry," Hiroshi Tsujii, Graduate School of Agricultural Science, Kyoto University; "Report on the Project for Investigating and Analyzing Information on Food and Agriculture in Asia and the Pacific Region" (maff.go.jp)

[53] Agriculture in Thailand," Saburo Tsuji, Okayama Prefecture Thailand Business Support Desk Report Vol. 73, December 2020.

road-network development in rural areas, such as the northeast and north, is on par with the national level.[54]

As a result, rice production increased while domestic consumption decreased, resulting in a rice surplus, which was exported. In the early 1980s, Thailand became the world's largest rice exporter, and for the next 30 years, it became known as a major rice exporter. The increase in rice exports led to increased investment in the rice industry, and the division of labor in the distribution sector was progressed. In the 1990s, mechanical dryers in the rice-milling process were introduced, leading to the expansion of rice mills through economies of scale. The introduction of mechanical dryers also enabled rice mills to reduce the moisture content of milled rice from approximately 28% to 15% or less, thereby improving quality and enabling the long-term preservation of rice.

Thus, rice VC grew globally during this period, while active private investment led to the division of labor in distribution, mechanization, and larger-scale production, strengthening VC as a major rice-exporting country. In addition, technological innovations in post-harvest improved rice quality and enabled long-term preservation, thereby adding value at the VC-processing stage. Meanwhile, with the development of the food-processing industry, the value-added of agricultural products other than rice was also enhanced through processing, leading to higher national income. It should be noted, however, that the increase in value-added through food processing mainly benefited the industrial sector, and the income gap with rural producers later widened.

(2) Supermarket Revolution[55]

In contrast to small-scale retailers in traditional markets, supermarkets emerged during the 1970s and 1980s, and the number of supermarket outlets has increased since the 1990s. This has led to the diversification of distribution channels, standardization of agricultural products, and contract farming. Contract farming in Thailand was introduced in the 1970s for poultry production and tomato cultivation (as a USAID irrigation project), but its peak period was the 1990s and early 2000s, during which time the number of contract farmers increased from 16 million (1993) to 26 million (2003). Since then, the number has been declining, reflecting the labor shortage.[56]

Supermarket chains have promoted the standardization of agricultural products to facilitate trade and distribution and supply the market at stable prices. They also introduced ICT for barcode-based product management and inventory control in warehouses to promote distribution efficiency and thoroughly reduce distribution costs. At the same time, to improve access to supermarkets for small farmers, collection centers were established, and support was provided to agricultural cooperatives.

The government-led GAP and GMP support the FVC built by the modern retail chain Tops.

For example, the supermarket chain Tops applies GAP to quality control in purchasing agricultural products from farmers and farmer groups. In addition, at food distribution centers that collect produce from rural areas for delivery to retail outlets in urban areas, GMP is used to control a series of processes, including cutting and other processing, packaging, and laboratory testing. Thus, it is noteworthy

---

54 "Financial Support for the Promotion of Rural Enterprises: A Case Study of the Bank of Agriculture and Agricultural Cooperatives of Thailand (BAAC)," Naohiro Kitano, Institute for Development Finance Research Report No. 3, July 2000.

55 "Supermarket revolution in Asia and emerging development strategies to include small farmers," Thomas Reardon (reardon@msu.edu), C. Peter Timmer, and Bart Minten, December 6, 2010.

56 "Development of Food Value Chain in Thailand," Nipon Poapongsakorn, Phunjasit Chokesomritpol, and Kamphol Pantakua, August 2019, in Kusano, E. (ed.), Food Value Chain in ASEAN: Case Studies Focusing on Local Producers. ERIA Research Project Report FY2018 no. 5, Jakarta: ERIA, pp. 8–51.

that government-led GAP and GMP support modern distribution in Thailand.

The table below summarizes the leading modern retail chains in Thailand: supermarkets such as Foodland, Villa Market and Max Value emerged during the 1970s and 1980s, while hypermarkets such as Macro, Big C and Lotus emerged during the 1980s and 1990s.

Table 6.2.3 Major Supermarkets in Thailand

Supermarket	Year Established	Contents
Foodland	1972	Operated by Foodland Supermarket Co. Targeting foreigners and middle- to high-income earners in Thailand. 22 stores in Thailand, open 24 hours.
Villa Market	1973	Operated by Villa Market JP Co. 34 stores in Thailand, 27 of which are in the Bangkok metropolitan area, targeting foreigners and Thai middle- to upper-income earners.
Gourmet Market	1981	Targeting foreign and Thai middle- to upper-income earners. 17 stores in Thailand.
Max Value	1984	Operated by AEON (Thailand) Co. Fresh foods are managed under the same standards as in Thailand to maintain quality and freshness.
Fuji Super	1985	Operated by UFM Fuji Super Co. Targeting Japanese residents in Thailand and middle- to high-income earners in Thailand, the market offers many Japanese foods.
Makro	1988	Membership wholesale supermarket operated by Siam Makro PCL. under the CP Group, providing products to retailers, restaurants, and caterers.
Big C Supercenter	1993	Inexpensive for Thai customers; over 1,500 stores nationwide; online shopping available; expansion into neighboring countries, such as Cambodia and Laos.
Lotus's	1994	High-quality, safe products controlled by CP Group standards; over 2,000 stores nationwide; online shopping.
Tops	1996	Operated by Central Food Retail Co. Targeting middle- and high-income earners, operates a total of 236 stores nationwide under six brands, including Tops.

Source: https://bizlab.sg/magazine/blog/2022/03/15/thai-main-supermarket/
https://thailandelite.info/akashi-43/#:~:

Convenience stores, on the other hand, have been in operation since 1991 (7-Eleven), 1992 (Family Mart), and 2013 (Lawson; Saha Lawson Co., Ltd.). Convenience stores have small floor areas and carry little inventory, but they can offer a large selection of products at any given time thanks to their POS systems and frequent delivery system. The large number of their outlets throughout the city offers consumers greater convenience, whereas it poses a threat to privately owned specialty retailers.

The birth of the modern retail chains such as supermarkets, hypermarkets and convenience stores brought about major changes at each stage of FVC. Intense price competition in retailing prompted thorough streamlining and cost reductions in the distribution stage, as well as direct contracts with producers, standardization of agricultural products, and control of production and processing processes through GAP and GMP. In addition, the convenience for consumers of being able to purchase all foodstuffs and daily necessities in one place put pressure on the decline of privately-owned specialty retailers. As a result, the influence of modern retail chains in the FVC is gradually becoming stronger.

Then, in 1997, the Talaad Thai market, the largest central wholesale market among AMSs, began operations. Other markets, such as the open-air markets, lack sufficient equipment and facilities, such as refrigeration and freezing facilities, water supply and drainage facilities, loading and unloading routes and waste disposal. In addition, the markets did not have sufficient price formation, collection and distribution functions and information dissemination functions, that Talaad Thai markets have.

The market is an important hub for fruit and vegetable VC in Thailand and has become an important FVC hub for neighboring countries, as not only domestically produced fruit and vegetables but also fruit and vegetables from neighboring countries are traded.[57] Although no auction is held at Talaad Thai market,

[57] History - Talaad Thai

transaction prices are published on its website the same day, and the market plays a significant role in the transparency of transactions and price-formation functions. Pioneering efforts are also being made to ensure traceability using QR codes and safety management using GT test kits that enable rapid testing for pesticide residues. Many visitors from Myanmar, Cambodia, and other CLMV countries visit the market, and the Danyingon Central Wholesale Market in Yangon, for example, is modeled after the Talaad Thai Market.

6.2.4 Labor-Saving Period (2000‑Present)

(1) Entering an aging society

Thailand is said to have entered an aging society in 2005.[58] Thailand's total fertility rate (TFR) has declined from 2 in 1995 to 1.5 in 2021,[59] and the labor force has begun to decline after peaking in the early 2010s. The population over 65 years old as a percentage of the total population is expected to increase from about 10% in 2019 to over 20% in the 2030s, the fastest aging rate among Southeast Asian countries, and the aging of agricultural workers is a particularly serious problem.

In addition, the urban–rural divide continues to widen. In particular, the economic gap is widening between the eastern region of the country, where the manufacturing sector is concentrated, and the northeastern region, where agriculture is the main source of income. Gross regional product (GRP) per capita was at THB 430,000 and THB 410,000 in 2015 in the east and around Bangkok, respectively, compared with THB 70,000 in the same year in the lowest-ranked northeast, an approximately sixfold gap. In addition to these factors, the unstable and low incomes of agricultural workers have led to an exodus of young workers from rural areas.

As a result, land productivity growth has slowed, and the agricultural sector has stagnated. Agricultural policy has become more focused on income redistribution to farmers.[60] Thailand had been the number-one exporter in the global rice market for 30 years until 2012 but has since fallen to third place, behind India and Vietnam. As a result, the mechanization of agricultural work and outsourcing of work has progressed, as well as the introduction of dryers in the post-harvst process, leading to the elimination of small and medium-sized rice mills that could not cope.

(2) Avian flu pandemic

The National Bureau of Agricultural Commodity and Food Standards (ACFS) was established under the Ministry of Agriculture and Cooperatives (MOAC) in 2002. Thailand joined the WTO as a founding member on December 28, 1994, and in order to continue to actively participate in international trade of agricultural and food products while fulfilling its WTO obligations, a new mechanism was needed. In a major government reorganization in 2002, the Agricultural Commodity Standards and Inspection Service became the ACFS.[61]

Due to the avian flu pandemic that began around November 2003, Japan, the EU, and other places suspended imports of Thai chicken meat in 2004. While some poultry exporters lost their overseas customers and went bankrupt, others, such as the CP Group (Charoen Pokphand Group Co., Ltd.), which entered the poultry-processing business through the vertical integration of VC, escaped bankruptcy. As a result, interest in food safety has increased, and there is a growing demand for GAP certification and traceability, especially for export products.[62] The ACFS is currently responsible for Q-Mark certification and setting standards for

[58] Trends Related to Thailand's Aging Society," Overseas Business Information, Yamada Consulting Group, August 8, 2019 <https://www.ycg-advisory.jp/learning/oversea_49/#:~:text> In Thailand, people aged 60 and over are considered elderly, and this percentage exceeded 10% in 2005.
[59] X-bomber Thailand 2022.3.7 (https://x-bomberth.com/20220307babyalittle/#:~:text)
[60] "Trends and Political Implications of Agricultural Policy in Thailand," Sotaro Inoue, Institute for Agriculture, Forestry, and Fisheries Policy, May 29, 2018.
[61] สำนักงาน มาตรฐานสินค้าเกษตรและอาหารแห่งชาติ (acfs.go.th)
[62] Avian Influenza Outbreak in Thailand - Southeast Asia - January 2004, No. 610 (alic.go.jp)

agricultural products, as well as serving as the WTO/Codex secretariat.

(3) Expansion of modern trade

Until the 1990s, high-quality rice was mainly exported, but as modern trade expanded with the advent of modern supermarkets, demand for high-quality rice in the domestic market was stimulated. It is said that it was not until the 1990s that fragrant rice (jasmine rice), such as Khao hom mali, grown under rainfed conditions in northeastern Thailand, as well as organic rice and black rice, became branded and began to gain in popularity. Until then, the mainstream rice in the domestic market was mainly normal rice grown in the irrigated areas of central Thailand.

As the number of supermarkets and other retail outlets increased, so did the development of rice-packaging technology. While traditional open-air markets sold rice by weight, supermarkets began to sell rice in beautifully designed packages, and brand-name rice, such as fragrant rice, came to be sold in vacuum-packed packages to maintain freshness.

Ordinary rice sold in bulk at a traditional market (left) and branded rice sold at a supermarket (right).

Some western chain stores, for example, have requested that Thai rice exporters obtain the GFSI benchmark scheme,[63] and re-polishing factories have been forced to obtain food-safety-management standards, such as HACCP (Hazard Analysis and Critical Control Point), GMP (Good Manufacturing Practice), BRC (British Retail Consortium) Global Standard, and FSSC 22000 (Food Safety System Certification 22000).[64]

In addition, market participants, including consumers, are increasingly concerned about food safety, and a variety of food-related certifications, such as production process and environmental certification, product certification, certificate of origin, and organic produce certification, are printed on the packaging of rice sold in supermarkets and other retail outlets. The following are food-related certifications found in Thailand. Among these, the Q mark is a certification requirement for implementing the GAP scheme recommended by ACFS at the production stage. The GAP scheme is a requirement for certification.

Certification	Production process, Environment		Product		Certificate of origin	Organic Products	
Name	Q mark	Thailand Trust mark	Thai Hom Mali mark	Thai Hom Mali mark	GI mark	Organic Thailand mark	IFOAM
Logo mark						TAS : 54041	
Management	MOAC ACFS	MOC, DITP	MOC, DFT	MOC, DIT	MOC, DIP	MOAC, DOAE	IFOAF (NGO)

Figure 6.2.3 Major Food-related Certifications in Thailand

Source: "Changes in the Rice Industry in Thailand: Focusing on the Changes in the Production Environment in Central Thailand from the Perspective of Rice Processing Capital," Satoshi Sasaki, Journal of Agricultural Issues, edited by the Agricultural Issues Research Society, Vol. 53, No. 2 (Vol. 89).

Note: ACFS (National Bureau of Agricultural Commodity and Food Standard), MOC (Ministry of Commerce), DITP (Department of International Trade Promotion), DFT (Department of Foreign Trade), DIT (Department of Internal

[63] The Global Food Safety Initiative (GFSI) is a non-profit organization called the International Food Safety Initiative, which is an affiliate of The Consumer Goods Forum (TCGF), a global consumer goods distribution industry organization that aims to improve food safety and strengthen consumer confidence.

[64] "Changes in the Rice Industry in Thailand: Focusing on the Changes in the Makoto-san Environment in Central Thailand from the Perspective of Rice Processing Capital", Satoshi Sasaki, *Journal of Agricultural Issues*, edited by the Agricultural Issues Research Society, Vol. 53, No. 2 (Vol. 89).

Trade), DIP (Department of Intellectual Property), IFOAF (International Federation of Organic Agriculture Movements).

(4) Outbreak of COVID-19

The first case of COVID-19 was reported in Thailand on January 13, 2020. Due to the outbreak of the new coronavirus infection, a state of emergency order was issued on March 20, shutting down almost all commercial establishments and service industries and limiting shopping to essential food. Most foreigners were prohibited from entering the country, and cross-border travel was halted or postponed. As a result, the tourism, lodging, and airline industries suffered a major economic blow.

Thailand had accepted more than 4 million migrant workers, mainly from neighboring countries like Myanmar and Cambodia, but the lockdown caused migrant workers to return home, and their re-entry was stalled; the resulting shortage of workers delayed the planting season, resulting in a sharp decline in harvest volume. On the other hand, disruptions in the supply chain caused delays and backlogs in logistics. In addition, heightened awareness of food safety and preservation management temporarily boosted demand for processed foods (such as sausages) and canned products that could be preserved.[65]

On the other hand, there have been major changes in consumption styles, such as online consumption and nest-egg consumption. E-commerce and other electronic transaction markets have expanded, and there has been an increase in the use of small-lot transportation for the last mile, such as the growing use of motorcycle delivery services, which have expanded the use of food delivery services, especially in urban areas. In 2020, Siam Commercial Bank (SCB), a major bank in Thailand, launched Robinhood, a food delivery service with no initial cost and no service charge, and it is gaining popularity. The ready-to-eat (RTE) food market is also expanding as the food-delivery business expands.

Table 6.2.4 Major Food Delivery Services in Thailand

Service	Operating Company	Start of operation	Remarks
foodpanda	foodpanda Thailand	2012	German descent
Grab Food	Grab Thailand	February 2018	Singaporean descent
LINE MAN	LINE Thailand	May 2016	Japanese descent
GET FOOD	Gojek Thailand	February 2019	Indonesian descent
Robinhood	Siam Commercial Bank	October 2020	Thai capital

Source: "Thailand's Food Delivery Market with Banks Also Entering," August 16, 2020 <http://hilogu.com/thai-bank-fooddelivery/>
"Thailand's Robinhood delivery service takes 2021 Nikkei award," Nikkei Asia, January 5, 2022.

6.3 Comparative Analysis of Historical Evolution of FVC Strengthening

In Japan, research on the historical evolution of FVC strengthening was conducted mainly through a literature review, as well as by exchanging views with people with experience in public administration and academic experts. In Thailand, on the other hand, in addition to the literature-based research, information was obtained through interviews with government, university, and private-sector officials through field research. The information obtained from the interviews was checked for timelines and accuracy in the literature and on the internet on a case-by-case basis, but some of the issues, such as the growing awareness of food safety, had been nurtured over a long period of time, and there were many theories as to their origins, which were sometimes difficult to identify. The following section summarises the implications of the comparative analysis of the historical transition of FVC strengthening.

65 "With/Post COVID-19 Society Food Value Chain Development in Southeast Asia (Final Report)," JICA, April 1, 2022.

(1) Role of the Government in FVC Strengthening

In reviewing Japan's post-war period, it was possible to identify the events that affected FVC and the changes in FVC, including cases where the measures adopted to strengthen FVC increased producers' motivation, which in turn led to the revitalization of rural areas. Comparisons with Thailand also highlighted a number of common events that have had a significant influence on FVC, such as agrarian reform, the birth of cooperatives, the government development of production infrastructure, the modernization of distribution through central wholesale markets and supermarkets, and various laws to ensure food safety. Many of these were government-led and proceeded in a way that encouraged private-sector efforts. Even the private-sector-led supermarket revolution confirmed that, in Thailand, government-recommended certification systems such as GAP and GMP underpin the distribution system. These facts illustrate the importance of the government's role in strengthening FVCs and are instructive in promoting ASEAN's assistance to less developed countries.

It should be noted that while the government has been developing infrastructure to increase food production, the foundation for modernisation has been laid by the government-led land consolidation projects in both countries. The organisation and shaping of plots of farmland through the land consolidation has increased the efficiency and mechanisation of farming operations and opened the way to agricultural intensification. Among ASEAN Member States, the land consolidation projects are underway in Viet Nam and Myanmar, which are expected to follow Japan and Thailand. Other ASEAN Member States are likely to experience an ageing and shortage of farmers in the near future, and the policies and implementation procedures for promoting the land consolidation will serve as a model for the transition from labour-intensive to capital-intensive agriculture.

(2) Protection from International Markets and Export Orientation.

As exemplified by Thailand being the world's largest rice exporter (1980s–2012), however, agricultural development during the growth period was mainly export-oriented in Thailand, whereas Japanese agricultural development was promoted under protection from international markets. It was not until the 1990s that Japanese agriculture reached a turning point due to globalization, when the Plaza Accord of 1985 led to the appreciation of yen and the price gap between domestic and foreign rice widened, resulting in increased pressure for liberalization of agricultural imports. Thereafter, the liberalization of agricultural trade progressed, as seen in the elimination of import quotas for beef and oranges in 1991 and the GATT Uruguay Round agreement in 1993.

On the other hand, in Thailand, rice is one of major exports goods and international FVCs were already formed before the war. The post-war industrialisation process intensified investment in the rice industry, and efforts were made to strengthen its international competitiveness through the division of labour in the distribution sector, mechanisation of the processing process and the enlargement of rice mills. Nevertheless, it is also true that in Thailand, policies such as price support, collateral loan schemes and income guarantee policies have been implemented domestically to protect rice farmers. The establishment of the AEC has led to the elimination of intra-regional tariffs, but non-tariff barriers still remain.

It is difficult to say whether protection or liberalisation is better. While some theories suggest that high benefits can be enjoyed by specialising and concentrating on areas of advantage based on comparative advantage, it is also true that food security has been re-evaluated in recent years due to COVID-19. It is important for ASEAN Member States to continue to pursue multilateral food security in order to avoid the risks of FVC disruption and food price spikes that were heightened at the beginning of the COVID-19 epidemic.

(3) Role of Wholesale Markets in the Modernisation of the FVC

The role of wholesale markets in promoting the modernization of the FVC has been extremely significant.

The operation of wholesale markets in Japan has been undertaken since 1927. However, a major overhaul of the wholesale market system was undertaken in 1971, when the previous market functions far exceeded their capacity to handle the rapid increase in urban population in Tokyo and other cities during the growth period. In this review, the wholesale system, which is based on fair pricing, stable prices and quality, and good hygiene, was applied not only to central wholesale markets but also to local wholesale markets, and fresh produce, seafood and meat were able to transacted.

On the other hand, the first modern wholesale market in Thailand can be said to be Talaad Thai, which came into operation in 1997. The market has implemented a number of modern initiatives to meet the growing food demand of the capital city. Although there is no auction, transaction prices are published online on the same day and play a significant role in the formation of prices for FVC. Traceability and pesticide residue testing using QR codes are also being conducted, reflecting consumers' growing awareness of food safety. It is a pioneering initiative among AMSs and a model for FVC modernization in neighboring countries.

Where production and consumption areas are far apart, as in rural Southeast Asia, the role of middlemen is important to act as intermediaries between them. In addition, when producers are small and poorly capitalised, intermediaries are indispensable to link them to the market. In Japan, this role was played by wholesalers and intermediaries, who sometimes make large profits by selling sparingly or through speculation. In Thailand, on the other hand, the Overseas Chinese are responsible for the intermediary stage of rice distribution, and have gained significant influence through loans to farmers. Under these circumstances, the wholesale market has a significant impact on fair price formation and, together with fostering agricultural cooperatives and providing agricultural credit, plays an important role in the modernisation of FVCs, which can serve as a reference for later ASEAN member states.

(4) Role of Agricultural Cooperatives in the Modernisation of the FVC

With regard to the organisation of farmers, it is effective in improving the bargaining power of farmers in FVCs and ensuring that farmers located in the upstream of FVCs benefit from measures to strengthen FVCs. Private investment in food processing and distribution contributes to industrial upgrading, but it should be noted that the increase in added value is mainly in the industrial sector, which is located in the downstream of FVC. To this end, increasing the bargaining power of farmers through organising, establishing deals with modern retail chains such as supermarkets through sales contracts and other means, and improving market access may lead to higher farm incomes.

In a recent book, Keishiro ITAGAKI, Professor Emeritus of Tokyo University of Agriculture, discusses the implications of Japan's post-war agricultural policy experience for developing countries, focusing on 'development of agricultural production infrastructure', 'agricultural extension' and 'production area formation'. Of these, the formation of production areas was guided by farming estates, and the important roles played by agricultural cooperatives include the provision of information, farm financing, technical guidance, joint shipment to markets, use of shared facilities and lending of machinery, and the establishment of safety nets such as insurance and mutual aid. Such agricultural cooperatives have been nurtured in the climate of rural society in Japan and cannot be directly replicated in developing countries. However, as one possibility for farmers' organisations, they are suggestive in considering their role in agricultural and rural development in developing countries.

(5) Shift FVC from Producer-oriented to Consumer-oriented

In Japan, awareness of food safety increased during the 1990s and 2000s. Food poisoning caused by enterohemorrhagic *E. coli* O-157 in 1990 and 1996, the Yukijirushi mass food-poisoning incident in 2000, and the first discovery of BSE-infected cattle in Japan in 2001 increased consumer concern about food safety. Consumer concerns about food safety increased, and in 2003, the Food Safety Basic Law was enacted to strengthen hygiene and safety management in the public and private sectors.

On the other hand, Thailand's interest in food safety has increased since 2003, triggered by the outbreak of avian influenza, and importing countries have demanded that their exports, in particular, obtain GAP certification and ensure traceability. In addition, some poultry exporters have entered the meat-processing industry, and some have attempted to survive by vertically integrating their FVC operations.

Thus, measures to ensure food hygiene and safety have been taken in the Japanese and Thai experience, sometimes with great pain, such as food poisoning cases, the BSE problem and bird flu, sometimes at the cost of precious lives, to shift measures to strengthen FVC from a 'producer-oriented' to a 'consumer-oriented' approach and to develop laws and systems. For CLMVs, this has enabled them to benefit from latecomers by adopting the policy measures and systems thus created.

It should be noted, one of ASEAN's efforts to strengthen FVCs in the region is the harmonisation of national standards in each country with ASEAN standards. For example, most AMSs have taken time to first disseminate certification schemes such as GAP domestically, and harmonisation with ASEAN GAP is a subsequent issue. In the experience of Japan and Thailand, certification and dissemination has been facilitated based on the requirements of importing countries, supply of ingredients to international events, modern retail chains and food processing industries, and other domestic and international purchasers. This fact indicates that requests from the market (procurement) side are an important incentive for promoting harmonisation with ASEAN GAP, and suggests that market-side outreach is effective for behavior change.

(6) Outbreak of COVID-19

The outbreak of COVID-19 since 2020 has brought significant changes to FVCs in both Japan and Thailand. Short-term changes have included temporary stagnation of logistics and panic buying in FVCs, but the effect of the temporary shock on FVCs has now largely been eliminated, as the coronavirus regime is being established after several rounds of COVID-19 outbreaks.

On the other hand, now that the market has calmed down from the short-term shock, the shift to the DX (Digital Transformation) of FVC is accelerating rapidly, especially in the downstream of FVC. Major changes in consumption styles, such as online consumption and nest-egg consumption, have occurred, and new transaction formats, such as food-delivery services and e-commerce, have expanded, especially in urban areas. These changes are common to both Japan and Thailand, but seem to be more advanced in Thailand, where mobile-banking use is high and cashless transactions at convenience stores are common.[66]

[66] According to statistics from We are Social/Hootsuite, a social networking analysis, in 1999, Thailand ranked first globally in the use of banking applications for mobile payments (the percentage of Internet users who used their cell phones to access banking services) at 74%, while Japan was at 24%, about one-third of the Thai rate. ＜https://asiaclick.jp/2019/10/16/thaicashlessbankapp/>

Table 6.3.1 Comparison of Historical Evolution of FVC Strengthening in Japan and Thailand (1/2)

Japan			Thailand		
Classification	Event	Impact on FVC	Classification	Event	Impact on FVC
Reconstruction Period	Postwar food shortages and the promotion of policies to increase production (postwar–1950)	FVC under the food control system was in a state of collapse due to postwar turmoil and the emergence of black markets in cities. Agricultural land reform by GHQ led to an increase in small-scale and small-lot producers and the establishment of agricultural cooperatives for joint purchase and shipment. The government's policy of increasing food production led to a gradual increase in the volume of rice distribution, and rice VCs were restored to order and strengthened.	Expansion Period	Demands for increased food production due to population growth (postwar–1979)	To cope with the rice trade, which was expanding both in terms of area and volume, the distribution industry, including brokerage and rice milling, developed greatly. Rice distribution was monopolized by overseas Chinese merchants, who had overwhelming dominance in rice VC. In addition, the production and distribution of corn, tapioca, and sugarcane increased, and VC developed as an export product.
Growth Period	Period of rapid growth and a widening gap between urban and rural areas (since 1955)	The passage of the Basic Agricultural Law (1961), modernization of agriculture, "selective expansion" policy, and increase in national income led to food diversification (increased consumption of meat and vegetables) and the diversification of FVC. The diffusion of the "three sacred treasures" (especially refrigerators) extended the cold chain to every household, extending the freshness and quality retention period of foods and developing the refrigerated/frozen food market. Local specialty FVCs were developed, and distribution channels were differentiated, as represented by the Oita OVOP movement.	Intensification Period	Progress of industrialization and lack of farmers (1980–99)	Rice VC has grown globally, and active private investment has led to the division of labor in distribution, mechanization, and larger size, strengthening VC to support the rice export powerhouse. In addition, improvements in post-harvest processing technology enabled rice quality to be improved and rice to be stored for longer periods of time, adding value to the VC processing stage. On the other hand, with the development of the food processing industry, the value-added of agricultural products other than rice was also improved through processing, but the benefits were mainly enjoyed by the industrial sector.
	Emergence of supermarkets (accelerated after 1960) and modernization of wholesale markets	Modernization is promoted at each stage of FVC through advertising using the media (newspapers, TV ads, etc.), distribution rationalization through the introduction of ICT, standardization of agricultural products, and thorough management of production, distribution, etc., increasing supermarkets' influence at each stage of FVC. Competing specialty retailers declined, shuttered stores emerged, and FVCs were reorganized. The Wholesale Market Law (1971) was passed, and wholesaling was modernized (fair price formation, transaction transparency, price and quality stability, and sanitary inspection). A stable supply of vegetables was maintained through designation of production areas.		Supermarket revolution (1990–) and wholesale market modernization	Intense price competition among supermarkets was promoted thorough rationalization and cost reduction at the distribution stage, which led to direct contracts with producers, standardization of agricultural products, and management of production and processing processes through GAP and GMP. In addition, the convenience of being able to purchase foodstuffs and daily necessities at One Stop led to the decline of privately owned specialty retailers. In 1997, the Talaad Thai, Bangkok's first central wholesale market, was completed, and a modern wholesale market was developed and enhanced.

Table 6.3.1 Comparison of Historical Evolution of FVC Strengthening in Japan and Thailand (2/2)

Japan			Thailand		
Classification	Event	Impact on FVC	Classification	Event	Impact on FVC
Stable Growth Period	Globalization and trade friction (since 1985)	FVC (vegetables and fruits) was strengthened through competition with imported agricultural products, added value was increased, and brand strategy was imposed for domestic products. For rice, Staple Food Control Act was abolished and distribution liberalized; rice-price formation was led by the private sector. The high-end food-ingredients market and FVCs were birthed against the backdrop of the strong yen and the bubble economy after the Plaza Accord.	Labor-Saving Period	Entering an aging society	The stagnation of the agricultural sector and its fall from its position as the world's number-one rice exporter further encouraged the introduction of dryers in the post-harvest process, which led to the elimination of rice millers who could not cope.
	BSE outbreak and increased awareness of food safety (since 2001)	Consumer concerns about food safety increased through the discovery of enterohemorrhagic E. coli O-157 (1990, 1996), the Yukijirushi mass food poisoning incident (2000), and the discovery of BSE-infected cattle (2011), resulting in the strengthening of hygiene and safety management by the government (Food Safety Basic Law: 2003).		Avian influenza pandemic (since 2003)	With the increased interest in food safety, importing countries have increased their demands for GAP certification and traceability, especially for exported products. In addition, some poultry exporters entered the meat-processing industry and attempted to survive through the vertical integration of VCs.
	Increase in imported agricultural products	Sixth industrialization was supported through government and local government support, and regional FVC was reviewed through local production for local consumption.		Expansion of modern trade	As the middle class grew, branded rice (aromatic rice) was consumed domestically, packaging techniques were improved, and various certifications were acquired.
	New coronavirus epidemics (2020 and beyond)	The DX-ization of FVC has accelerated in downstream industries, and major changes in consumption styles, such as online consumption and nest-egg consumption, have occurred.		Epidemic of new coronavirus infection (2020 and beyond)	The DX-ization of FVC accelerated quickly, especially downstream. Major changes in consumption styles, such as online consumption and nest-egg consumption, have led to the expansion of new transaction formats, such as food-delivery services and e-commerce, especially in urban areas. This has also led to the expansion of the ready-to-eat food market.

CHAPTER 7. CONSIDERATIONS FOR THE PROJECT IMPLEMENTATION

ASEAN and Japan will celebrate 50 years of friendship and cooperation in 2023. This same milestone year, the ASEAN–JICA Food Value Chain Development Support Project is scheduled to be implemented. This survey was conducted as part of the preparatory phase of the technical cooperation project, with the aim of collecting and analyzing the information that is necessary and useful for the smooth implementation of the project. Below are some points implementing the project, based on the information collected through this survey.

7.1 Implementation Structure

7.1.1 Considerations for the Structure of the ASEAN Secretariat

The ASEAN Secretariat is not substantively involved in policy decisions; its main role is to carry out administrative procedures to ensure smooth decision-making and activities by ASEAN countries, such as managing official documents, acting as an administrative liaison, and organizing meetings. To organize the international meetings, which are said to be as many as 750 per year, each department is allocated a responsibility and provided with support and coordination for the management of the meetings, but it has been pointed out that the workload is too large for the current number of staff members.

The survey proceeded by requesting that a senior officer in charge of the Food, Agriculture and Forestry Division (FAFD) coordinate various aspects of the information-gathering. During the survey, it was confirmed that FAFD has eight staff members, each with their own areas of responsibility. The FAFD, as of August 2022, was found to have one section head (in charge of livestock production in addition to the section head duties) and three senior officers under the head, who are respectively in charge of 1) crops and SPS, 2) forestry and agricultural cooperatives, and 3) fisheries, halal, and genetically modified organisms (GMOs).

Given that the technical cooperation project covers four SWGs (Crops, Fisheries, SPS, and Agricultural Cooperatives), the above arrangement would require at least all (three) senior officers of the FAFD to be partners. In this case, the head of C/P in the future technical cooperation project should be the section head above the senior officers; this is essential for smooth implementation.

7.1.2 Considerations for Information Collection through the ASEAN Secretariat

In this survey, information was collected from the ASEAN Secretariat on 1) the organization and structure of ASEAN, 2) the collection of various documents related to policies and measures, 3) contact information for Member State Focal Points (FPs), and 4) the progress of the activities of the four SWGs. The premise is that, as Japan is not an ASEAN Member State, the ASEAN Secretariat cannot easily provide information other than what is disclosed on the ASEAN website, especially information related to ongoing discussions.

In this situation, the official letter from JICA and support from the JICA office were very effective in moving things forward. This was also true for information-gathering in the AMS, where Official Letters from ASEC and the JICA office served like a passport and were effective in carrying out the survey. Some AMSs requested an official letter to confirm the extent to which they would cooperate with a JICA survey team that is not an ASEAN member. Although time-consuming, it was a very effective way to ensure the smooth implementation of the survey.

FPs in each country are also busy with their own tasks. In the survey, a preliminary survey for online meetings was conducted using a questionnaire, and, based on the results, online meetings were organized between November and December. Only eight of 40 (4 SWGs x 10 AMSs) responses were received from the preliminary survey. In addition, the online meetings took place in five countries for ASWGC, four countries for ASWGFi, three countries for ASCP, and five countries for ASWGAC. This fact alone does not allow us to say whether survey questionnaires or online information-gathering is effective for AMS targets. The survey was conducted over a short period of time, which we believe contributed to the low response rate.

It is essential to consider that in some countries, providing information can be time-consuming, either because information is collected only after a request is received, or because it takes time for internal procedures to provide information to the outside party. If information is to be collected simultaneously from the AMS, it would be more efficient for ASEC first to issue a written request and then establish a system whereby FPs in each country can be approached directly.

7.1.3 Review for the Progress of the SWG's Activities

The survey attempted to obtain the monitoring reports of the Strategic Plan of Action (SPA) to grasp the progress of each SWG's activities. ASEC is responsible for monitoring the activities of each SWG and does so through the annual SWG meetings. Still, as Japan is not an ASEAN Member State and ASEC has no authority to disclose information to third parties, the monitoring reports could not be obtained.

An attempt was also made to visit the SWG chairpersons' countries to collect information regarding the activities of the SWG from them. The SWG chairmanship is rotated among the member states in alphabetical order. However, it was also observed that the chairpersons of SWGs are appointed at the director-general level in each country, and in some cases the position is an honorary position where the chairperson chairs at meetings, and the chairperson does not have an overall view of the activities.

As a result, nobody knew what the SWGs were doing in each country, and only the focal points in each country knew what they were doing in their own countries. There are three possible ways for the project to gain the overall picture of each SWG's activities: obtaining monitoring reports with the approval of a higher-level organization, such as SOM-AMAF, participating in the annual SWG meetings, or obtaining them individually from the focal point in each country. If it is possible to obtain the approval of a higher-level organization such as the SOM-AMAF in advance, the procedure is expected to be smoother and more effective for implementing the technical cooperation with ASEAN.

7.2 Considerations for the Project Activities

7.2.1 Requests from AMS for the Key Measures

In this survey, important measures (the activity level in the SPA) were selected for each of the four SWGs. The degree of application in the Member States, the positive and negative effects, and the causes of the difference were analyzed, and the Member States' requests for promoting the application were discussed. The following is a summary of each SWG's requests for ASEAN support, which were obtained through focus group discussions (FGDs) and other opportunities during this survey. It should be noted that these requests are expected to be implemented by ASEAN.

(1) ASWGC

The immediate direction of the ASWGC is the mutual recognition of the national certification of member countries through the framework of the Multilateral Agreement on Mutual Recognition and Assessment of Agricultural and Food Standards and Conformity Assessment (MAMRASCA). To achieve this, it was pointed out that it is essential to develop mutual understanding among Member States and awareness-raising within each country to ensure that all concerned parties understand GAP correctly.

In addition, to increase the effectiveness of the regional standards and specifications, it is crucial to ensure consistency with national laws, such as food-safety laws, as well as promotional and awareness-raising materials and guidelines. Many of the policy documents and guidelines prepared in ASEAN are in English, which is currently a high hurdle for those in charge in the field. To promote the use of teaching materials and guidelines, support activities by relevant ministries and donor agencies should include the preparation of manuals in local languages and the organization of dissemination seminars.

(2) ASWGFi

Issues and requirements to reach international standards included the harmonization of national standards and regulations with the international standards, the development of fisheries infrastructure, information-sharing with importing countries, the promotion of international cooperation, such as the promotion of mutual recognition agreements, human-resource development, and awareness-raising activities, and participation in international forums. On the other hand, to improve the level of SPS in less-developed countries, activities like building and improving the effectiveness of laws and regulations, developing fishery infrastructure, building relationships between the public and private sectors, and improving the level of expertise and technology in the private sector are necessary. For this reason, efforts by ASEAN need to consider appropriate support according to the current situation in each country, such as the establishment of national standards and regulations, the development of implementation systems, guidelines for fisheries infrastructure development, and implementation support including donor funding.

In the fisheries sector, it is possible to implement highly effective activities in collaboration with SEAFDEC. SEAFDEC operates in close collaboration with ASEAN and the fisheries administrations of each AMS. In some countries where some SEAFDEC departments are located, government officials also serve as SEAFDEC staff, so it is expected that activities will be carried out by personnel familiar with regional issues and have expertise and mobility. As each department specializes in a particular field of fisheries, it is possible to select a partner suited to the activities of the ASEAN-JICA project, thereby enabling the implementation of highly effective activities that meet the needs and current situation in each country.

(3) ASCP

The SPS area covers a wide range of agendas and activities—not only FVCs but also commerce and industry—and there are many stakeholders in ASEAN Member States. As a result, the status of initiatives, future challenges, and demands are diverse. Still, all relevant organizations cite the importance of information-sharing and human resources to the development of good practices in other countries, and there are also many requests for assistance from ASEAN and donor agencies against the backdrop of budget shortfalls in the SPS sector in each country.

In addition, ASEAN comprises countries with different languages, and language issues present an obstacle to accessing country-specific legal standards and information related to animal and plant quarantine online. Therefore, there is a need to establish a platform for sharing legal standards and requirements for the import and export of agricultural and fisheries products, including SPS, in English. The ASEAN Trade Repository, an ASEAN webpage, has a similar function, but there are areas needing improvement where information is missing, does not function properly, or is inaccessible in English.

ASEAN can therefore consider building a platform in English and other common languages so that AMSs can easily refer to the legal standards and information on animal and plant quarantine in their respective countries, and support the sharing and accumulation of knowledge by providing opportunities for regular information exchange among the relevant parties in each country. This activity aligns with the SPA, as it is specified in Activity 1.1 of the ASCP SPA as "Promote information sharing through the existing ASEAN platform". As the EU supports the ASEAN Trade Repository through the ARISE Plus Programme (ASEAN Regional Integration Support by the EU), it would be practical and effective to cooperate with this programme.

(4) ASWGAC

With regard to PPP promotion, it is not necessarily based on agricultural cooperatives. However, if farmers are not organized, they are unlikely to receive government support and private investment. In addition, farmers' organizations such as agricultural cooperatives are vital to ensure that farmers, who are located upstream of FVCs, benefit from them. In the discussion on the historical evolution of FVC strengthening in Chapter 6, the significant role played by agricultural cooperatives in increasing the bargaining power of farmers was also observed. The maturity of the agricultural cooperatives varies from AMS to AMS, which has not yet reached a common level of activity as ASEAN. In the CLMV countries in particular, challenges include improving productivity and quality of agricultural products by strengthening the functions and capacities of farmers' organisations, promoting contract farming, improving access to markets and finance, matching them with private companies, and supporting DX of distribution and marketing.

ASEAN is expected to provide opportunities for networking with the private sector, such as the ASEAN Community Business Forum (ACBF), and to share good practices, such as national policies, legal system, and success stories about strengthening FVC, and ASEAN-wide efforts are needed to apply them to each country. In the CLMV countries in particular, there was concern about weak legislation and government support structures in strengthening FVC through agricultural cooperatives, and a willingness to learn from the experience of other AMSs was raised. In addition, common challenges for member countries include addressing climate change and handling agricultural residues and losses, and good practices in these areas are also suggested to be shared in terms of both policies and activities.

In Thailand, bilateral cooperation is being implemented with Laos, Myanmar and Cambodia, where activities include dispatching experts, providing opportunities for mutual learning and cooperation, and establishing sister agricultural cooperatives. Cases of agricultural cooperatives entering the agribusiness sector through agro-processing and other activities to increase farmers' income have been observed in the Philippines, Viet Nam, Thailand and other countries. ASEAN's role is also to identify model cases for neighboring countries, exchange information and promote cooperation between AMSs, which should also be supported by the

Project. In applying the experience of other AMSs, it is advisable to assist them in applying similar experiences appropriate to the country context.

7.2.2 Consideration for Reducing Disparities between AMSs

ASEAN aims to promote intra-regional trade; part of this involves the promotion of harmonization of regional standards: for example, GAP and organic farming. There are, however, many gaps among AMSs, and these gaps are a constraint on the promotion of intra-regional trade in terms of harmonization of regional standards. With regard to pesticide residue testing, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam have ISO 17025-accredited laboratories in their respective countries and have established systems for conducting appropriate pesticide residue testing. In addition, they have an apprenticeship system for auditors, a training system for instructors, a qualification system for auditors and instructors, and a third-party certification system, so domestic GAP regulations are at a level that can promote GAP certification systems.

On the other hand, Myanmar, Lao PDR, and Cambodia have immature systems and infrastructures for implementing GAP. They lack an analysis institute capable of conducting ISO-compliant inspections in the country. In addition, their regulatory systems are underdeveloped, and their number of instructors is also insufficient. It is significant to support the implementation of projects related to the development of inspection institutions and related systems, and the training of instructors, to bridge the gap between developed and less developed countries in ASEAN. Bridging the gap between AMSs is an important role for ASEAN, and the ASEAN-JICA Food Value Chain Development Support Project could focus on bridging this gap. In this case, project activities could be coordinated with the ASEAN Integration Initiative (IAI) - Development Gap Reduction Section, which has been working on reducing gaps between the CLMV and other ASEAN countries.

7.2.3 ASEAN's Operating Budget

The costs of the projects implemented by ASEAN are covered by financial assistance from donor countries and international organizations, such as the government of Japan. Therefore, personnel and activity costs in projects must be secured by the project. The SPAs formulated and activities carried out in each SWG are also not budgeted for by the ASEAN Secretariat, and the costs essentially need to be borne by the donor or each country.

For example, the project of the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) was designed to support the procurement of agricultural products by Japanese food-related companies in ASEAN, once the project budget is transferred to ASEC, which then uses the funds to implement the project. This may contribute to improving ASEC's fund-management capacity, but the approval process for the activity is lengthy. Specifically, it took six months for the project to obtain the approval of the ASEC Resident Representative Committee (ASEC-CPR) when it signed a contract with a consultant. It should be noted that Japan contributes the project budget once the project is at ASEC, while China, Korea, and EU countries implement the project without handing over funds to the ASEAN Secretariat. Both would have advantages, but the latter is considered to ensure rapid implementation of project activities.

7.3 On the 50th Anniversary of ASEAN–Japan Friendship and Cooperation

On May 25, 2022, the year before the 50th anniversary of ASEAN–Japan Friendship and Cooperation, the Ministry of Foreign Affairs (MOFA) of Japan issued a report. In the 2021 Public Opinion Survey on Japan, in which ASEAN countries were asked about countries and institutions that would be essential partners in the future, Japan's first-place spot was overtaken by China for the first time since 2015.[66] This indicates that China's influence and presence in ASEAN countries has grown recently.

ASEAN has also grown economically in recent years, and its presence and influence is growing as well: if GDP were calculated for ASEAN as a single country, the overall nominal GDP of the AMS as a whole would rank fifth in 2020, after the US, China, Japan, and Germany.[67] However, the reality is that there is a disparity, known as the 'North-South problem of ASEAN', and the economic voice varies from country to country. It would be highly meaningful for the technical cooperation project to contribute to reducing disparities so that ASEAN's position in the world economy is commensurate with the size of its economies in the near future.

Policy-making regarding building a food system based on sustainable agriculture is currently a major theme in the ASEAN agriculture sector, in light of the intensification of climate change and the increasing difficulty in procuring agriculture-related resources due to heightened geopolitical risks. Against this backdrop, with the progress of the AEC, strengthening FVCs is also undoubtedly an essential theme in each country today. It is hoped that implementing the ASEAN–JICA Food Value Chain Development Support Project will be an opportunity for Japan to help ASEAN countries build a foundation for the development of FVCs and eventually strengthen relations as an equal partner in the Indo-Pacific region.

[66] MOFA HP ＜https://www.mofa.go.jp/mofaj/press/release/press6_001135.html＞

[67] "Message from President Hirabayashi, on the occasion of the 50th anniversary of ASEAN-Japan friendship and cooperation," ASEAN-Japan Centre, International Development Journal, No 793, Jan 2023.

Appendix

Table of Contents

CH6. Transition of FVC Strengthening in Japan

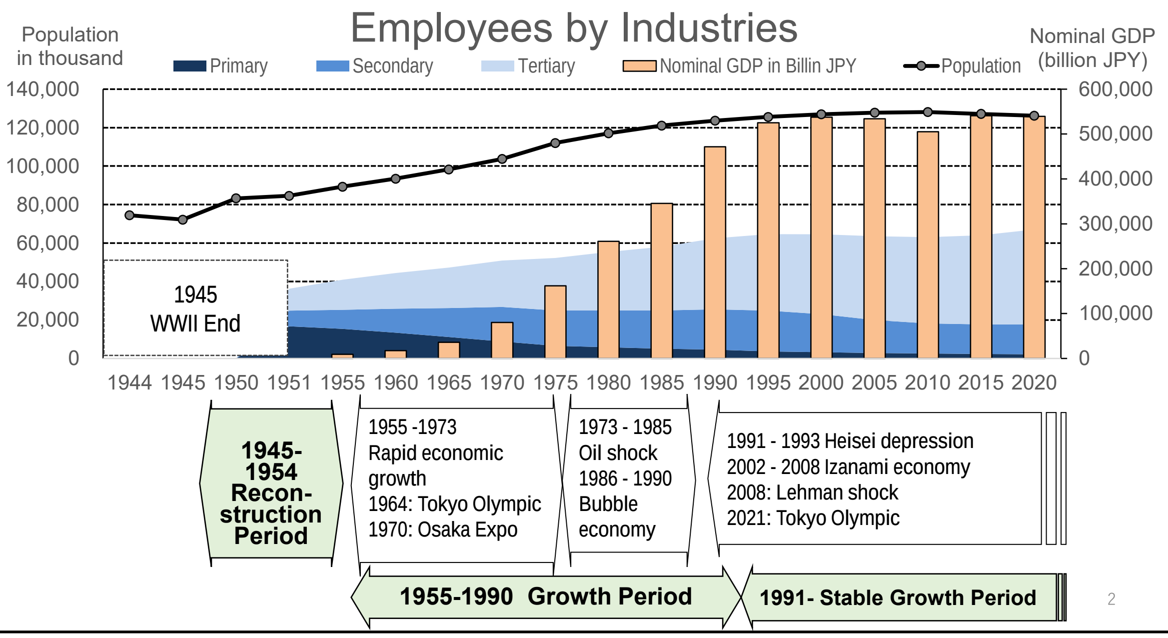
6.1.1 Historical Classification in Japan's FVC

Class	Period	Description
(1) Recons-truction	1945-1954	Facing postwar turmoil and famine, agricultural production capacity, including land reform measures were undertaken to address rural poverty and democratization.
(2) Growth	1955-1990	New wholesale market system applied and developed throughout Japan to meet (i) expansion of demand for fruits and vegetables, marine products, meat; (ii) increase high-end and diversified products; (iii) increase of production areas; (iv) standardization of products and packaging; and (v) changes in retail trade.
(3) Stable Growth	1991-2022	Japan's agricultural market opened for free trade. Japan embarked on an economical, precision farming approach to food safety and environmental stewardship.

1

1

Historical Classification in Japan's FVC

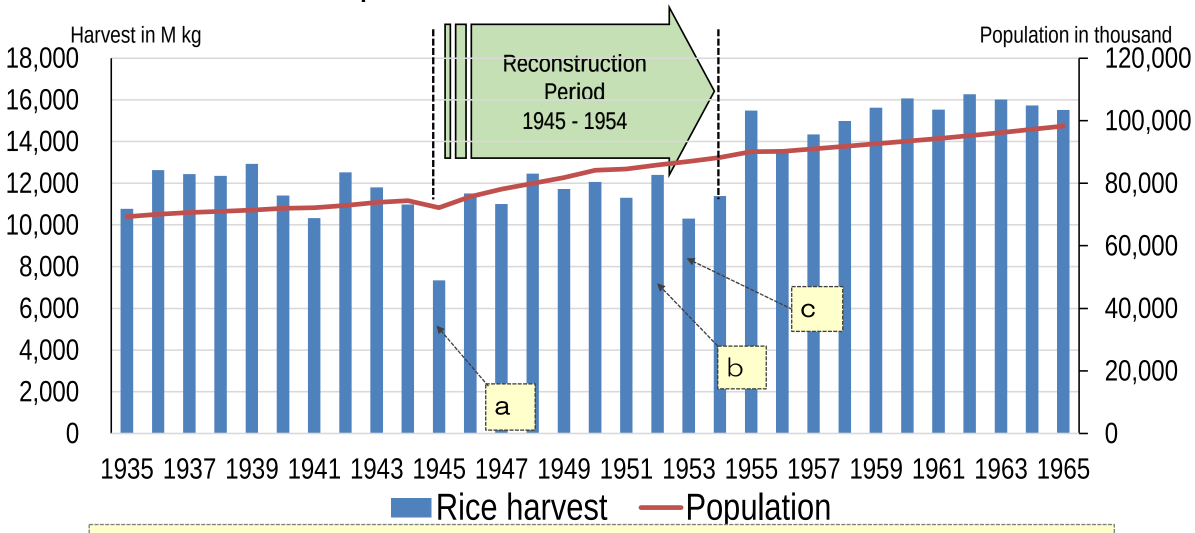


2

2

6.1.2 Reconstruction Period (1945-1954)

Rice Harvest and Population Growth around Reconstruction Period



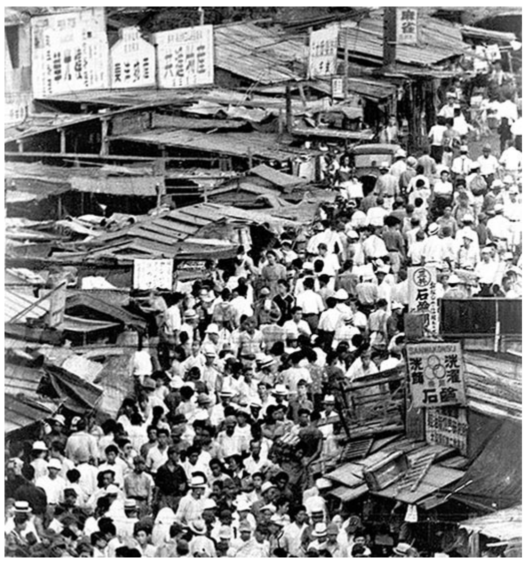
Disasters after WWII a: 1945 Cold weather, b: 1953 Cold weather and flooding, c: 1954 Cold weather

3

3

(1) Land Reform and Emergence of Independent Farmers

- During post WWII, there was disorder due to shortage of rice supply, indefinable distribution of infrastructure, influx of returning soldiers, and emergence of black markets.
- Agricultural land reform, agricultural cooperatives, and agricultural improvement and livelihood opportunities were implemented to reconstruct the FVC under the Food Control Law.
- Emergence of Owner-cultivators through Land reform became the basis for the development of the FVC, as farmers started to engaged freely in management of own farm.



Source: 70 years after WWII, The Asahi Shimbun
http://www.asahi.com/special/sengo/visual/page7.html

4

4

(2) Agricultural Cooperatives for Strengthening Farmers (1946-)

- While the population concentrated in cities, many small-scale, self-farming farmers emerged in rural areas;
- Wholesalers and middlemen purchased products in the production areas at low prices and sold them at high prices in the cities;
- Under this situation, farmers were forced to pay higher prices when purchasing agricultural inputs and machinery.
- Establishment agricultural cooperatives was promoted to organize farmers to take advantage of the agricultural modernization policies.
- Through cooperatives, joint purchase of farming inputs and machinery, and joint shipment of produce were promoted, strengthening the bargaining power of farmers in the FVC.

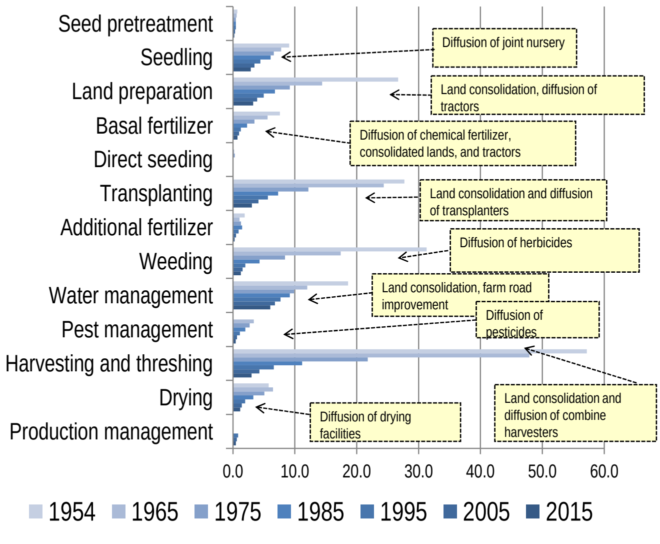
Agricultural cooperatives became the main beneficiaries of modern agricultural policies
(Photo are from Training in the "Market-Oriented Agricultural Improvement Project for Small Farmers in Egypt").

5

5

(3) Saving of Labor Input in Rice Farming by Land Improvement Act and Mechanization (1949-)

- The order of water use in paddy rice production is related with the history of rural villages in Japan;
- To maintain and strengthen this order, Land Improvement Act and maintenance of facilitie were carried out by the land improvement district, an organization of beneficiary farmers;
- Cooperative Agricultural Extension Services was introduced under the guidance of GHQ, where specialized extension officers assists directly farmers on crop cultivation and business management techniques; Until then, tenant farmers had been living off the remainder of the farm rent paid to the landowner, and had been instructed by the landowner to do the farm work.

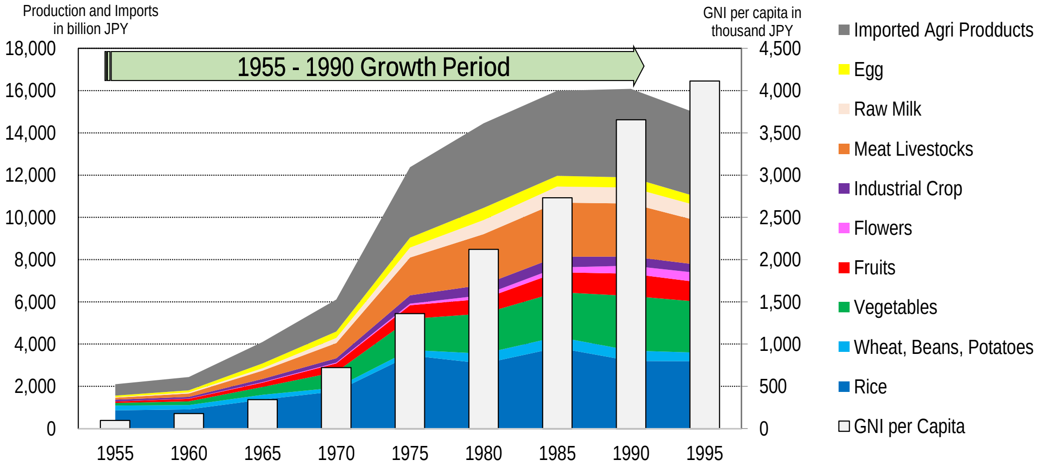


Source: "National Cumulative Statistics of Rice Production Costs," Ministry of Agriculture, Forestry and Fisheries

6

6.1.3 Growth period (1955-1990)

GNI per capita (nominal), Domestic agricultural production, and Imported agricultural products



Basic data compiled from Cumulative Statistics from the Ministry of Agriculture, Forestry and Fisheries.
Note: Imported agricultural products exclude forest products and marine products.

7

7

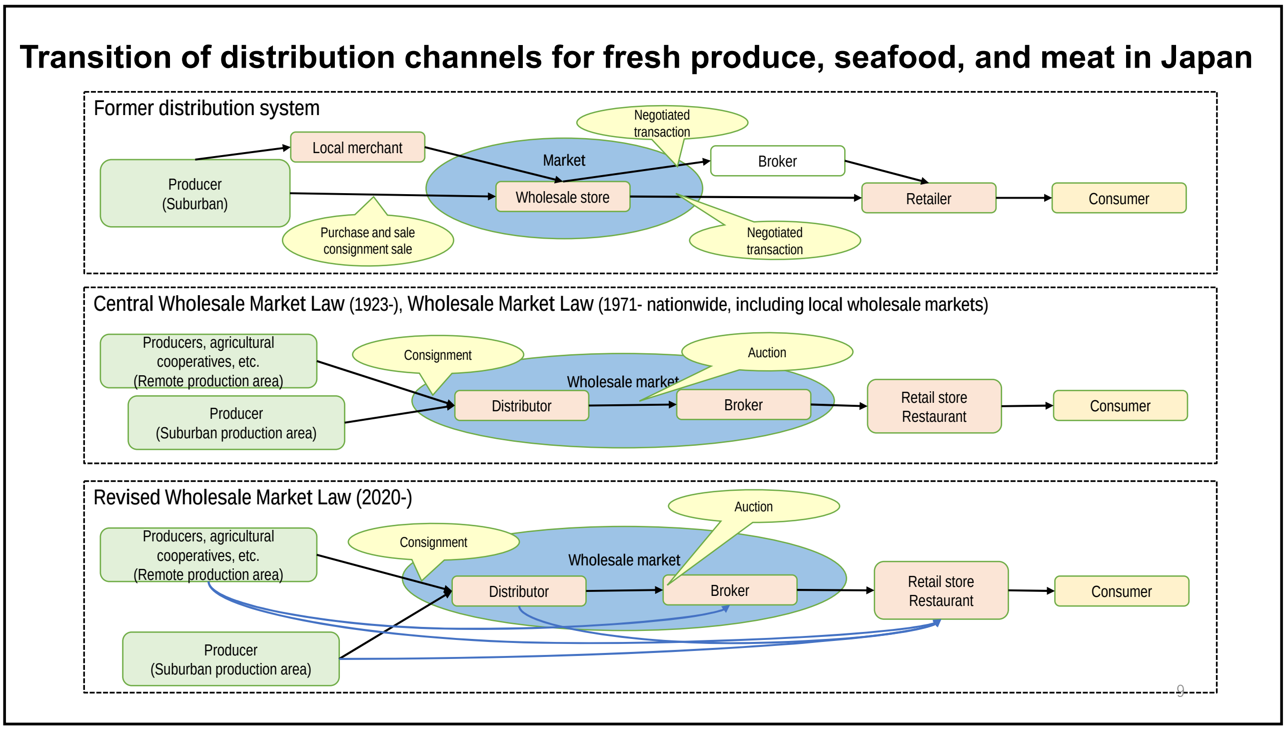
(1) Wholesale Market System Applied to Local Markets (1971)

- The period of economic growth brought about increase in the demand for fruits and vegetables, marine products, meat, and other products, as well as rise in luxury and diversification, larger production areas, standardization of product standards and packaging, and changes in the retail trade
- The adaptation of the new wholesale market system to the central wholesale markets (67 markets in 40 cities) and local wholesale markets (1105 markets) in major cities in response to these changes created a major impact on the modernization of the FVCs
- The diversification of food demand, increase in use of refrigerators among households, emergence of supermarkets and their influence in distribution, development of local specialty products through the OVOP movement, and competition with imported agricultural products impacted the growth and improvement of FVCs.

Auction at Tsukiji Market
Source: The Asahi Shimbun "Tsukiji Market Fruits and Vegetables Department"
https://www.asahi.com/special/tsukiji/seika-profile/

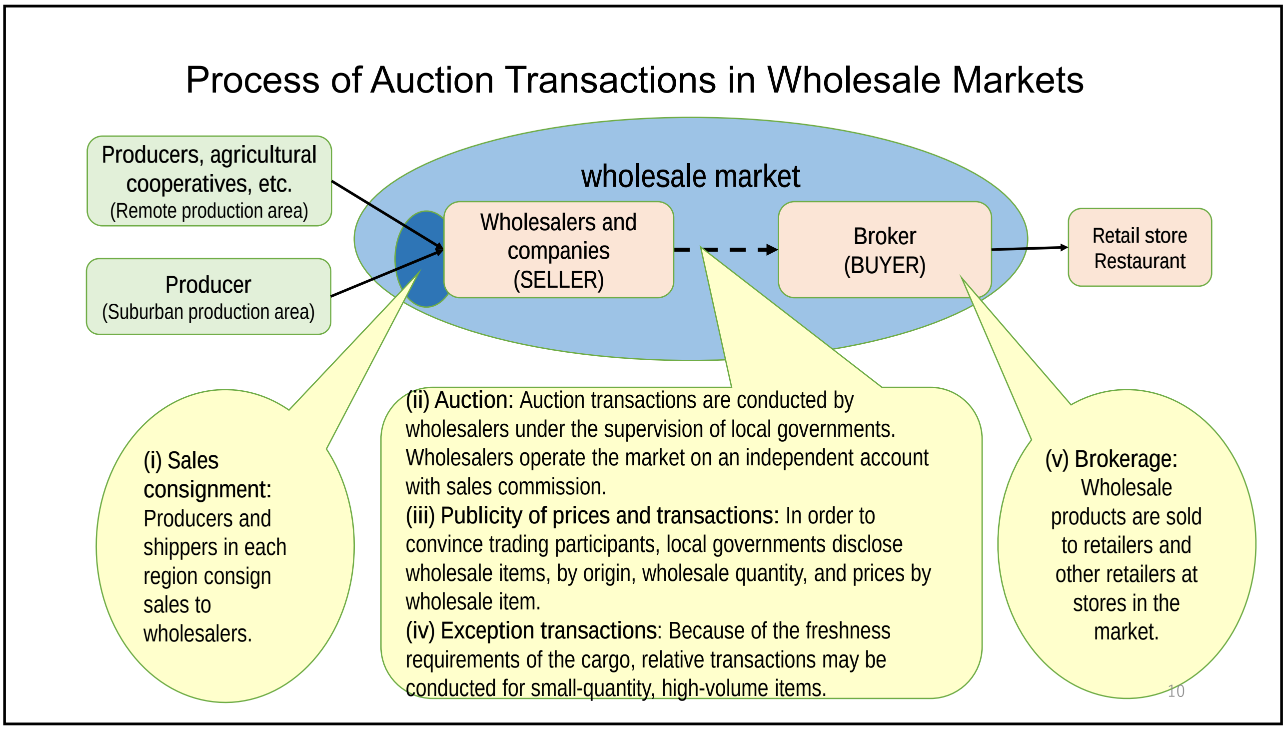
8

8



Transition of distribution channels for fresh produce, seafood, and meat in Japan
Former distribution system
Negotiated transaction
Local merchant
Market
Broker
Producer (Suburban)
Wholesale store
Retailer
Consumer
Purchase and sale consignment sale
Negotiated transaction
Central Wholesale Market Law (1923-), Wholesale Market Law (1971- nationwide, including local wholesale markets)
Producers, agricultural cooperatives, etc. (Remote production area)
Consignment
Auction
Wholesale market
Distributor
Broker
Retail store Restaurant
Consumer
Producer (Suburban production area)
Revised Wholesale Market Law (2020-)
Auction
Producers, agricultural cooperatives, etc. (Remote production area)
Consignment
Wholesale market
Distributor
Broker
Retail store Restaurant
Consumer
Producer (Suburban production area)
9

9



Process of Auction Transactions in Wholesale Markets
Producers, agricultural cooperatives, etc. (Remote production area)
Producer (Suburban production area)
wholesale market
Wholesalers and companies (SELLER)
Broker (BUYER)
Retail store Restaurant
(i) Sales consignment: Producers and shippers in each region consign sales to wholesalers.
(ii) Auction: Auction transactions are conducted by wholesalers under the supervision of local governments. Wholesalers operate the market on an independent account with sales commission.
(iii) Publicity of prices and transactions: In order to convince trading participants, local governments disclose wholesale items, by origin, wholesale quantity, and prices by wholesale item.
(iv) Exception transactions: Because of the freshness requirements of the cargo, relative transactions may be conducted for small-quantity, high-volume items.
(v) Brokerage: Wholesale products are sold to retailers and other retailers at stores in the market.
10

10

(2) Revitalizing the region through the OVOP Movement (1961)

- At a time when the big cities were booming, the mayor of Oyama Village in Oita Prefecture, under the call of "Let's plant plums and chestnuts and go to Hawaii," pioneered a new innovation, revitalizing the poorest village in the country by completely switching from rice farming to fruit farming and differentiating FVCs through the development and branding of specialty products.

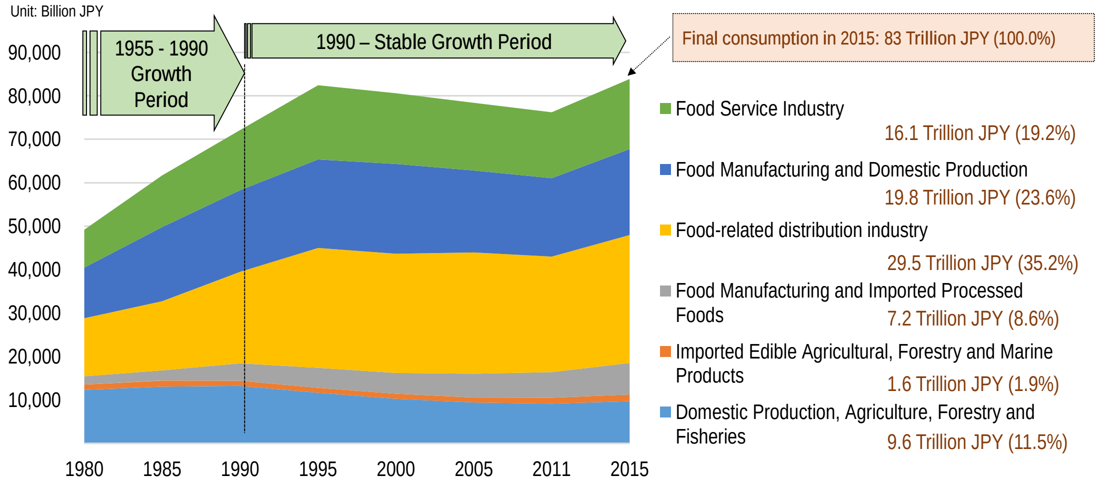
(3) Supermarkets and the modernization of the retail industry (1973)

- Supermarkets have greatly improved consumer convenience, allowing people to drive in and buy all their groceries in one place. On the other hand, traditional and specialized retailers in small and medium-sized cities experienced sluggish sales growth and some retailers were forced to close.
- In addition, the modernization of FVCs led by retailers has progressed through advertising strategies using the media (newspaper ads, TV, etc.), rationalization of distribution through the introduction of ICT, and thorough management of production and distribution through standardization of agricultural products, hence supermarkets' influence in FVCs has increased.

11

6.1.4 Stable Growth Period (1991-present)

Composition of Food and Beverage Expenditures by Industry



Source: "Table 4 Trends in Food and Beverage Expenditure Flows" in "2015 Input-Output Tables Focusing on Agriculture, Forestry, Fisheries, and Related Industries" (Statistics Department, Minister's Secretariat, February 2021, Ministry of Agriculture, Forestry and Fisheries).

12

12

(1) GATT Agricultural Agreement Opened Markets for Agricultural Products (1993-)

- The GATT Uruguay Round agreement opened up domestic agricultural markets to the global free trade market. In 1995, the Food Control Law was abolished and the liberalization of rice distribution started.
- When exporting, it became essential to guarantee the safety of agricultural products from the standpoint of consumers not only in Japan but also in exporting countries.
- As a result, policies and systems for food safety, traceability, food labeling, food loss, organic farming, recycling, etc. were systematically put in place, which significantly improved the perspective of FVC's internationalization.

13

13

(2) Concerns About Food Safety

- A series of incidents threatening food safety occurred in the 1990s and 2000s.
- As a result, the Food Safety Basic Law was enacted in 2003. This led to the strengthening of food hygiene and safety management by the public and private sectors, and the strengthening of FVCs to protect consumers.

Year	Incident	Description
1996	Food poisoning by harmful microorganisms such as O-157	Pathogenic E. coli O157 food poisoning cases occur at elementary schools and other locations, resulting in deaths.
2001	BSE (Bovine Spongiform Encephalopathy) Countermeasures	36 infected cattle found between 2001-2009; no BSE confirmed since 2003
2007	Food fraud cases	Many cases of accidental rice resale, etc., were caused by the company's chain of command, etc.

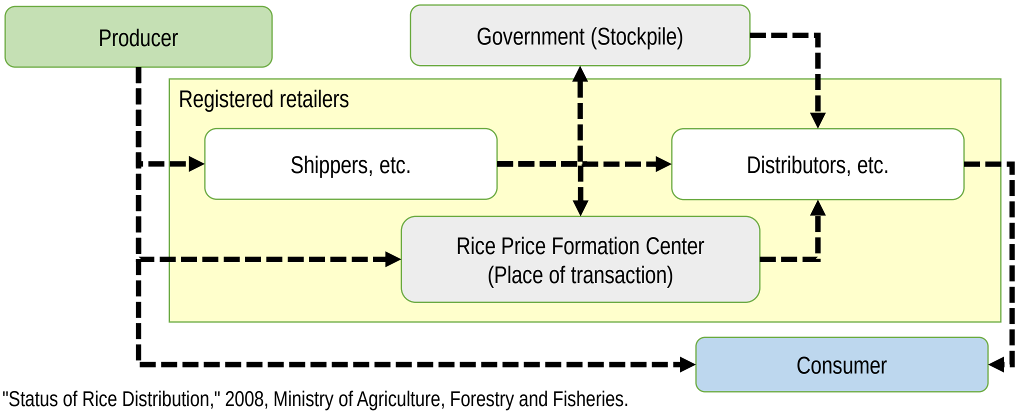
14

14

(3) Liberalized Rice Distribution under the Revised Food Law

➢Under the Food Control Law (1942-1995), the entire volume of rice, except for the producer's own consumption and seed rice, were subjected to government purchase and control.

➢After the Food Law (1995 - 2004), the revised Food Law (April 2004~), distribution of rice was basically liberalized.



Source: "Status of Rice Distribution," 2008, Ministry of Agriculture, Forestry and Fisheries.

(4) Direct Sales and Value-adding Revitalize Rural Regions

- ➢ To strengthen FVCs, vertical integration of the value chain from the primary to tertiary sector of the industry within the region has been promoted by the National and local governments. That idea is called “sixth industrialization”.
- ➢ Review of regional FVCs based on local production for local consumption has been in progress for “locally grown and locally consumed.”
- ➢ As a result, direct sales of agricultural products, agro-processing, and promotion of tourist farms, farmer restaurants, and farmer's inns started throughout the country, increasing total sales to approximately 2 trillion yen in 2017.

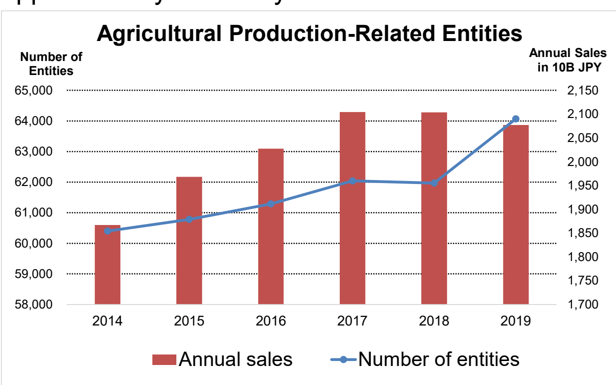
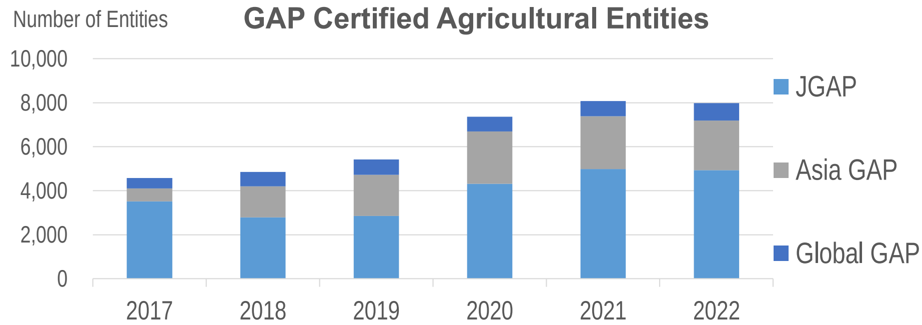


Photo: Large-scale direct sales store, Genki no Sato, Obu City, Aichi Prefecture

(5) GAP Certifications for Tokyo Olympic (2016 -)

- For the Olympics, the GAP-certified Food Sourcing Code was a prerequisite. By adopting food procurement standards, recognition of GAP was supported and promoted;
- In the Tokyo Olympic 2020, main dining room of the athletes' village, 100% of vegetables and 82% of rice met the procurement standards.



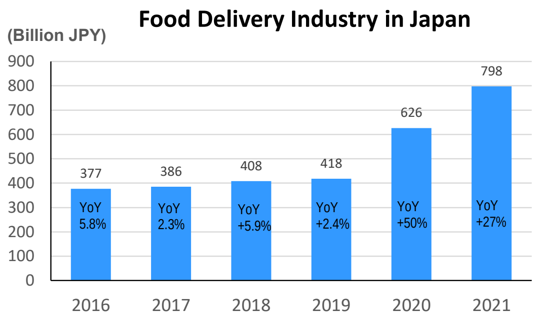
Source: Ministry of Agriculture, Forestry and Fisheries

17

17

(6) COVID-19, Agriculture, and Food Consumption (2020-)

- Major changes in consumption styles, such as online consumption and stay-at-home consumption, occurred, and new transaction forms such as food delivery services and e-commerce expanded, especially in urban areas. As a result, **DX of FXC** has accelerated at once, especially in downstream industries.
- To avoid diversifying food risks, measures such as increasing and stabilizing domestic agricultural production, improvement on food self-sufficiency rate, and strengthening food security were considered and planned.



Source: JICA Survey Team compiled data from NPD

18

18

Summary

- From the postwar period to the present, there were various events that affected Japan's FVC. It is recognized that with appropriate land use, cultivated products can be safely and appropriately delivered to consumers. The importance of thoroughly reducing agricultural production costs and providing good products in the world's free trade is an important concern.
- Looking at the history of Japan's FVC, the most significant measures and actions undertaken were : (**i) agrarian reform and creation of owner-farmer during the reconstruction period; (ii) fair pricing of agricultural products and clarification of transactions through wholesale market reform during the growth period; and (iii) opening of the agricultural product market through the GATT Uruguay Round agricultural agreement. (These are considered as the three major events of the Japan's FVC).**

19

19

Three Major Events Influenced Japan's FVC

- The three major events of the FVC in Japan can be considered as the step-by-step liberalization of the agriculture, forestry and fisheries industries toward a free trade system, following the national system of Japan that lifted its national isolation in the Meiji period.
- Among the various events related to FVC from the postwar period to the present, events that occurred other than the three major events can be considered as supplementary or secondary measures to these events. In the future, it is worthy of reference for the strengthening FVC in developing countries including ASEAN countries.

20

20

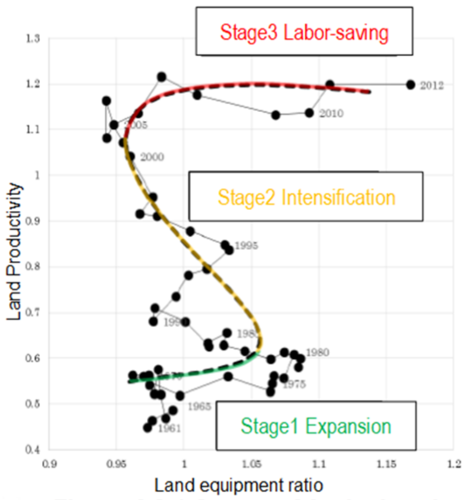
6.2 Analysis of Historical Transition in Thailand

6.2.1 Historical Stages of FVC Strengthening in Thailand

Stage	Year	Outline
1.Expansion Stage	1960～1979	During the period, agriculture development focused on farmland expansion to increase rice production due to rapidly growing population and to obtain foreign currency.
2. Intensification Stage	1980～1999	Harvested area began to decline in the late 1980s due to industrialization, however, rural population continued to increase. As a result, agricultural intensification progressed, while land productivity increased.
3. Labor-Saving Stage	From 2000 onwards	While industrialization continued to progress, the country's population of older population had increased in 2005. With the migration of labor from rural areas and the aging of farmers, land productivity growth slowed down and entered a period of stagnation.

1

1



Source: "Trends and Political Impact of Agricultural Policies in Thailand," Sotaro Inoue, PRIMAFF, May 29, 2018

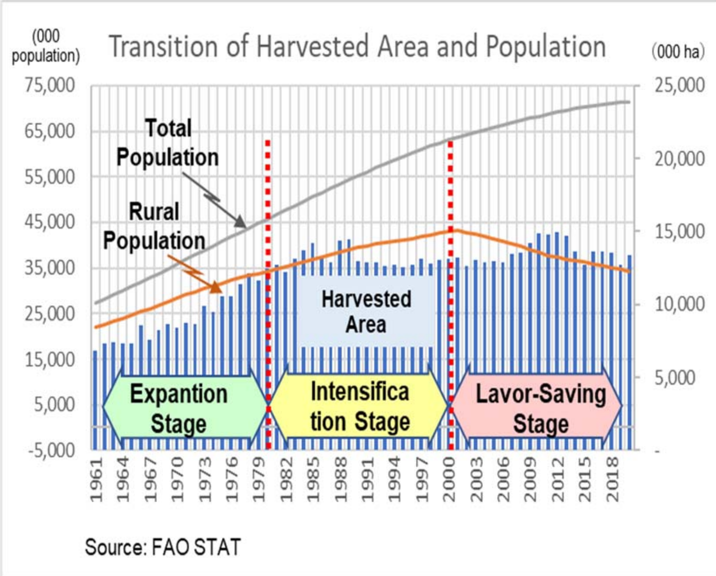
Note. *Land (capital) equipment ratio = agricultural land/labor (higher is more capital-intensive, lower is more labor-intensive)
**Land Productivity = Agricultural Production / Agricultural Land

The Stages of Agriculture Development in Thailand

- As shown in the relationship between land (capital) equipment ratio (farmland/labor) on the horizontal axis and land productivity (productivity/farmland) on the vertical axis, Thai agriculture's historical trend shows an S-shaped development pattern.
- The first stage was from 1960 to around 1979 when the land equipment rate increased as the area of farmland expanded.
- The second stage was from 1980 to 1999 when industrialization resulted to a decline in the land equipment rate though land productivity increased.
- The third phase is after 2000, when the land equipment rate increased again, as the number of farmers decreased, but land productivity stagnated.

2

2



- The Figure shows changes in the land equipment ratio regarding harvested area and rural population (L/RP: land / rural population).
- During the expansion stage, both harvested area and rural population increased. The harvested area increment exceeded rural population growth (L/RP increased).
- During the intensification stage, the rural population continued to increase while harvested area showed a decreasing trend (L/RP decreased).
- In the labor-saving stage, the rural population decreased (L/RP increased) while harvested area increased until around 2012 and decreased thereafter.

6.2.1 Expansion Phase (the Postwar period of WWII until 1979)

(i) Requirement for Food Production Increase due to Growing Population

- While Thailand's food production declined due to World War II, the need to increase rice production increased, both to feed the rapidly growing population and as a means to obtaining foreign currency. Under these circumstances, the "Green Revolution" began in Thailand in the 1950s.

(ii) Creation of Land-Own Farmers through Agricultural Land Reform (1975-)

- In 1975, the Agricultural Land Reform Act was enacted, and the Agricultural Land Reform Office (ALRO) was established as the body to promote the reform.
- ALRO promoted support to small farmers to establish their businesses by allocating farmland to landless farmers, improving primary living conditions and providing loans for farm management and development of irrigation facilities (reservoirs).

Ownership of land became a hope for farmers benefited for agriculture land reform (Source: JICA's Project for Revitalization of the Deteriorated Environment)

(iii) Increase of Agricultural Cooperatives

- In 1916, agricultural cooperatives were established by the government's leadership to alleviate the debt problems of Thai farmers. The number of cooperatives grew rapidly from around 1940 until the 1960s as a recipient of government support.

(iv) Support from Agriculture Finance

- In 1947, the Bank for Cooperative (the predecessor of the current BAAC) was established to provide financial services to the agriculture sector and rural communities.

(v) The Consequences on FVC in the expansion period

- To cope with rice trade, which was expanding in area and volume, **the distribution industry developed significantly**, including agriculture related businesses and rice milling. During this period, rice distribution was dominated by overseas Chinese merchants.
- In addition, corn, tapioca, and sugarcane production and distribution increased, and **VCs for agricultural export products developed**.

BAAC has contributed greatly to the development of agriculture in Thailand, including support for agricultural cooperatives.

5

6.2.2 Intensification Phase （1980-1999）

(i) Industrialization and shortage of agricultural labor (1980's-)

- Under the export-oriented industrialization policy, food industry, including agro-processing, has grown rapidly from the 1980s. But as industrialization progressed, there was severe shortage of agricultural labor, hence, the need for mechanization increased.
- Rice VC has grown globally, while active private investment has led to the division of labor, mechanization, and scaled-up distribution to **strengthen the VC to support the massive growth of rice exporting countries.** Also, improvements in post-harvest processing technology improved rice quality allowing long-term preservation, thus adding value to processing stage of VC.
- Meanwhile with the development of the food processing industry, the value of agricultural products other than rice also increased through processing. However, it was still the industrial sector that benefitted more from this development.

Established in 1988, Siam Makro PCL. manufactures and sells its own brand of processed food, "aro".

6

6

(ii) Supermarket Revolution（1990’s）

- The modern retail chains emerged during the 1970s and 1980s, with the number of supermarket outlets increasing since the 1990s. This led to the diversification of distribution channels, standardization of agricultural products, and contract farming.
- Intense price competition among supermarkets promoted rationalization and cost reduction at the distribution stage. As a result, the modernization of FVC led by retailers improved with the introduction of barcode-based product management, ICT in warehouse management, and GAP and GMP in production and processing processes.
- On the other hand, the convenience of purchasing food and daily necessities at “One-Stop” has driven the urban middle class away from traditional markets.

The government-led GAP and GMP supported the FVC established by the modern retailers.

7

Major Supermarket in Thailand

Supermarket	Year Established	Contents
Foodland	1972	Operated by Foodland Supermarket Co. Targeted foreigners and middle- to high-income earners with 22 stores set up and operational 24 hours.
Villa Market	1973	Operated by Villa Market JP Co., with 34 stores, 27 of which are located in the Bangkok metropolitan area and targeted foreigners and Thai middle- to upper-income earners.
Gourmet Market	1981	Targeted foreign and Thai middle- to upper-income earners. 17 stores in Thailand.
Max Value	1984	Operated by AEON (Thailand) Co. Fresh foods are managed under specific standards to maintain quality and freshness.
Fuji Super	1985	Operated by UFM Fuji Super Co. Targeted Japanese residents and middle- to high-income earners. The market offered many Japanese foods.
Makro	1988	Membership wholesale supermarket operated by Siam Makro PCL., under the CP Group, providing products to retailers, restaurants, and caterers.
Big C Supercenter	1993	Low-priced market center for Thai customers with over 1,500 stores nationwide. Online shopping available. Have a plans to expand to neighboring countries, like Cambodia and Laos.
Lotus’s	1994	High-quality, safe products controlled by CP Group standards with over 2,000 stores nationwide and online shopping.
Tops	1996	Operated by Central Food Retail Co. Targeted middle- and high-income earners, operates a total of 236 stores nationwide under six brands, including Tops.

8

(iii) Modernization of Distribution System through Wholesale Market Development (1997)

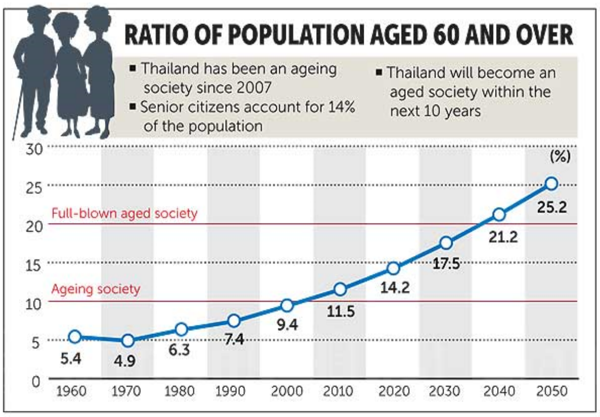
- in 1997, the Talaad Thai market, the largest central wholesale market among AMSs, began its operations. It is an important hub for fruit and vegetable VC in Thailand. It has become a primary FVC hub for local and imported fruits and vegetables coming from neighboring countries.
- Although no auction is held at the Talaad Thai market, transaction prices are published on its website the same day. This provided transparency of transactions and better price arrangements and bargains.
- Pioneering efforts were also undertaken to ensure traceability using QR codes and safety management using GT test kits that enabled rapid testing for pesticide residues.

Many visitors from neighboring countries visit Talaad Thai market and was considered as a model of wholesale market
(source: Bangkok Post Website, Dec, 15. 2019)

6.2.3 Labor-Saving Phase（From 2002 onwards）

(i) Entering an Aging Society (2005 onward)

- In the labor-saving phase, issues such as ageing farmers, diminishing young labor force due to declining birth rate, widening gap between urban and rural areas, and unstable and low incomes of farmers became apparent.
- The stagnation of the agricultural sector led to its fall from its position as the world's top rice exporter, the mechanization, and outsourcing of agricultural work. In addition, the introduction of dryers in the post-harvest process was further promoted, leading to the elimination of rice millers who could not catch up with the rapid changes.



Sources: National Statistical Office, National Economic and Social Development Board and Foundation of Thai Gerontology Research and Development institute
<Active Ageing Archives - thainhf.org)>)

(ii) Avian Flu Pandemic

- Due to the avian flu pandemic that broke out in November 2003, Japan, the EU, and other countries suspended imports of Thai chicken meat, **necessitating a review of the domestic FVC from a safety perspective**. With the increased interest in food safety, importing countries demanded that exported products, in particular, obtain GAP and other certifications and ensure traceability. Measures were taken **to enhance the reliability of the FVC as a whole**.
- In addition, some poultry exporters have entered the meat processing industry and are trying to survive through **vertical integration of FVCs**.

Certification	Production process, Environment		Product		Certificate of origin	Organic Products	
Name	Q mark	Thailand Trust mark	Thai Hom Mali mark	Thai Hom Mali mark	GI mark	Organic Thailand mark	IFOAM
Logo mark						TAS : 54041	
Management	MOAC ACFS	MOC, DITP	MOC, DFT	MOC, DIT	MOC, DIP	MOAC, DOAE	IFOAF (NGO)

11

(iii) Expansion of Modern Trade

- As the middle class grew, modern trade in the retail market developed. (e.g., convenience stores, supermarkets, shopping malls, etc.)
- Branded rice (aromatic rice) is now consumed domestically, with improvements in packaging and the acquisition of various food certifications at the production and processing stages have further differentiated FVC and improved food safety.
- Meanwhile, as intense retailer price competition and cost-cutting pressures intensified throughout the FVC, the incomes of small rural farmers diminished.

Ordinary rice sold at a traditional market (left) and branded rice sold at a supermarket (right)

12

(iv) Outbreak of COVID-19

- As a result of the COVID-19 outbreak, particular demands due to people spending more time at home were conceived. Contactless purchasing activities such as online purchases increased. **The Digital Transformation (DX) of FVC** accelerated quickly, especially downstream of the chain. Various changes in consumption styles occurred, and new transactions expanded, such as food delivery services and e-commerce, especially in urban areas. This also led to an expansion of the prepared food market.

Major Food Delivery Services in Thailand

Service Provider	Operating Company	Started Year	Remark
Foodpanda	foodpanda Thailand	2012	Germany
Grab Food	Grab Thailand	February 2018	Singapore
LINE MAN	LINE Thailand	May 2016	Japan
GET FOOD	Gojek Thailand	February 2019	Indonesia
Robinhood	Siam Commercial Bank	October 2020	Thailand Capital

13

13

Conclusion: Comparison of Historical Transition of FVC in Japan and Thailand

- In comparing the history of Japan and Thailand, common events that had a significant impact on FVC were identified, including agrarian reform and the creation of cooperatives, the development of production infrastructure by the government, modernisation of distribution through central wholesale markets and supermarkets, and various laws and regulations to ensure food safety. Many of these were government-led and proceeded in a way that encouraged private sector efforts..
- Agricultural support during the period of economic growth was mainly export-oriented, as Thailand became the world's largest rice exporter (1980s-2012), whereas in Japan it was promoted under protection from international markets. With regard to staple foods, it is difficult to say whether protection or liberalisation is better. However, as far as food security is concerned, which was raised in the wake of COVID-19, it is important to continue to pursue multilateral way of the food security..

14

14

- The role of wholesale markets in promoting the modernisation of FVCs is extremely important. Where production and consumption areas are far apart, the role of middlemen is important as they act as intermediaries between them, and both in Japan and Thailand, middlemen have gained a significant influence. In this situation, the impact of fair price formation in the wholesale markets is significant, and together with the development of agricultural cooperatives and the provision of farm credit, their role in FVC modernisation is important and can serve as a reference for distribution modernisation in the other AMSs.
- Farmer organisation is effective in improving farmers' bargaining power in FVCs and ensuring that farmers benefit from FVC strengthening measures. The role played by Japanese agricultural cooperatives includes providing information, farm finance, technical guidance, joint shipping to markets, use of communal facilities and lending of machinery, and provision of safety nets such as insurance and mutual aid. It could be a model for farmers' organisations in Southeast Asia.

15

15

- Measures to ensure food hygiene and safety have been taken in the Japanese and Thai experience, sometimes with great pain, such as food poisoning cases, the BSE problem and bird flu, sometimes at the cost of precious lives, to shift measures to strengthen FVC from a 'producer-oriented' to a 'consumer-oriented' approach and to develop laws and systems. For CLMVs, this has enabled them to benefit from latecomers by adopting the policy measures and systems thus created.

16

16

Summary of Policy Documents

List of Summarized Policy Documents

No	Title	Author	Issuance Year	Category	Page
1	AEC Blueprint 2025	ASEC	2015	Economy	App-3-2
2	AEC 2025 Consolidated Strategic Action Plan	AEC	2018	Economy	App-3-4
3	Vision and Strategic Plan for ASEAN Cooperation in FAF (2016-2025)	ASEC	2015	FVC	App-3-11
4	AIFS Framework and SPA-FS 2021-2025	AMAF	2020	FVC	App-3-13
5	SPA for ASEAN Cooperation on Crops 2016-2020	ASWGC	Not Stated	GAP	App-3-15
6	SPA on ASEAN Cooperation on Fisheries 2021-2025	ASWGF	Not Stated	Fishery	App-3-17
7	SPA of the ASEAN SPS Contact Points 2016-2020	Not Stated	2015/2016	SPS	App-3-18
8	SPA for the ASEAN Cooperation in Agricultural Cooperatives 2021-2025	ASWGAC	2021	Cooperatives	App-3-19
9	ASEAN Framework for FAF and SMEs	ASWGAC/ SOM-AMAF	2021	Cooperatives	App-3-21
10	ASEAN Institutional Framework on Access to Finance for MSME	Not Stated	Not Stated	SME	App-323
11	ASEAN Food Safety Policy	ASEC	2016	FVC	App-3-25
12	ASEAN Strategic Action Plan for SME Development 2016-2025	ASEC	2015	Cooperatives	App-3-26
13	ASEAN Digital Masterplan (ADM)	ASEC	2021	DX	App-3-30
14	ASEAN Trade in Goods Agreement	AMS	2009	Trade	App-3-34
15	ASEAN Food Safety Regulatory Framework (AFSRF)	Not Stated	Not Stated	SPA	App-3-39
16	ASEAN Roadmap for Enhancing the Role of Agricultural Cooperatives in Agricultural Global Value Chains 2018 - 2025	ASWGAC	2018	Cooperatives	App-3-41
17	IAI Work Plan IV (2021-2025)	ASEC	2020	ASEAN Integration	App-3-45

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Economic Community (AEC) Blueprint 2025

Date of Issuance: November 2015

Author: ASEAN Secretariat, Jakarta

BACKGROUND

The AEC Blueprint 2025 is issued to follow-up its preceding AEC Blueprint 2015 which enforced strengthening of trade and investment agendas within ASEAN. ASEAN recognizes that regional economic integration is a dynamic, ongoing process as economies as well as domestic and external environments are constantly evolving. Therefore, this blueprint is issued to take measures leading in creating a networked, competitive, innovative, and highly integrated and contestable ASEAN, taking into account its environment movement. The immediate priority is to complete the implementation of measures unfinished under the AEC Blueprint by end-2016. In the next decade, ASEAN will also provide a new emphasis on the development and promotion of micro, small and medium enterprises (MSMEs) in its economic integration efforts including through the utilization of digital technology. The details of each characteristic and elements are explained in the document titled "AEC 2025 Consolidated Strategic Action Plan" which covers possible measure taken to reach each characteristic's goals.

OBJECTIVE

1. Create a deeply integrated and highly cohesive ASEAN economy;
2. Engender a more equitable and inclusive economic growth in ASEAN that narrows the development gap within each AMS region and among AMS;
3. Foster robust productivity growth through innovation, technology and human resource development, and intensified regional research and development that is designed for commercial application;
4. Promote principles of good governance, transparency, and responsive regulatory regimes;
5. Widen ASEAN people-to-people, institutional, and infrastructure connectivity;
6. Create a more dynamic and resilient ASEAN, capable of responding and adjusting to emerging challenges through robust national and regional mechanism address shocks/ issues;
7. Incorporate a sustainable growth agenda that promotes a science-based use of, and support for, green technology and energy;
8. Promote the use of the ASEAN Protocol on Enhanced Dispute Settlement Mechanism (EDSM);
9. Reinforce ASEAN centrality in the emerging regional economic architecture; and
10. Work towards a common position and enhance ASEAN's role and voice in global economic fora.

OUTLINE

The characteristics and elements of AEC Blueprint 2025:

A Highly Integrated and Cohesive Economy
This characteristic aims to facilitate the seamless movement of goods, services, investment, capital, and skilled labour within ASEAN and to establish a more unified market for its firms and consumers. Its elements are

- Trade in Goods
- Trade in Services
- Investment Environment
- Financial Integration, Inclusion, and Stability
- Facilitating Movement of Skilled Labour and Business Visitors
- Enhancing participation in Global Value Chains

A Competitive, Innovative and Dynamic ASEAN

This characteristic focuses on elements that contribute to increasing the region's competitiveness and productivity through policy review, protection and creation of knowledge, and regulatory framework and practice of ASEAN for GVCs. Its elements are

- Effective Competition Policy
- Consumer Protection
- Strengthening Intellectual Property Rights Cooperation
- Productivity-Driven Growth, Innovation, Research and Development, and Technology Commercialization
- Taxation Cooperation
- Good Governance
- Effective, Efficient, Coherent and Responsive Regulations, and Good Regulatory Practice
- Sustainable Economic Development
- Global Megatrends and Emerging Trade-Related Issues

Enhance Connectivity and Sectoral Cooperation

The goals of this characteristic are to enhance economic connectivity involving various sectors in support of the Master Plan on ASEAN Connectivity objectives and the strengthening of ASEAN network. Its elements are

- Transport
- Information and Communication Technology
- E-Commerce
- Energy
- Food, Agriculture and Forestry
- Tourism
- Healthcare
- Minerals
- Science and Technology

A Resilient, Inclusive, People-Oriented and People-Centered ASEAN

- Strengthening the Role of MSMEs
- Strengthening the Role of the Private Sector
- Public-Private Partnership (PPP)
- Narrowing the Development Gap
- Contribution of Stakeholder on Regional Integration Efforts

A Global ASEAN

- ASEAN is continuing to make steady progress towards integrating the region into the global economy through FTAs and comprehensive economic partnership agreements (CEPs).
- Building on the gains from ASEAN's global engagement and its economic integration initiatives, ASEAN shall work towards further integrating the AEC into the global economy.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Institutional Framework on Access to Finance for MSME

Date of Issuance: (not stated)

Author: (not stated)

BACKGROUND

This document is made to support ASEAN Blueprint 2025 in increasing access to financing for Micro, Small and Medium Enterprises (MSME) by enhancing the suitable ecosystem in the region through improved policy environment and instituting measure. Improving literacy and strengthening traditional financing infrastructure is the main focus before stepping into the next plan on fostering alternative and non-conventional financing and taking in various outside sources such as private financing and export financing facilities.

OBJECTIVE

1. Provide definition to the work on Goal B – Increase Access to Finance under the ASEAN SAPSMED 2025
2. Provide better understanding of essential ecosystem to produce supporting regulation to enhance MSME access for both traditional and non-traditional financing
3. Identify the needed actions to realize the roles of important stakeholders both public (government) or private
4. Provide inputs for sectoral bodies including ASEAN Coordinating Committee on MSME and the Working Group on Financial Inclusion to address financial access issues

OUTLINE

The adoption of framework is voluntary and non-binding, and it builds on existing international financial principles and guidelines to be able to access diverse range of financing instruments for MSMEs. The principles/ elements are as follows:

Promote Financial Inclusion for MSME and Ease Access to Formal Financial Services

- Elevating financial inclusion would reduce income inequality, alleviate poverty, and enhance economic growth
- Identify the bottleneck(s) with relevant stakeholders by enriching their knowledge on MSME financing needs through improving statistical database and relevant key information, standard definitions, policy design, and regulatory coordination
- Involve improving infrastructure readiness and improving delivery system innovation to reach a good-quality yet affordable financial services with a more effecting and cost-efficient manner
- Explore the chances of tailored microfinancing solutions in developing countries in ASEAN

Comprehensive Financing Ecosystem to Ensure Greater Access for MSMEs Financing

- Enabling financial infrastructure, financing and guarantee schemes and avenues to seek information and redress, debt resolution and management arrangement and outreach and awareness programmes to boost MSME's confidence and understanding in using financial services

Strengthen MSME Access to Traditional Deb-based Bank Financing

- Includes credit guarantees, enables securitization of MSME loans and risk diversification instruments, and ensuring sufficient macroprudential standards to cover potential losses
- A safe bank lending scheme includes improving risk mitigation measure and underwriting risk mechanism, strengthening credit guarantee mechanism, and promoting innovative technology options, and providing affordable and reasonable credit for MSME with appropriate consumer protection
- Ease-access for bank lending by MSME should also consider a more flexible yet careful requirement for the collateral(s)
- The bank side can try to utilize effective credit information and model credit rating technology for screening to improve risk management

Enhance MSME Access to Diverse Non-Traditional Financing Instruments and Channels

- Finding out other form of financing option could complement and provide a more various choice for MSME that could suit their business necessities best

- Non-banks and other channels should offer a competitive, interesting, and affordable credit loans programme(s) which would also attract diverse investors to promote more of MSME markets
- Asset-based finance can be a resort for small firms to obtain capital, supply chain, and trade finance for their business to join global value chains
- Improving policy on development of necessary equity instruments for capital structure and boosting investment, exploring crowd financing, venture/ private equity financing, business stage-based investments, and trading finance instruments

Ensure the Regulation Design Supporting a Range of MSME Financing Instruments while Ensuring Financial Stability and Investor Protection

- Regulation and policy design facilitating MSME financial access should be made in support of financial stability and investor protection for investment return
- Authorities should proportionate risk, avoid undue administrative burdens, be transparent, and facilitate bankruptcy resolutions
- All corporate governance and legal actions for MSME financial access should cover financing flexibility, investor protection, and market integrity which encourage diverse financing sources, including private sectors, and cross-border financing through a properly functioning regulatory coordination

Improve Transparency in Financial Markets

- A clear and honest information, especially credit risk assessment, would affect investor participation, the reduction of MSME financing cost, and credit evaluation accuracy
- The information should be publicly accessible especially for relevant parties providing debt and/or non-debt MSME financing instruments, supporting MSME participation in global value chains
- It should also hold protection value within the legal, regulatory, and supervisory framework to avoid financial frauds, abuses, and errors

Design Public Programmes for MSME Finance which Adds and Ensures Cost Effectiveness and User-friendliness

- Formulation of policies and regulations for financial inclusion by relevant stakeholders regarding MSME finance should be top priority with clearly explained target, requirement, and credit scheme
- Consider a proportionate administrative burden with the provided service, impact on financing firms, economy, and business scale

Monitor and Evaluate Public Programmes to Enhance MSME Finance

- Regular before and after-evaluation based on clear policy objectives and impacts should be undertaken by MSME representative and relevant stakeholders
- The result should be included in policy making process to improve or revise the regulation if necessary
- Policy dialogue, monitoring, and evaluation on MSME public programmes at regional, national, and international levels should be carried out
- MSMEs discussion on regulation and financing should be conducted between the related institution to exchange issues of finance and resolution scheme

Enhance MSME Financial Skills and Strategic Vision

- Prioritize MSME's financial literacy and awareness through public policy and programmes to develop finance and business prospect long-term strategic approach; programmes should be adjusted to the target's needs and literacy levels
- Provide seminars and technical workshops regarding accounting, financing, risk planning, and disclosure respond
- Programmes to be also provided for women, young entrepreneurs, minorities, informal sector, and different SME business cycle stages

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Food Safety Policy

Date of Issuance: May 2016

Author: The ASEAN Secretariat, Jakarta

BACKGROUND

Integrated market for food requires food safety policy providing coordination and common purpose across relevant stakeholders which then results in active participation and collaboration of food chain actors. ASEAN food safety policy addresses all sectors concerned with food safety assurance and control, comprising 10 core principles which provide guidance for the development and implementation of ASEAN bodies initiative responsible with the concerned food safety and regulatory systems in ASEAN Member States. This policy is to support the creation of a single market and production base with beneficial facilitation of goods, services, and investment related necessities which upholds welfare and equitable access and opportunities for ASEAN people—as in ASEAN Charter, Article 1. It also holds the objective of ASEAN Economic Community Blueprint for deeper economic integration of ASEAN regions that includes provisions for food products trade, as well as ASEAN Socio-Cultural Community Blueprint objectives ensuring proper access to and safety of food for ASEAN people which also improve various food safety institution and health outcomes.

OBJECTIVE

1. Establishing and implementing food safety measures
2. Fostering the process of harmonization of food safety measures and control procedures of ASEAN Member States
3. Supporting the efforts of ASEAN Member States in strengthening national food control systems

OUTLINE

1. **Integrated 'Food Chain' Approach** – placing food safety assurance and control systems at every step of food chain through good practice
2. **Systematic Risk Analysis Framework** – capacity building and development of safety risk management recommendations
3. **Science-based, Independent Risk Assessment Process** – transparent and consistent process with participation of related institutions which benefits all food chain steps
4. **Primary Responsibility of Food Business Operators** – implementing appropriate food safety assurance systems supported by relevant parties such as government and scientific institution
5. **Consistency with ATIGA and WTO's SPS and TBT Agreements** – food import/export should be based on mutual recognition of food control requirements and all trade agreements
6. **Equivalence and Mutual Recognition** – member states to participate and implement initiatives for harmonized food safety standards and regulations
7. **Harmonization with International Standards** – adopting internationally accepted standards, guidelines, and recommendation
8. **Reliable Treaceability System** – enabling targeted and swift withdrawals of unsafe food products (food recall procedures), identify issues at any stages and food movements especially for high-risk products
9. **Strengthening and Harmonization of Regional and National Food Control Systems** – active support and participation of member states in ASEAN sectoral bodies to ensure comprehensive, well-implemented, effective, and coordinated national food control systems including appropriate border food inspection and certification procedures; also, to implement internationally accepted analytical quality assurance systems by food laboratories with best performance
10. **Transparency** – sharing information on institutional arrangements and food safety measures with all other ASEAN Member States through effective communication with all related stakeholders at national and regional levels who are also informed of food safety measures and invited to contribute to the decision making-process; also, to enhance awareness on food safety for consumer

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Strategic Action Plan for SME Development 2016-2025

Date of Issuance: November 2015

Author: The ASEAN Secretariat, Community Relations Division

BACKGROUND

To cope with competitive environment, ASEAN MSMEs need to take measures based on the time-bound priority of actions under the plan:

- First five years: **To seamlessly integrate with the AEC and the regional value chains**;
- Subsequent five years: **To become globally competitive, innovative, inclusive, and resilient**.
  The diversity in the definitions and characterizations of MSMEs means that the issues and challenges they face are varied, and one-size-fits all policy measures cannot be applied. As such, action lines under each of the actions will be implemented through two pathways, ensuring that global competitiveness and social inclusion can be realized at the same time:
- Competitive Pathway: Initiatives to enhance the global competitiveness of relatively advanced AMS (ASEAN Member States) in terms of diversification and innovation.
- Inclusive Pathway: Initiatives to facilitate the transition from the traditional economy through industrialization to raise incomes.

OBJECTIVE

The purpose of the SME Action Plan:

- Action lines under each strategic goal are aligned as part of the implementation roadmap with a view to resolving the current issues (issue-based) and achieving the strategic goals (value-driven) which are to be tracked through key policy indicators (KPIs).
- The action lines should be diverse and well-balanced, and provide opportunities for public-private partnerships in the project design.
- The monitoring and evaluation mechanism is a critical element for the successful implementation of the action lines.

The Post-2015 SAP SMED will serve as a practical implementation guide for the AMS in the following areas:

- To formulate a common vision and strategic goals to realize the vision;
- To define explicit desired outcomes for each strategic goal;
- To provide a set of key policy indicators ("KPIs") to measure the outcomes and evaluate the achievement of the goals;
- To align actions from a regional perspective and concrete action lines to achieve defined goals;
- To set out an implementation roadmap in relation to the time-bound priority in order to clarify the sequence of action lines;
- To design a high-level monitoring mechanism so that AMS can conduct periodic evaluation and share the results at the SMEWG meetings.

OUTLINE

- Action Plan embodies aspiration that ASEAN wants to realize in the next decade. The vision is **Globally Competitive and Innovative MSMEs** and the mission statement is **By 2025, ASEAN shall create globally competitive, resilient, and innovative MSMEs seamlessly integrated to ASEAN community and inclusive development in the region**.
- Strategic Goals and Desired Outcomes from the Action Plans, are as follow:

A) Promote productivity, technology, and innovation.

A-1) Productivity will be enhanced

A-2) Industry clusters will be enhanced

A-3) Innovation will be promoted as a key competitive advantage

B) Increase access to finance

B-1) Institutional framework for access to finance will be developed and enhanced

B-2) Financial inclusion and literacy will be promoted, and the ability of MSMEs to engage in the financial system will be enhanced

C) Enhance market access and internationalization

C-1) Support schemes for market access and integration into the global supply chain will be further developed

C-2) Export capacity will be promoted

D) Enhance policy and regulatory environment

D-1) Inter and intra-governmental cooperation in terms of policy and regulation will be enhanced

D-2) MSMEs' interests will be promoted and involvement in the decision-making processes will be enhanced

D-3) Obtaining of permits and business registration will be streamlined

E) Promote entrepreneurship & human capital development

E-1) Entrepreneurial education and learning programmes will be instituted

E-2) Human capital development for MSMEs will be enhanced especially for women and youth

- A set of 10 KPIs has been selected for the Post-2015 SAP SMED which the result from these KPIs will provide AMS with useful information on the effectiveness of the plan and for future decision-making.

  1) National labor productivity
  2) R&D expenditure
  3) Percentage of business loans to SMEs
  4) Percentage share of SMEs' contribution to national exports
  5) Percentage of SMEs with investment overseas
  6) Time and cost required to start a business
  7) Cost of business start-up procedures
  8) Contribution of SMEs to employment
  9) Labor force participation rate, female
  10) Labor force participation rate for ages 15-24 (youth), total (%)

Actions for Strategic Goals

A) Promote Productivity, Technology, and Innovation

Desired outcomes and Actions:

A-1) Productivity will be enhanced

A-1-1) Develop enhanced understanding of relevant productivity measures

A-1-2) Promote capital investment

A-1-3) Improve production management skills

A-2) Industry clusters will be enhanced

A-2-1) Enhance industrial linkages among SMEs and between SMEs and large enterprises including MNCs

A-2-2) Promote technology and build capabilities to foster industry clustering

A-3) Innovation will be promoted as a key competitive advantage

A-3-1) Promote key technology usage and its application to business for innovation

A-3-2) Enhance information on innovation support services

A-3-3) Enhance business-academia collaboration

B) Increase Access to Finance

Desired outcomes and Actions:

B-1) Institutional framework for access to finance will be developed and enhanced

B-1-1) Improve understanding and strengthen conventional financing infrastructure

B-1-2) Improve policy environment and measures to foster alternative financing through increasing availability of diversified sources of private financing

B-1-3) Strengthen export financing facilities

B-2) Financial inclusion and literacy will be promoted, and the ability of MSMEs to engage in the financial system will be enhanced

B-2-1) Enhance outreach to promote financial inclusion to increase access to both conventional and alternative financing

C) Enhance Market Access and Internationalization

Desired outcomes and Actions:

C-1) Support schemes for market access and integration into the global supply chain will be further developed

C-1-1) Increase information on regional and global market access and opportunities

C-1-2) Promote partnership with MNCs/large enterprises to increase market access and opportunities

C-1-3) Enhance the use of e-commerce

C-1-4) Promote adoption of international standards of quality to facilitate market access

C-2) Export capacity will be promoted

C-2-1) Establish mechanism to help SMEs increase exports

D) Enhance Policy and Regulatory Environment

Desired outcomes and Actions:

D-1) Inter and intra-governmental cooperation in terms of policy and regulation will be enhanced

D-1-1) Strengthen the coordination mechanism between public agencies responsible for MSMEs

D-1-2) Develop strategies to align national MSMEs development strategies with the regional strategies

D-2) MSMEs' interests will be promoted and involvement in the decision-making processes will be enhanced

D-2-1) Advocate and promote MSMEs participation in policy formulation

D-3) Obtaining of permits and business registration will be streamlined

D-3-1) Establish a sound system and streamline permit and registration to enable less costly and faster business formation

E) Promote Entrepreneurship and Human Capital Development

E-1) Entrepreneurial education and learning programmes will be instituted

E-1-1) Promote entrepreneurship education

E-2) Human capital development for MSMEs will be enhanced especially for women and youth

E-2-1) Enhance management and/or technical skills of women and youth entering into the workforce

E-2-2) Provide a platform to promote and facilitate women's participation in MSMEs

Implementation of Action Lines

It is important to determine which action lines should be implemented when, by whom, and how under the implementation Roadmap. Changing economic environment such as regional integration, industry structure changes, global supply chains are also taken into account in order to determine the priority actions in light of the post-2015 economic outlook for ASEAN. From the perspective of the current issues and future values, actions lines are formulated in consideration of following essences;

- Be relevant to the time-bound priority of actions
- Follow the Competitive Pathway or the Inclusive Pathway
- Be aware of the availability of funding and technical support from other sectoral bodies, dialogue partners, multilateral organizations, etc.
- Encourage public-private partnership
- Consider types of measures

Types of Measures:

1) Financial Scheme
2) Human Capital
3) Regional-level Harmonization
4) Knowledge Sharing/Networking
5) Information and Technology
6) Laws and Regulations
7) Infrastructure

At the 35th SMEWG Meeting in Siem Reap, Cambodia in November 2014, the Meeting welcomed expressions of interest from the SMEWG members to serve as the 'Country Champions' for each strategic goal.

Country Champions:

- Promote Productivity, Technology, and Innovation: Thailand, Vietnam
- Increase Access to Finance: Malaysia, Lao PDR
- Enhance Market Access and Internationalization: Singapore, Thailand
- Enhance Policy and Regulatory Environment: Cambodia, Indonesia

- Promote Entrepreneurship and Human Capital Development: Brunei Darussalam, the Philippines, Myanmar
- The Country Champions shall take a leading role in initiating and/or coordinating the implementation of action lines
- based on the agreed timelines, in consultations and subject to the agreement of the SMEWG.

Monitoring and Evaluation

Over the course of 10 years, it is critical to conduct a periodic monitoring and evaluation. There are two types of monitoring mechanisms that should be aligned in the Post-2015 SAP SMED:

- Progress Monitoring: Monitoring of action lines against target timeline, budget cost, personnel resources, quality of outputs, and other indicators to ensure the action lines remain on track to deliver expected outputs and to avoid potential failure.
- Achievement Monitoring: Monitoring of the extent of the achievement of the strategic goals to be measured by KPIs in comparison to the base-line data.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Digital Masterplan (ADM) 2025

Date of Issuance: 2021

Author: ASEAN Secretariat

BACKGROUND

This document is made to push forward the agenda of realizing digital economy and society in ASEAN Member States (AMS) which would benefit the people in enhancing their daily lives needs through digital services utilization. It will also help the economy and business activities to be more productive, quick, cost-effective with partners in their value chains, and offer easy access and quick-to-use services for ASEAN citizens. Digital economy and society would result in a fast and frictionless trade through innovative and efficient business, helping also in recovering from the impact of COVID-19 pandemic in a way which is greener and more sustainable in the long-term.

The envision of ADM 2025 is "ASEAN as a leading digital community and economic bloc, powered by secure and transformative digital services, technologies and ecosystem" and to achieve it, AMS are encouraged to invest in new technologies, remove unneeded regulatory barriers, fund digital inclusion social activities to build trust and awareness in digitals services and its value. To support cross-border digital services, AMS are to improve infrastructure within connected areas and develop connection the underserved areas. The digital services should also be safe and relevant to their end users both business and consumers. For business, the improvement of productivity should be the main focus, while the improvement of basic digital literacy and affordability should be the priority for consumers' side.

OBJECTIVE

The objective or Desired Outcome (DO) of ADM 2025 are as follow:

1. **Prioritization of ADM 2025 actions to speed ASEAN's recovery from COVID-19**
   Enables AMS economies to recover more quickly from the pandemic
2. **Increase in the quality and coverage of fixed and mobile broadband infrastructure**
   Ensures that telecommunications infrastructure in ASEAN are upgraded to higher data rates capabilities and resilience that is timely and cost-effective
3. **The delivery of trusted digital services and prevention of consumer harm**
   Ensures adoption of digital services, particularly in health and finance, can be trusted and that cybersecurity and digital data governance best practices are widely adopted
4. **A sustainable competitive market for the supply of digital services**
   Ensures that the market for digital services aims for its sound and sustainable development
5. **Increase in the quality and use of e-government services**
   Provides better e-government services to make government data available to public
6. **Digital services to connect business and to facilitate cross-border trade**
   Leverages telecommunications services and e-commerce to facilitate cross-border trade
7. **Increased capability for business and people to participate in the digital economy**
   Stimulate innovative local supply and creative capabilities
8. **A digitally inclusive society in ASEAN**
   Unlocks full benefit of digital services to tackle problems such as lack of digital skills, unaffordability, lack of relevant services and content, and lack of available connectivity (mainly focused on the first two challenges)

OUTLINE

Three main global issues that shaped ADM 2025 are 1) recovery from COVID-19 pandemic, 2) facing climate change issues, and 3) global technology trends. The first issue became one of the focuses because of its impact on health, social interaction, and economic growth around the world including ASEAN region. AMS governments face challenges in budgeting to support jobs, business, and healthcare with the decreasing government tax revenue. Market players also suffer reduction in revenues and profits yet the demand for services is high. This is caused by end-users (people/citizen) losing jobs due to COVID-19 and could not pay for the demanded services, so there is no income for the market players. During the pandemic, end-users rely more on the use of digital services due to difficulties in meeting needs physically. Therefore, mitigating COVID-19 impacts through digital services is a priority, especially when it also affects the nation's economy. Important points related to digital services for ASEAN recovery from COVID-19 pandemic are:

1) providing support to business seeking to uplift their digital capabilities to help mitigate the impact of COVID-19 pandemic on revenue;
2) ensuring that digital devices are affordable to promote digital inclusion (especially for those without Internet access and those located in underserved areas); and
3) funding social measures to improve digital inclusion.

Then, ADM 2025 plays an important role in the pandemic recovery with its objectives. Revision of regulations which lifts barriers of digital services across AMS, investment to digital services development facilitation, effort in spreading coverage of mobile broadband, and easy access to e-education and e-health services which are proposed in ADM 2025 have the potential to mitigate the effect of the pandemic and improve the well-being of the people including the rural poor in many AMS.

The issue of climate change can also be answered by ADM 2025 with the use of smart phones and laptops reducing travels and enabling working, shopping, and banking from home. The Internet of Things (IoT) becomes the focus of ADM 2025 as a mean to promote grater use of digital services. Therefore, the reduction in carbon emissions grows as a result of the enable ratio.

The last focus which is global technology trends is what pushes ADM 2025 to be implemented as soon as possible. The future trends that are predicted such as utilization of AI, big data, robotics, auto-vehicles, and 3D printing would require high digital innovation and literacy in every AMS to be able to globally keep up and use those technologies. The trends would also affect business models and organizations, thus affecting the economics of connectivity and regulations that support or will support enhancement of digitalization.

Enabling actions (EA) for ADM 2025's DOs are divided into **High**, **Medium**, and **Low** ranks of importance.

DO/ EA	Description	Importance
DO1	Actions of ADM 2025 prioritised to speed ASEAN's recovery from COVID-19	
1.1	Make the economic case for prioritising ADM 2025 actions	H
1.2	Assess the economic case for facilitating use of digital services that would help recovery from the COVID-19 pandemic	M
DO2	Increase in the quality and coverage of fixed and mobile broadband infrastructure	
2.1	Encourage inward investment in digital and ICT	H
2.2	Move towards best practice permission and access rights for local and national infrastructure including submarine cable repair	H
2.3	Facilitate adoption of region wide telecommunications regulation best practices by market players to provide regulatory certainty	M
2.4	Ensure adequate international Internet connectivity.	M
2.5	Reduce the carbon footprint of telecommunications operators in ASEAN	M
2.6	Ensure increased and harmonised spectrum allocation across the region.	H
2.7	Adopt regional policy to deliver best practice guidance on AI governance and ethics, IoT spectrum and technology.	M
2.8	Develop regional mechanisms to encourage skills in integrated and end-to-end services	M
2.9	Establish a centre of excellence for best practice rural connectivity.	H
DO3	The delivery of trusted digital services and the prevention of consumer harm	
3.1	Enable trust through greater and broader use of online security technologies	H
3.2	Build trust through enhanced security for finance, healthcare, education and government	M
3.3	Identify improvements in legal and regulatory measures on the management of protection of data and other data-related activities that could be harmful.	H
3.4	Improve coordination and cooperation for regional computer incident response teams	H

3.5	Promote consumer protection and rights in relation to e-commerce	H
DO4	A sustainable competitive market for the supply of digital services	
4.1	Continue to identify opportunities to harmonise digital regulation to facilitate cross-border data flows	H
4.2	Deepen collaboration between ICT and competition regulatory authorities across ASEAN on the ICT sector and digital economy	M
4.3	Monitor developments in regulation of digital platforms in other jurisdictions	L
DO5	Increase in the quality and use of e-government services	
5.1	Establish ASEAN wide reporting on the level of use of e-government services in line with ITU requirements	H
5.2	Help make key government departments more productive through their internal use of ICT and e-services	H
5.3	Explore how to introduce digital identities in each AMS in a way which safeguards civil liberties	H
5.4	Help developing AMS improve the quality of their e-government e-services	M
5.5	Improve the cohesion of AMS by making key government e-services interoperable across the ASEAN region	L
DO6	Digital services to connect business and to facilitate cross-border trade	
6.1	Facilitate compliance and secure the benefits of telecommunications services and electronic commerce in line with relevant ASEAN trade agreements	H
6.2	Support trade digitalisation through seamless and efficient flow of electronic trade documents (e.g. invoices) and goods within ASEAN	H
6.3	Assess the net benefits of including IR 4.0 technologies in trade facilitation processes	M
6.4	Reduce regional business travel costs, by lowering roaming rates for mobile data services across ASEAN	M
6.5	Promote e-commerce trade in ASEAN, enhance last-mile fulfilment cooperation, and improve competitiveness in the digital economy	M
DO7	Increased capability for business and people to participate in the digital economy	
7.1	Continue to support the advancement and harmonisation of ICT qualifications across ASEAN	L
7.2	Promote development of advanced digital skills, such as coding, hackathons, innovative challenges	M
7.3	Develop a framework that encourages the development and growth of digital start-ups in ASEAN	H
7.4	Progress the work on smart cities begun in AIM 2020	M
DO8	A digitally inclusive society in ASEAN	
8.1	Ensure citizens and businesses have the skills and motivation to use digital services	H
8.2	Reduce affordability barriers to getting online	M
8.3	Reduce accessibility barriers to getting online	M
8.4	Encourage deeper adoption and use of 'vertical' digital services	L

These actions are to be considered at AMS ministerial levels and by regulators of each AMS to make policy(s) which implements better digital services across ASEAN that is effective for the people. At the same time an ASEAN level study is needed to identify where regulations in other sectors might be reformed to stimulate use of key digital services. ASEAN is already carrying out substantive work on digital services such as finance, including payments infrastructures and regulatory initiatives. The ADM 2025 can build upon this by helping to give users (people of AMS) the necessary digital skills to take advantage of digital finance services and other emerging services. The digital inclusion center should include modules for a wide range of digital services e.g., a module on digital financial inclusion, which could provide guides and resources on how to educate users on carrying out digital transactions.

Then, in implementing ADM 2025, a coherent plan is essentially needed. The project management team is led by ASEAN ICT Centre. Managing the implementation of ADM 2025 includes monitoring progress, identifying problems, suggesting possible remedial actions, arranging timetable, and assessing the success of each DO and overall masterplan. The EAs of ADM 2025 should be detailed down to each of their concept and scope to be commissioned, clear specifications, and set of deliverables. That way, the progress and also issues of each EA can be monitored. The timeline of all EA to be implemented has also be drafted, divided into first and second half of each year from 2021 to 2025 (shown later).

Then, measuring the success of the overall masterplan is also required. Given the overall vision for ADM 2025 this means measuring the level of use of digital services. Such services cannot be widely adopted without infrastructure and skills: hence measuring the adoption of services effectively measure the combined effect of all elements of ADM 2025. The level of digital service utilization by consumers and then by business and governments should be assessed by metrics. The metrics to assess the success of DOs are as follow:

Desired Outcome	Metrics	Source
DO1: Actions of ADM 2025 prioritised to speed ASEAN's recovery from COVID-19	A compelling economic case for increased AMS government spending to promote use of digital services	Not required
DO2: Increase in the quality and coverage of fixed and mobile broadband infrastructure	Presence of national initiative on digital inclusion in each AMS	ASEAN survey
	Improvement in fixed and/or mobile broadband population coverage for those AMS with less than 95% availability.	ITU
DO3: The delivery of trusted digital services and the prevention of consumer harm	Regional survey results showing increase in trust of digital services measured annually.	ASEAN survey
	Reduction in impact of cyber-security issues measured annually.	ASEAN survey
DO4: A sustainable competitive market for the supply of digital services	Growth in number of ASEAN companies providing digital services measured annually.	ASEAN survey
	Growth in spending on digital services measured annually.	ASEAN survey
DO5: Increase in the quality and use of e-government services	UN index on scope and quality of e-Government services	UN
	ITU index on use of e-Government services	ITU
DO6: Digital services to connect business and to facilitate cross-border trade	Annual surveys on impact of trade barriers show reduction.	ASEAN survey
	Annual growth in international trading.	Trade stats
DO7: Increased capability for business & people to participate in the digital economy	Number of graduates with digital skills measured annually.	ASEAN survey
	Number of hackathons arranged and the level of participation from across ASEAN	ASEAN survey
DO8: A digitally inclusive society in ASEAN	Increase in internet use (proportion of the population that uses the internet regularly)	ITU
	Increase in broadband adoption, including key digital verticals	ITU
	Improvement in digital skills across population measured bi-annually.	ITU

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Trade in Goods Agreement

Date of Issuance: February 26th, 2009

Author: Member States of the Association of Southeast Asian Nations

BACKGROUND

Establishing ASEAN as a single market and production base characterized by free flow of goods, services, investment, skilled labor and freer flow of capital envisaged in the ASEAN Charter and the Declaration on the ASEAN Economic Community Blueprint signed by the Leaders on 20 November 2007 in Singapore. Different stages of economic development between and among Member States and the need to address the development gaps and facilitate increasing participation of the Member States, especially Cambodia, Lao PDR, Myanmar and Viet Nam, in the AEC through the provision of flexibility and technical and development co-operation.

OBJECTIVE

Comprehensive ASEAN Trade in Goods Agreement would minimize barriers and deepen economic linkages among Member States, lower business costs, increase trade, investment and economic efficiency, create a larger market with greater opportunities and larger economies of scale for the businesses of Member States and create and maintain a competitive investment area.

OUTLINE

Classification of Goods

- The classification of goods in trade between and among Member States shall be in accordance with the ASEAN Harmonized Tariff Nomenclature (AHTN) as set out in the Protocol Governing the Implementation of the ASEAN Harmonized Tariff Nomenclature signed on 7 August 2003 and any amendments thereto.

Most Favoured Nation Treatment

- If a Member State enters into any agreement with a non-Member State where commitments are more favourable than that accorded under this Agreement, the other Member States have the right to request for negotiations with that Member State to request for the incorporation herein of treatment no less favourable than that provided under the aforesaid agreement. The decision to extend such tariff preference will be on a unilateral basis.

Fees and Charges Connected with Importation and Exportation

- Each Member State shall ensure that all fees and charges equivalent to an internal tax or other internal charge imposed with import or export are limited in amount to the approximate cost of service rendered and do not represent an indirect protection to domestic goods or a taxation on imports or exports for fiscal purposes. Member States shall publish details on the fees and such information available on the internet.

General Exceptions

- Such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination among Member States where the same conditions prevail, nothing in this Agreement shall be construed to prevent the adoption or enforcement by a Member State of measures:
    a) necessary to protect public morals;
    b) necessary to protect human, animal, or planet life or earth;
    c) relating to the importations or exportations of gold or silver;
    d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement;
    e) relating to the products of prison labour;
    f) imposed for the protection of national treasures of artistic, historic or archaeological value;
    g) relating to the conservation of exhaustible natural resources;
    h) undertaken in pursuance of the obligations under any intergovernmental commodity agreement which conforms to criteria submitted to the WTO and not disapproved by it;
    i) involving restrictions on exports of domestic materials necessary to ensure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held

below the world price as part of a governmental stabilization plan;

j) essential to the acquisition or distribution of products in general or local short supply, provided that any such measures shall be consistent with the principle that all Member State are entitled to an equitable share of the international supply of such products.

Measures to Safeguard the Balance-Of-Payments

- Member State taking any measure for balance-of-payments shall do so in accordance with the conditions established under Article XII of GATT 1994 and the Understanding on Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement. A Member State shall make a notification to Senior Economic Officials Meeting (SEOM) and the ASEAN Secretariat before effecting such action or measure. Notification shall be made at least sixty (60) days before.

ASEAN Trade Repository

- ASEAN Trade Repository containing trade and customs laws and procedures of all Member States shall be established and made accessible to the public through the internet. The ASEAN Trade Repository shall contain trade related information such as (i) tariff nomenclature; (ii) MFN tariffs, preferential tariffs offered under this Agreement and other Agreements of ASEAN with its Dialogue Partners; (iii) Rules of Origin; (iv) non-tariff measures; (v) national trade and customs laws and rules; (vi) procedures and documentary requirements; (vii) administrative rulings; (viii) best practices in trade facilitation applied by each Member State; and (ix) list of authorized traders of Member States.

Confidentiality

- Nothing in this Agreement shall require a Member State to provide confidential information, the disclosure of which would impede law enforcement of the Member State, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of any particular enterprise, public or private. Each Member State shall, in accordance with its laws and regulations, maintain the confidentiality of information provided as confidential by another Member State pursuant to this Agreement.

Regional and Local Government and Non-Government Bodies

- In fulfilling its obligations and commitments under this Agreement, each Member State shall endeavour to ensure their observance by non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities within its territory.

Reduction or Elimination of Import Duties

- Each Member State shall reduce and/or eliminate import duties on originating goods of the other Member States in accordance with the following modalities:

a) Import duties on the products listed in Schedule A of each Member State's tariff liberalization schedule shall be eliminated by 2010 for ASEAN-6 and 2015 for CLMV. Schedule A of each Member State shall ensure the following conditions are met:

(i) For ASEAN-6, by January 2009:

- Import duties of at least 80% tariff lines are eliminated;
- Import duties on all ICT products, as defines in the e-ASEAN Framework Agreement;
- Import duties on all Priority Integration Sectors products are at 0%, except those listed in the accompanying negative lists to the Protocols of the ASEAN Framework Agreement;
- Import duties on all products are equal to or less than 5%;

(ii) For Lao PDR, Myanmar, and Vietnam, import duties on all products are equal to or less than 5% by 1 January 2009;

(iii) For Cambodia, import duties of at least 80% tariff lines are equal to or less than 5% by 1 January 2009;

(iv) Import duties on some products of CLMV, not exceeding 7% of tariff lines, shall be eliminated by 2018;

b) Import duties on ICT products listed in Schedule B of each CLMV Member State shall be eliminated in 3 tranches by 2008, 2009, and 2010;

c) Import duties on PIS products listed in Schedule C of each CLMV Member State shall be eliminated by 2012;

d) Import duties on unprocessed agricultural products listed in Schedule D of each Member State on its own accord shall be reduced or eliminated to 0-5% by 2010 for ASEAN-6, 2013 for Vietnam, 2015 for Lao PDR and Myanmar, and 2017 for Cambodia. Import duties on sugar products of Vietnam shall be reduced to 0-5% by 2010;

e) Unprocessed agricultural products placed in Schedule E of each Member State on its own accord shall have their respective applied MFN import duties reduced;

f) The products listed in Schedule F of Thailand and Vietnam, shall have their out-quota tariff rates reduced in

accordance with the tariff reduction schedules;
g) Import duties on petroleum products listed in Schedule G of Cambodia and Viet Nam, respectively, shall be reduced in accordance with the schedule as mutually agreed by all Member States;
h) The products placed in Schedule H of each Member State shall not be subject to import duties reduction or elimination;
i) Reduction and elimination of import duties shall be implemented on 1 January of each year;
j) The base rates from which import duties are to be reduced or eliminated shall be the Common Effective Preferential Tariffs (CEPT) rates at the time of entry into force of this Agreement.

- Except as otherwise provided in this Agreement, no Member State shall nullify or impair any tariff concessions applied in accordance or increase an existing duty specified in the schedules.

Temporary Modification or Suspension of Concessions

- In exceptional circumstances where a Member State faces unforeseen difficulties in implementing its tariff commitments, that Member State may temporarily modify or suspend a concession contained in its Schedules.
- To invoke the changes, Member State shall notify to the ASEAN Free Trade Area (AFTA) Council at least 180 days prior. The applicant Member State shall maintain a level of reciprocal and mutually advantageous concessions no less favorable to the trade of all other Member States of substantial supplying interest than that provided in this Agreement prior to such negotiations.

Origin Criteria

- For the purpose of this Agreement, a good imported into the territory of a Member State from another Member State shall be treated as an originating good if it conforms to the origin requirements under the conditions of wholly obtained or produced in the exporting Member State and a good not wholly obtained or produced in the exporting Member State.
- Goods shall be deemed to be originating in the Member State where working or processing of the goods have a Regional Value Content (RVC) of not less than 40% calculated (formula as below) or if all non-originating materials used in the production of the goods have undergone a change in tariff classification at four-digit level.

a) Direct Method

$$RVC = \frac{\text{ASEAN Material Cost} + \text{Direct Labour Cost} + \text{Direct Overhead Cost} + \text{Other Cost} + \text{Profit}}{\text{FOB Price}} \times 100\ \%$$

b) Indirect Method

$$RVC = \frac{\text{FOB Price} - \text{Value of Non-Originating Materials, Parts or Goods}}{\text{FOB Price}} \times 100\ \%$$

- Locally-procured materials produced by established licensed manufacturers, in compliance with domestic regulations, shall be deemed to have fulfilled the origin requirement of this Agreement.

Application of Non-Tariff Measures

- Each Member State shall not adopt or maintain any non-tariff measure on the importation of any good of any other Member State or on the exportation of any good destined for the territory of any other Member State, except in accordance with its WTO rights and obligations or in accordance with this Agreement.

Import Licensing Procedures

- Each Member State shall ensure that all automatic and non-automatic import licensing procedures are implemented in a transparent and predictable manner, and applied in accordance with the Agreement on Import Licensing Procedures as contained in Annex 1A to the WTO Agreement. Each Member State shall notify the other Member State of any existing import licensing procedures.

Trade Facilitations

- Member States shall develop and implement a comprehensive ASEAN Trade Facilitation Work Programme, which sets out all concrete actions and measures with clear targets and timelines of implementation necessary for creating a consistent, transparent, and predictable environment for international trade transactions that increases trading opportunities and help businesses, including small and medium sized enterprises (SMEs), to save time and reduce costs.

Principles on Trade Facilitation

a) Transparency: Information to be made available to all interested parties, consistently, and in a timely manner at no cost or a reasonable cost;

b) Communications and Consultations: The authorities shall endeavour to facilitate and promote effective mechanisms for exchanges with the business and trading community;

c) Simplification, practicability, and efficiency: Rules and procedures relating to trade to be simplified to ensure that they are no more burdensome or restrictive than necessary;

d) Non-discrimination: Rules and procedures relating to trade to be applied in a non-discriminatory manner and be based on market principles;

e) Consistency and predictability: Rules and procedures relating to trade to be applied in a consistent, predictable and uniform manner so as to minimize uncertainty to the trade and trade related parties;

f) Harmonization, standardization and recognition: While accepting the need of each Member State to regulate or set rules for legitimate objectives affecting the acceptance of goods between Member States to be harmonized as far as possible on the basis of international standards where appropriate;

g) Modernization and use of new technology: Where new technology is used, relevant authorities shall make best efforts to spread the accompanying benefits to all parties through ensuring the openness of the information on the adopted technologies and extending co-operation to authorities of other economies and the private sector;

h) Due process: Access to adequate legal appeal procedures;

i) Co-operation: Member States shall strive to work closely with private sector in the introduction of measures conducive to trade facilitation, including by open channels of communication and co-operation between both governments and business.

Custom Procedures and Control

- Each Member State shall ensure that its customs procedures and practices are predictable, consistent, transparent and trade facilitating, including through the expeditious clearance of goods.

Confidentiality

- Nothing shall construe any Member States to require or allow access to confidential information, pursuant to the disclosure which it considers would:

a) be contrary to the public interest as determined by its laws;

b) be contrary to any of its laws, including to those protecting personal privacy or the financial affairs and accounts or individual customers of financial institutions;

c) impede law enforcement;

d) prejudice legitimate commercial interests, which may include competitive position of particular enterprises, public or private.

General Provisions

- Member States shall take any of the following possible measures or their combinations to mitigate, if not totally eliminate, unnecessary technical barriers to trade:

a) harmonize national standards with relevant international standards and practices;

b) promote mutual recognition of conformity assessment results among Member States;

c) develop and implement ASEAN Sectoral Mutual Recognition Arrangements and develop ASEAN Harmonized Regulatory Regimes in the regulated areas where applicable;

d) encourage the co-operation among National Accreditation Bodies and National Metrology Institutes (NMIs) including relevant legal metrology authorities in ASEAN.

Standards

- In harmonizing national standards, as the first and preferred option, adopt the relevant international standards when preparing new national standards or revising existing standards. Where international standards are not available, national standards shall be aligned among Member States.
- Member States are encouraged to actively participate in the development of international standards, particularly in those sectors that have trade potential for ASEAN.
- In adopting technical regulations, Member States shall ensure that:

a) not adopted with a view, to or with the effect of, creating technical barriers to trade;
b) based on international or national standards that are harmonized to international standards;
c) alternative means that are least trade restrictive to achieve the desired objectives are considered before a decision is taken on the adoption of technical regulations;
d) the adoption of prescriptive standards is avoided to ensure that unnecessary obstacles to trade are not introduced, to enhance fair competition in the market or that it does not lead to a reduction of business flexibility;
e) treatment accorded to products imported from Member States is no less favourable than that accorded to like products of national origin.

Sanitary and Phytosanitary Measures Implementation and Institutional Arrangements

- ASEAN Committee on Sanitary and Phytosanitary Measures (AC-SPS) shall be established to conduct committee meetings at least once a year among Member States.
- The functions of AS-SPS:

a) facilitate exchange of information on such matters as occurrences of sanitary or phytosanitary incidents in the Member States and non-Member States;
b) facilitates co-operation in the area of sanitary or phytosanitary measures;
c) endeavour to resolve sanitary and phytosanitary matters with a view to facilitate trade between and among Member States.

- Each Member State acknowledges the value of exchanging information, particularly in an emergency situation on food safety crisis, interception, control of pests and/or disease outbreaks and its sanitary or phytosanitary measures.

Anti-Dumping and Countervailing Duties

- Member States affirm their rights and obligations with respect to each other relating to the application of anti-dumping under Article VI of GATT 1994 and the Agreement on Implementation of Article VI of General Agreement on Tariffs and Trade 1994 as contained in Annex 1A to the WTO Agreement.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document:	ASEAN Food Safety Regulatory Framework (AFSRF)
Date of Issuance:	Not stated
Author:	Not stated
Source:	Internet

BACKGROUND

The ASEAN Economic Community (AEC) Blueprint 2016-2025 adopted the objectives of developing a highly integrated and cohesive economy. It envisions the development of the Food and Agriculture sectors to be competitive, inclusive, resilient and fully integrated with the global economy with the goal of ensuring food security, food safety and better nutrition. The ASEAN Socio-Cultural Community (ASCC) Blueprint for 2016-2025 includes, as its Strategic Measures, the adoption of measures to increase resilience to better respond to health related hazards by strengthening health systems, promote regional standards to strengthen regional institutional and human capacities, and support effective implementation of strategies and programmes in responding to health related hazards in ASEAN Member States. The ASEAN Food Safety Policy was adopted in 2015 by the Ministerial Bodies responsible for health, trade and agriculture with the objective of providing basis for ASEAN Member States to facilitate the free flow of food and enhance protection of consumers' health within ASEAN and ensuring the safety of food.

OBJECTIVE

The AFSRF is intended to:

1. Ensure the protection of consumer's health;
2. Facilitate the free flow of safe food within ASEAN by:
    - (i) Enhancing the harmonisation of sanitary and phytosanitary measures and standards for food;
    - (ii) Minimising technical barriers to intra-ASEAN trade in food; and
    - (iii) Reducing discrepancies of national food control systems among individual ASEAN Member States.

The AFSRF shall address food safety assurance and control from primary production to consumption.

Matters concerning food quality, organic food, animal welfare, sustainability, food security, environmental protection, climate change, inter alia, which do not cause food to be injurious to health or unfit for human consumption, fall outside of the scope of the AFSRF.

OUTLINE

The specific requirements for the numerous and diverse aspects of food safety shall be defined in dedicated protocols appended to the AFSRF. The protocols shall include the existing initiatives on food safety and shall be developed and adopted as necessary.

1 Introduction

2 Objectives

3 Scope

4 Principles

5 Definitions

"Definition for food, food safety and related terminology based on standards harmonised in ASEAN and international standards".

6 General provisions

Statements on the rights and obligations of member states with respect to the provisions of the Framework Agreement, the implementation of the protocols and harmonised ASEAN standards and guidelines.

7 Recognition of results of inspections, certifications and SPS measures

Specific general obligations on recognition of results to facilitate intra ASEAN trade of food.

8 Institutional arrangements

Provisions for the governance of the ASEAN food safety Regulatory Framework through the establishment of the *ASEAN Food Safety Coordinating Committee.*

9 ASEAN bodies for food safety

Identify ASEAN bodies and their role in the AFSRF and define the links of the bodies with the *ASEAN Food Safety Coordinating Committee.*

10 Domestic legislation and competent authorities in Member States

Definition of the obligations for the Member States to ensure consistent with the AFSRF.

11 Protocols to the ASEAN Food Safety Regulatory Framework

Provisions for the development of protocols, including incorporation existing commitments and ongoing initiatives. the protocols are developed by the relevant subsidiary bodies under the coordination of ASEAN Food Safety Coordinating Committee. The protocols are to be an integral part of the AFSRF.

12 International affairs

Definition of the relationship to international agreements and managing ASEAN engagement in international bodies.

13 Transparency

Obligations to ensure transparency of domestic legislation for food safety.

14 Implementation

Definition of the process for implementation of the AFSRF. Definition of the process for the development and implementation of the protocols.

15 Disputes settlement

Reference to ASEAN EDSM.

16 Final provisions

Provisions for the coming into force of the AFSRF and the protocols and for amendments to the framework.

The "*ASEAN Food Safety Coordinating Committee*" will be established to oversee the implementation of AFSRF and its associated protocols. The Coordinating Committee will commence its operations upon the finalisation of the instruments for implementation of the AFSRF by the PFPWG task force. The task force will be disbanded upon the completion of its tasks.

The ASEAN Food Safety Coordinating Committee shall undertake the following:

I. Planning and overseeing the implementation of the AFSRF and its protocol;

II. Liaising with the relevant subsidiary ASEAN bodies under AEM, AMAF and AHMM for the development of protocols to the AFSRF;

III. Periodic reporting of progress on the implementation of the AFSRF.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Roadmap for Enhancing the Role of Agricultural Cooperatives in Agricultural Global Value Chains 2018 - 2025

Date of Issuance: 11 October 2018

Author: ASEAN Sectoral Group on Agricultural Cooperatives

BACKGROUND

Based on the study conducted among ASEAN Member States (AMSs), the most important support needed by agricultural cooperatives are in the areas of institutional and capacity building, competitiveness, access to markets and access to finance to improve their positions in specific value chains.

OBJECTIVE

1. Provide guidance for enhancing participation of ASEAN agricultural cooperatives in the agricultural global value chains;
2. Advance the implementation of Strategic Thrusts 2 (Enhance trade facilitation, economic integration and market access) and 5 (Assist resource-constrained small producers and SMEs to improve productivity, technology, and product quality, to meet global standards and increase competitiveness in line with the ASEAN policy Blueprint on SME development) of the ASEAN Cooperation in Food, Agriculture and Forestry 2016-2025 (FAF 2025);
3. Serve as a framework to harmonize agricultural cooperatives' legal structures and institutional arrangements within and among ASEAN member countries and share best practices.

OUTLINE

ASWGAC shall be the overall coordinating and monitoring body, while the AMSs will give updates on its implementation during its annual meeting. Following principles should be embraced by ASEAN:
1. Working with agricultural cooperatives should be embedded in all agricultural projects in ASEAN to increase their sustainability and inclusiveness;
2. Focus should be on creating showcases and success stories by investing in practical projects with clear expected outcomes for agricultural cooperatives taking part in the roadmap;
3. A common message and joint vision on agricultural cooperatives should be continuously shared under the roadmap.

Four main pillars

1. Institutional and capacity development

Measure 1 – Improve access to good quality advisory services

Actions:

- Conduct trainings for government officials on the management and operation of agricultural cooperatives so that they can play the needed facilitation role in the provision of services.
- Benchmark the classification and support systems for agricultural cooperatives against the standard of excellence in order to attract investments and partnerships with business.
- Collect or develop materials for training and support to agricultural cooperatives in the field of production, management, finance and business development, especially in the areas where they are most lacking.

Option:

- Provide access to specialized advisory services by agricultural cooperatives in the areas of feasibility studies, business planning, financial management, governance and marketing.

Measure 2 – Peer-to-peer learning and knowledge sharing

Actions:

- Gather all available information on agricultural cooperative expertise in ASEAN and make them widely accessible through a centralized database system.
- Set up an exchange program on thematic agricultural cooperative policy issues (e.g. by-laws, taxation, financing instruments), especially for young agricultural cooperative managers and board members.
- Share information on youth programs in ASEAN countries that are directed at agricultural cooperatives.
- Improve the use of online learning tools on agricultural cooperatives that were developed by ASEAN

sectoral working groups or those from reliable sources like the International Fund for Agricultural Development (IFAD) and European Union (EU).

Options:

- Organize an expert pool at national and ASEAN levels that can provide hands-on advisory services to agricultural cooperatives.
- Invite agricultural cooperative practitioners into the ACEDAC network and transform it into a structure for formulating policies that are based on actual practices of agricultural cooperatives.

2. Competitiveness

Measure 1 – Create resilient cooperatives

Actions:

- Promote a systemic and comprehensive approach to risk management for agricultural cooperatives, including diversification, insurance schemes and internal control mechanism.
- Expose and support agricultural cooperatives to access markets for high-value, organic and Geographical Indication (GI) food produce.

Options:

- Collect tools for agricultural cooperatives to train and assist members in tackling climate challenges in key commodities in line with the priorities of the different ASEAN working groups.
- Support the development and promotion of climate-resilient varieties and agriculture technologies such as agroecology and make them available to agricultural cooperatives through the ASEAN network.
- Promote an integrated area development approach by agricultural cooperatives based on a combination of tourism, biodiversity, local economy and global markets with Geographical Indications (GIs).
- Support farm advisory and extension services of agricultural cooperative for their members on sustainable agriculture.

Measure 2 – Create an enabling environment for agricultural cooperatives growth and viability

Actions:

- Allocate budget for capacity building and professionalization of agricultural cooperatives.
- Develop a strategic agenda in ASWGAC to strengthen the position of agricultural cooperatives in the AEC and to develop policies at ASEAN and national levels to enable agricultural cooperative development.
- AMSs to share experiences, improve regulations and intensify efforts in:

a) Regional infrastructure;
b) Tax policies;
c) Rural education on financial literacy, management and business;
d) Knowledge transfer through good academic and vocational networks in rural areas;
e) Land consolidation and ownership; and,
f) Streamlining of regulations and their costs.

Options:

- Provide policy guidelines and incentives for the consolidation or merger of small agricultural cooperatives to attain economies of scale.
- Support national agricultural cooperative federations in building their capacities to provide services to their member agricultural cooperatives.
- Improve auditing systems for agricultural cooperatives to ensure good governance and internal control.
- Encourage ASEAN governments to establish a clear and uniform legal framework for agricultural cooperatives and preferential treatment for ambitious and well-performing ones.
- Develop policies to require and support training for officers and staff of agricultural cooperatives.

Measure 3 – Simulate commodity-specific agricultural cooperation

Action:

- Study the potential impact of agricultural cooperative federations in ASEAN and gather lessons learned from different countries.

Options:

- Design commodity-specific trainings for agricultural cooperatives.
- Research possibilities for cooperative-cooperative trading schemes to decrease costs and increase solidarity.

Measure 4 – Promotion and 'marketing' of agricultural cooperatives development

Actions:

- Set up an ASEAN Agricultural Cooperative Network based on existing agricultural cooperative federation structures to represent agricultural cooperatives and their members in networking events and policy dialogues.
- Expand the relationship of ASGWAC with donors, companies and financiers in the ASEAN region, such as Grow Asia, EU, IFAD, USAID agri-agencies and others.
- Claim a bigger role for agricultural cooperatives in public-private partnerships and development programs in the region.

Options:

- Develop a marketing and fundraising plan towards 2025.
- Promote agricultural cooperative development in ASEAN through the production of brochures and flyers for donors and financing institutions.
- Develop a computerized and centralized database of agricultural cooperatives in ASEAN for benchmarking, marketing and fundraising.
- Define Key Performance Indicators (KPIs) for the database and establish a baseline for all agricultural cooperatives that will be updated annually.
- Mainstream agricultural cooperatives as important institutions for development programs in the ASEAN Economic Community.
- Develop voluntary guidelines on agricultural project financing by third parties involving agricultural cooperatives.

3. Access to Finance

Measure 1 – Promote sustainable financing systems for agricultural cooperatives

Actions:

- Promote internal capital mobilization within agricultural cooperatives.
- Provide preferential credit to agricultural cooperatives and farmer associations through soft loans from government or financial institutions.

Options:

- Establish collateral security and create transparency in lending mechanisms for agricultural cooperatives.
- Provide guidelines, benchmarks or examples for agricultural cooperatives regarding the need for collateral, business plan and member capital.

4. Access to Market

Measure 1 – Access to existing and to new markets, and outreach to business by agricultural cooperatives

Actions:

- Support agricultural cooperatives in using market information systems on consumer patterns, new business opportunities and competitiveness.
- Allocate R&D funding for development of new products by agricultural cooperatives identified through the market information systems.
- Support and attend business fora and match-making events between businesses and agricultural cooperatives.
- Develop a code of conduct for agribusiness in relation to working with smallholders and their cooperatives, e.g. regional certifications and the use of a "cooperative and smallholder benefit logo".

Implementation Guide at National and Local Level

1. Advisory trajectory for individual agricultural cooperatives and recommended eight steps to set-up a cooperative towards global value chains.

Basic Steps:

1. Developing the initiative
2. Building consensus
3. Establishing a steering committee
4. Feasibility study and member survey
5. Organizational design
6. Member commitment
7. Involving other stakeholders
8. Starting up the enterprise

2. Thematic milestones for an efficient cooperative promotion and support roadmap at country level.

- Planning the cooperative and its business
- Leadership and members' commitment
- Cooperatives management
- Information management

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: Initiative for ASEAN Integration (IAI) Work Plan IV (2021-2025)

Date of Issuance: 2020

Author: ASEAN Secretariat

BACKGROUND

This document is made as a result of the Fourth Informal Summit in Singapore in 2000 and Ha Noi Declaration on Narrowing Development Gap for Closer ASEAN Integration in 2001, which provided direction on collective efforts in ASEAN to narrow the development gap within ASEAN and between ASEAN and the rest of the world to enhance ASEAN's competitiveness as a region. The Hanoi Declaration called for special assistance to Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV countries) to further regional integration to close the development gap. The fourth work plan is encouraged by the significant progress achieved by the CLMV countries under IAI Work Plans I, II, and III. Since the emergence of challenges and priorities brought about by global and regional developments and trends, such as the Fourth Industrial Revolution and the adverse impact of the COVID-19 pandemic, there are more reasons to assist the CLMV countries to implement IAI Work Plan IV (2021-2025). The IAI Work Plan IV's strategic areas are relevant to some ASEAN plans namely Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025), ASEAN Standards and Conformance Strategic Plan 2016-2025, AEC 2025 trade Facilitation Action Plan, 2018 ASEAN Work Programme on Trade Facilitation ATF-JCC Priorities, 2020 ASEAN Work Programme and Priorities on Trade Facilitation, ASEAN Strategic Action Plan for SME Development 2016-2025, ASEAN 5 Year Work Plan on Education (2016-2020), and ASEAN Post-2015 Health Development Agenda.

OBJECTIVE

To strengthen efforts and cooperation in advancing regional integration and reducing developmental gap through, among others, the Initiative ASEAN Integration; To contribute towards the implementation of the ASEAN Comprehensive Recovery Framework in increasing the capacity and resilience of public health systems, education systems, MSMes as well as key economic sectors such as agriculture and trade, in preparing ASEAN, particularly the CLMV countries, for economic and social transformation towards a comprehensive recovery from the impact of the CVOID-19 pandemic and stronger ASEAN resilience.

OUTLINE

The structure of IAI Work Plan IV is composed of two parts which are strategic framework (vision, strategic areas and objectives, and actions) and the implementation plan. Aside from the strategic framework, IAI Work Plan IV also brings up three other potential themes which are Industry 4.0, Gender and Social Inclusion (GESI), and Environmental Sustainability, Sustainable Urbanization and Infrastructure Development which cross-cute with the framework.

Strategic Framework for IAI Work Plan IV

A. Food and Agriculture

Increasing the adoption of sustainable agricultural practices, agricultural productivity, and trade in agricultural products is possible by exchanging best practices and capacity building in improving water management and water-use efficiency in agriculture, disseminating techniques and technologies to reduce post-harvest losses in crop production, including in food processing, and completing the development and implementation of sustainable agricultural approaches including GAP, GAqP and GAHP by raising awareness and training farmers. Supporting smallholder farmers to increase their productivity and market access will also contribute to the previous objective as well as increasing the income of the farmers. Lastly, introducing agricultural techniques and technologies that safeguard the sector against potential negative effects of climate will improve farmers' income and food security.

B. Trade Facilitation

The objective to increase market access by harmonizing standards of mutually recognizing conformity assessment results by improving the said harmonization and its implementation. Completing national commitments to multilateral trade facilitation agreements by accelerating the implementation of trade facilitation measures, which have been accepted by international institutions (WTO and/or WCO). Lowering the incidence of trade distorting non-tariff measure by improving technical capacity related to non-tariff measures and barriers to enable more effective trade facilitation. Increasing adoption of e-commerce to support trade by promoting, adopting, and including technical capacity building to strengthen legal and regulatory frameworks for e-commerce.

C. MSMEs

The objective of increasing access to finance for MSMEs can be done through broadening access to financial literacy and productivity training for MSMEs—with focus on women and youth. To reduce time and cost to start a business, they should enhance the registration process to start a business by streamlining permits and registration procedures and promoting Good Regulatory Practices as well as build up capacity of business associations to better represent MSME interests in policy making processes and to partner with government for a conducive environment. Supporting the awareness and adoption of relevant technology and digital tools will help raising the productivity of MSMEs. Lastly, supporting the integration of MSMEs into global value chains including establishing mechanisms to help MSMEs increase exports is a mean to support MSMEs' internationalization.

D. Education

The objectives are to improve the quality of TVET education and maximize employment opportunities of TVET graduates, support regional mobility of students, promote alternative delivery channels of education to increase access and strengthen resilience of the education sector, increase quality of basic educational level, and improve English language across all level through inter alia. Those can be achieved by providing technical and capacity support for TVET education quality and awareness of TVET, supporting CLMV countries to reduce intra-regional student mobility, assisting CLMV countries to develop programs adopting online learning and other delivery channels, improving the quality of teaching and school leadership, and delivering English language training to government officials and basic education teachers.

E. Health and Well-being

Strengthening public health security through developing national core capacities in prevention, detection, responses, adoption of digital technologies, awareness on disease outbreaks as well as providing technical and capacity support to improve the quality of access to rural health services would promote a more effective and responsive healthcare system. CLMV countries should also be supported to implement programs that improve and enhance food safety. Reducing deaths caused by non-communicable disease could be done by strengthening the capacity of healthcare systems to address its increasing prevalence. Lastly, CLMV countries should be supported to end all forms of malnutrition by scaling up nutrition surveillance and developing effective mechanisms to address areas of concerns.

Enabling actions for the above framework are 1) raise awareness of and promote sustainable development, particularly in areas related to urbanization, the circular economy, and energy system; 2) capacity building for government officials to share best practices in administration, public policy, governance, and regulatory development; 3) improve data collection and analysis capabilities to enable more effective policymaking, and; 4) strengthening the role of social work in realizing a people-oriented, people-centered, and inclusive ASEAN Community.

The implementation approaches for IAI Work Plan IV are 1) clear governance and ownership; 2) effective project delivery; 3) proactive stakeholder engagement, and; 4) robust performance management. These are all supported by clear monitoring, reporting and evaluation channels, and responsibilities. Progress and the input and output level will be reported regularly to the IAI Task Force while progress at the outcome level will be assessed on three occasions – 2021, 2024, and 2027.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Economic Community 2025 Consolidated Strategic Action Plan (CSAP)

Date of Issuance: 6 February 2017 (initial), 14 August 2018 (updated)

Author: ASEAN Economic Community (AEC)

BACKGROUND

This document is a complement for AEC's blueprint for the future of ASEAN countries joint economic policy and merits from 2016 until 2025. Mainly, the upheld characteristics through the blueprint are 1) integration and cohesiveness, 2) competitiveness, innovation, and dynamicity, 3) stronger link and cooperation of working sectors, 4) inclusive and people-oriented, and 5) global value—all regarding the ASEAN economic community. This CSAP is to inform stakeholders of the key action lines collected from the development plans of relevant sectors and. CSAP also serves to monitor and report any progress of the implementation and the achievements per its timeline, thus giving relevant feedback for future review or necessary policy update. Additional point of CSAP document is to strategically facilitate cross-sector coordination and identify each need of different ASEAN sectoral bodies to succeed purposes for new focus areas mentioned in the 2025 Blueprint.

OBJECTIVE

For each characteristics mentioned before, there are several elements and different objective(s) respectively. The objective(s) of each element from each characteristic are as follow:

Characteristic 1: A Highly Integrated and Cohesive Economy

1. **Trade in Goods:** To reduce or eliminate border and behind-the-border regulatory barriers that impede trade, so as to achieve competitive, efficient, and seamless movement of goods within the region.
2. **Trade in Services:** To further broaden and deepen services integration within ASEAN, ASEAN's integration into the global supply chains in both goods and services, and enhance AMS competitiveness in services.
3. **Investment Environment:** To enhance further ASEAN's attractiveness as an investment destination globally through the establishment of an open, transparent and predictable investment regime in the region.
4. **Financial Integration, Inclusion, and Stability:** Promote financial integration, inclusion and stability to support ASEAN macroeconomic stability and growth.
5. **Facilitating Movement of Skilled Labor and Business Visitors:** To facilitate the temporary cross-border movement of natural persons and business visitors engaged in the conduct of trade in good, trade in services, and investment.
6. **Enhancing Participation in Global Value Chains:** To develop regional value chains to enhance ASEAN's participation in global value chains.

Characteristic 2: A Competitive, Innovative and Dynamic ASEAN

1. **Effective Competition Policy:** To have operational and effective rules on competition for ASEAN to be a competitive region with well-functioning markets.
2. **Consumer Protection:** To create comprehensive and well-functioning national and regional consumer protections systems enforced through effective legislation, redress mechanisms and public awareness.
3. **Strengthening Intellectual Property Rights Cooperation:** To help AMS move higher up in the technology ladder, encourage transfer of technology and stimulate innovation and creativity.
4. **Production Driven-Growth, Innovation, Research and Development and Technology Commercialization:** To improve labor productivity and total factor productivity performance.
5. **Taxation Cooperation:** To support regional competitiveness in ASEAN by addressing the issue of fiscal barriers.
6. **Good Governance:** To engage various stakeholders to build a more dynamic ASEAN
7. **Effective, Efficient, Coherent and Responsive Regulations and Good Regulatory Practice:** To ensure that the regulatory regime is robust, effective, coherent, transparent, accountable and forward looking in terms of regulatory structure and design as well as implementation processes.
8. **Global Megatrends and Emerging Trade-Related Issues:** To formulate appropriate strategies on emerging trade-related matters and global megatrends.

Characteristic 3: An Enhanced Connectivity and Sectoral Cooperation

1. **Transport:** To move towards greater connectivity, efficiency, integration, safety and sustainability of ASEAN transport to strengthen ASEAN's competitiveness and foster regional inclusive growth and development.
2. **Information and Communication Technology (ICT):** To create a strong ICT infrastructure with pervasive connectivity in ASEAN and to facilitate the creation of a business environment that is conducive to attract and promote trade, investment and entrepreneurship.
3. **E-commerce:** To promote the growth of e-Commerce and facilitate cross-border e-Commerce transactions in ASEAN.
4. **Energy:** To enhance energy connectivity and market integration in ASEAN to achieve energy security, accessibility, affordability and sustainability for all.
5. **Food, Agriculture, and Forestry:** To work towards a competitive, inclusive, resilient and sustainable food, agriculture and forestry sector integrated with the global economy, based on a single market and production base, contributing to food and nutrition security, and prosperity in the ASEAN Community.
6. **Tourism:** To make ASEAN a quality tourism destination offering a unique, diverse experience, and committed to responsible, sustainable and inclusive tourism development, so as to contribute significantly to the socio-economic well-being of ASEAN people.
7. **Healthcare:** To promote the development of a string healthcare industry that will contribute to better healthcare facilities, products, and services to meet the growing demand for affordable and quality healthcare in the region.
8. **Minerals:** To create a vibrant and competitive ASEAN mineral sector for the well-being of the ASEAN people by enhancing trade and investment and strengthening cooperation and capacity for sustainable mineral development in the region.
9. **Science and Technology:** To sustain ASEAN's economic growth and remain globally competitive would be supported by appropriate science, technology and innovation (STI) applications.

Characteristic 4: Resilient, Inclusive and People-Oriented, People-Centered ASEAN

1. **Strengthening the Role of MSMEs:** To create globally competitive, resilient and innovative MSMEs, seamlessly integrated to ASEAN community and inclusive development in the region.
2. **Strengthening the Role of Private Sector:** To engage the business sector and community-based organizations more effectively to provide easier access to official information on implementation and to obtain timely feedback on policies.
3. **Public-Private Partnership:** To use PPP as a tool for decision makers to strengthen economic and social development through the harnessing of private sector expertise, sharing of risks and provision of additional sources of funding.
4. **Narrowing the Development Gap:** To narrow the development gap by providing support to Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) to augment their capacity to implement regional agreements and accelerate the regional integration process as a whole, and coordinate closely with other sub-regional cooperation frameworks in the region (e.g. Brunei, Indonesia, Malaysia, Philippines East ASEAN Growth Area (BIMP-EAGA) Indonesia, Malaysia, Thailand Growth Triangle (IMT-GT), Greater Mekong Subregion (GMS), Mekong Initiatives) as part of NDG.
5. **Contribution of Stakeholders on Regional Integration Efforts:** To provide for better transparency of ASEAN activities and progress in ASEAN integration by enhancing engagement with stakeholders.

Characteristic 5: Global ASEAN

To strengthen ASEAN's position as an open and inclusive economic region, and lay the foundation for ASEAN to retain its centrality in global and regional engagements, where possible.

OUTLINE

For each characteristics mentioned before, there are several elements and different measure(s) respectively. The outline of measure(s) of each element from each characteristic are as follow:

Characteristic 1: Highly Integrated and Cohesive Economy

Trade in Goods

- Strengthening ASEAN Trade in Goods Agreement (ATIGA) by assessing effectiveness by promoting intra-ASEAN trade, finding possibilities of applying automatization for import duties and reviewing current trade remedies procedure, strengthening ATIGA notification process by monitoring scheme and reviewing rules to allow cross-notification by AMSs, reducing tariff barriers in ASEAN, addressing trade distorting effect of Non-Tariff Measures (NTMs) through developing effective procedure/guideline for NTMs, strengthening disciplines, updating and reviewing NTMs, address Sanitary and Phytosanitary Standards (SPS)-related activities and allow consultation for its problems.
- Simplify and strengthen the implementation of the Rules of Origin (ROO) by reviewing ROO to enhance it towards a more trade facilitative and business friendly factor, seeing possibility of full cumulation under ATIGA, simplifying some forms and operations of certification to facilitate global value chain participation and ASEAN wise Self-Certification.
- Accelerate and deepen the implementation of trade facilitation measures by facilitating trade provision under ATIGA and World Trade Organization (WTO) agreement and improving disciplines for MSMEs and also monitoring activities.
- Accelerate trade facilitation measures and possible best practices of trade, improving effectiveness of trade goods transport within the region, enhancing more effective responses of trade problems and ASEAN trade related policies, and better coordination and monitoring activities of trade facilitation measures. Improvement in customs related factors such as administration, border procedures, valuation and classification, partnership with businesses, transit system along Nort-South and East-West Corridor, and modernization through capacity building also becomes the focus in the acceleration of trade facilitation.
- Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP) implementation would realize support and contribution to the development of securing the standard and quality of market integration, identifying proper approaches to support trade technical regulation for provided services, enforcing strong internal monitoring for necessary reviews (structure and terms-of-reference related), and adopt approaches to get opportunities to enter global/international trade organization.

➢ **Sectoral Body:** Coordination Committee on ATIGA, ASEAN Trade Facilitation Joint Consultative Committee, ASEAN Consultative Committee for Standards and Quality, IAI Task Force

Trade in Service

- Review existing flexibilities, limitations, thresholds and carveouts ad appropriate
- Enhance mechanism to attract foreign direct investment (FDI) including but not limited to foreign equity participation to support global value chain activities
- Explore alternative approaches for further liberalization of services
- Establish possible disciplines on domestic regulation to ensure competitiveness by considering other non-economic or development or regulatory objectives
- Enhance technical cooperation for human resources development, joint promotion to attract FDI by organizing regular engagements or joint activities with investment related associations and undertaking technical cooperation activities (*on-going strategic measure*)

➢ **Sectoral Body:** Coordinating Committee of Services

Investment Environment

- Liberalization, facilitation, and protection should be made as focus through completing built-in agenda of the ACIA, identifying appropriate approaches to minimize ACIA Reservation Lists, and undertaking and enhancing peer review mechanism of the committee.
- Promotion of ACIA as well as ASEAN as an investment destination should be continued with enhanced and updated knowledge resources on investment promotion.

➢ **Sectoral Work Plan & Body:** 2016-2025 Investment Work Programme; Coordinating Committee on Investment

Financial Integration, Inclusion, and Stability

- Strengthening financial integration to facilitate intra-ASEAN trade and investment by increasing the role of

ASEAN indigenous banks, integrated insurance markets, and connected capital markets to support more cross-border activities and linkage for ASEAN stock markets.
- Promote financial inclusion to deliver financial products and services to a wider community that is under-served including MSMEs. This way, there will be more public awareness campaign for insurance, retail investor access to government and corporate bonds, efficient use of regional currency, capable real-time Retail Parment Systems (RPS), strategies and policies for consumer protection, and capacity building to enhance financial inclusion ecosystem.
- Ensure financial stability through continuous strengthening of regional infrastructure which realizes regulatory transparency, standards, and coherence. This will also handle supervision and recovery for financial risks and crises. A secure database for policy dialogue reports on capital flow statistic and measure should also be developed.
- Enhance capital account liberalization for greater capital flow to facilitate cross-border investment and lending.
- Enhance Payment and Settlement Systems by promoting standardization and developing settlement infrastructure.
- Capacity Building through learning programmes and exchange of knowledge in areas relevant to financial tegration and development.

Facilitating Movement of Skilled Labor and Business Visitors
- Expand and deepen commitments under ASEAN Agreement on Movement of Natural Persons (MNP) and reduce/standardize documentation requirements

Enhancing Participation in Global Value Chains
- Enhance joint marketing strategy with supporting tools, activities and assessments
- More initiatives for imports and exports facilitation with upholding standard harmonization and capacity building
- Better trade information sharing through focusing connectivity and lessening restrictive effects and costs

<u>Characteristic 2</u>: A Competitive, Innovative and Dynamic ASEAN
Effective Competition Policy
- Establish effective competition regimes through competition laws for region that do not have them, and based on international best-practices
- Implement necessary institutional mechanism for competition law enforcement including comprehensive technical assistance by updating the 5-year Regional Capacity Building Roadmap related to CPL
- Establish platforms for regular exchange and engagement supporting a fair competition and enhanced information access for businesses reaching out to relevant stakeholders
- Establish Regional Cooperation Arrangements and best regional strategy on competition policy that deals effectively with cross-border commercial transactions

Consumer Protection
- Establish consumer protection network through improved regulations/policies and monitoring as well as better information exchange system, product safety enforcement, finance, and product transport protection
- Promote consumer empowerment, knowledge, and advocacy as well as improving costumer service that could answer concerns effectively

Strengthening Intellectual Property Rights Cooperation
- ASEAN IP offices and infrastructure to be strengthened and the ecosystem should be expanded
- Regional IP platforms, infrastructures, and mechanism to be developed and enhanced to promote asset creation and commercialization especially for MSMEs and to create awareness
- IP mechanism to be protected as Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions (GRTKTCE) mechanism

Production Driven-Growth, Innovation, Research & Development and Technology Commercialization
- Promote strategic partnership among the academia/research institution/government technology research laboratories with networking that stimulates ideas and creativity towards developing capabilities for technology transfer and adaptation at various level

- Focus on enhancing MSMEs in ASEAN competitiveness and commercialization through science and technology tools and methodologies that support a system with human resource which is highly mobile, intelligent, and creative
- Promote programmes that connect ASEAN safe cooperation in science and technology sharing and also ASEAN participation in global and regional value chain and production networks that attract leading technology firms to set up shop in the region

Taxation Cooperation

- Establish complete bilateral Tax Treaty networks among AMS with a proper withholding tax structure and adopting internationally-agreed tax standards for ASEAN
- Explore any possibility of global taxpayers' identification number and collaboration in excise taxation among AMS

Good Governance

- Promote a more responsive ASEAN through transparent and strong government while also engaging with the private sector as well as other stakeholders which could synergize with government policies and business actions across industries and sectors

Effective, Efficient, Coherent and Responsive Regulations and Good Regulatory Practice

- ASEAN regulation(s) related to implementation of programs should be competitive, aligned with objectives, and non-discriminatory, and able to be reviewed for further streamlining and update (or even necessary termination)
- Consultation with various stakeholders including any dialogue with private sector to be conducted regularly as a mean of monitoring and assessment in order to identify problems and come up with the technical solution contributing to regulatory coherence; first at regional/national level and then brought up to ASEAN committee

Sustainable Economic Development

- Policies and frameworks should be developed to support utilization of efficient and low carbon technologies in all ASEAN region including for transportation (such as using biofuels)
- Enhance connectivity through multilateral electricity trade cooperation under the Trans-ASEAN Gas Pipeline
- Any investment for low carbon technologies, best practice and management systems to ensure future demand, food security, and environmental issues should be supported especially for food, agriculture, and forest management sector

Global Megatrends and Emerging Trade-Related Issues

- Promote dialogue and induce awareness on Global Megatrends and Emerging Trade Related Issues in ASEAN covering industrial relations environment, investment in workers and learning centers, expanding interconnected global cross-border flows, and accelerating technology-digital advancement related to trade

<u>Characteristic 3</u>: An Enhance Connectivity and Sectoral Cooperation

Transport

- Land transport: 1) accomplish the implementation of the SKRL main lines and detailed designs for the spur lines, 2) complete ASEAN Highway Network Project, 3) enhance the use of "Intelligent Transport System", 4) develop effective ASEAN dry ports network, 5) reduce road fatalities by 50% in AMS by 2020, 6) develop a database of ASEAN land transport network, and 7) intensify regional cooperation in improving transport safety
- Air transport: 1) aim for efficient and competitive air transport market with various Dialogue Partners while maintaining ASEAN centrality, 2) advance safe skies in ASEAN, 3) enhance aviation security and air traffic management efficiency and capacity, and 4) strengthen ASEAN Search and Rescue (SAR) cooperation
- Maritime transport: Establish and ASEAN Single Shipping Market and promote maritime safety, security, and strategic economic corridors within ASEAN through enhanced navigation system and security measures, necessary policy initiatives and recommendations for a strategic transport logistics, and strong SAR cooperation
- Establish and integrated, efficient and globally competitive logistics multimodal system as well as low carbon modes of transport to support transport facilitation and sustainable transport in ASEAN

Information and Communication Technology (ICT)

- Explore further utilization and coordination of ICT for digital trade in ASEAN while also empowering the

people/community by enhancing Internet broadband penetration and affordability, supporting ICT innovations, utilization of new media, capacity building, and ICT use for trade, services, and investment
- Build a trusted digital ecosystem for the people to use and protect personal data

E-commerce
- Rights and laws for e-commerce in ASEAN should be harmonized
- Establish a user friendly, secure, and effective e-commerce scheme especially for payment and electronic authentication aligned with international standard and best practices

Energy
- Initiate multilateral electricity trade and enhance ASEAN connectivity for energy security via Trans-ASEAN Gas Pipeline
- Advance clean coal technologies (CCT) through more projects and studies with participation from public and private sector
- Conserve energy by reducing the intensity by 20% in medium-term target (30% for long-term) and renewable energy component to be increased through research, studies, and policy planning and updates

Food, Agriculture, and Forestry
- Trade facilitation for these sectors should be enhance with sustainable management, sustainable production (including for organic products), equitable distribution, improved technology, product security, and product quality (including halal food and products) which comply to global market standards
- Increase resilience to climate change, natural disasters and other shocks by implementing Climate Smart Agriculture and other regional initiatives
- Enhance policy and guidelines for all of the above

Tourism
- Enhance ASEAN tourism competitiveness through the best marketing strategy and policy, and promoting sustainable and inclusive tourism pattern with participation of local communities and private sectors with prepared guidelines incorporating environment risk related mitigations

Healthcare
- Public healthcare to partner up with private healthcare through partnership investment provision and all healthcare facilities to conform to best standards of products and services
- Further potential exploration of health tourism and e-healthcare services
- Overall healthcare in ASEAN should be facilitated with strong insurance system promotion, new healthcare product development and issuance, and supportive regulatory actions for its mobility and distribution

Minerals
- Facilitate and enhance trade and investment in minerals while also promote sustainable mineral development through supportive laws and information exchange of up-to-date ASEAN database, best practice, strategies and measures for mineral management
- Strengthen institutional, infrastructure, and human capacities in the mineral sector

Science and Technology (S&T)
- Strengthening existing S&T networks and scientist/researchers' mobility to promote cooperation towards joint technology development, transfer, and commercialization by establishing mechanism and innovative support system that will raise awareness and inclusively empower all part of community (including women and youth) starting from regional level
- Establish new strategies for partnership with dialogue partners & other relevant organizations on mutually beneficial projects of S&T

<u>Characteristic 4</u>: **Resilient, Inclusive and People-Oriented, People-Centered ASEAN**
Strengthening the Role of MSMEs

- Enhance MSMEs productivity and competitiveness by enhancing market access, increase finance access and financial literacy, internalization, promotion of technology utilization (including e-commerce) to follow-up with key trends, promotion of multinational corporation partnerships, and human capital development particularly for youth and women
- Enhance MSME policy and regulatory environment that promotes intra and inter-governmental cooperation and coordination mechanisms, involvement of MSMEs in the decision-making process to enable better representation of MSME interests. Policy index is to be updated every 3 years.

Strengthening the Role of the Prive Sector

- Implement a more inclusive and consultative process involving the private sector by reviewing and updating existing rules and procedures document and enhancing coordination between ASEAN Business Advisory Council (ASEAN-BAC) and ASEAN Secretariat

Public Private Partnership

- Review legal and institutional frameworks that supports PPP and identify supporting technical assistance, development facilities, and transaction advisory for PPP
- Establish ASEAN network of PPP agencies and stakeholders to be able to share experience, collaborate, fund, and also promote PPP for infrastructure projects

Narrowing the Development Gap

- Sustain the pace of economic growth among AMS by strengthening capacity-building for productivity in new AMS especially their rural areas/economies, reducing business regulation burdens, and building business opportunities including for MSME development and finance

Contribution of Stakeholders on Regional Integration Efforts

- Continue to enhance engagement with stakeholders on economic issues to promote better understanding of ASEAN economic integration initiatives, promote corporate social responsibility (CSR) activities, and conduct consultation on new initiatives

Characteristic 5: Global ASEAN

- Support ASEAN initiatives in negotiation and implementation of technical barriers to trade to develop a more strategic and coherent approach towards external economic relations
- Continue to review and improve ASEAN FTAs and CEPs to remain modern, comprehensive, high-quality and more responsive to the needs of businesses in ASEAN
- Enhance economic partnership by upgrading trade and investment plans, actively engaging with regional and global partners to pursue strategic engagement with emerging economies with the same values and to pursue multilateral trading system

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture, and Forestry

Date of Issuance: 10 September 2015

Author: the Forest and Climate Change Project (FOR-CC) under the ASEAN-German Program on Response to Climate Change in Agriculture and Forestry (GAP-CC) for the ASEAN Secretariat

BACKGROUND

ASEAN has made major advances in improving living standards and incomes of citizens, and very considerably decreased extreme poverty. It has strengthened food security, substantially reduced the prevalence of undernourishment, and dealt with food insecurity concerns in 2007-2008. Integrated ASEAN market has been accelerated by the elimination of tariffs on intra-ASEAN trade. FAF sector remains a strategic sector in most ASEAN countries, and a major source of employment and incomes.

The Special SOM-34th AMAF, held on 13-14 August 2013 in Pakse, Lao PDR agreed to develop a vision, objectives and goals of the ASEAN Cooperation in Food, Agriculture and Forestry (FAF) sector towards 2020, based on the review of the current framework and Strategic Plan. The Special SOM-35th AMAF, held on 18-19 August 2014 in Kota Kinabalu, Malaysia agreed on a new timeline of 2016-2025 for the new vision of ASEAN Cooperation on Food, Agriculture and Forestry so as to be consistent with the decision of the 26th Meeting of High-Level Task Force on Economic Integration (HLTF-EI) on the adoption of a ten-year time period (2016-2025) for work plans under the AEC Pillar.

The Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture, and Forestry (2016-2025) is an implementation of the post 2015 vision. The SP has been designed to guide ASEAN towards the completion of the Millennium Development Goals (MDGs) and the post-2015 Sustainable Development Goals (SDGs), and to achieve the related goals of the UN Zero Hunger.

OBJECTIVE

(1) To enhance intra- and extra-ASEAN trade and long-term competitiveness of ASEAN's food, agriculture, and forestry products/commodities;
(2) To promote cooperation, joint approaches and technology transfer among ASEAN member countries and international and regional organizations and the private sector, and
(3) To promote ASEAN agricultural cooperatives as a means to empower and enhance market access of agricultural products, to build a network mechanism linking agricultural cooperatives, and to fulfil the purpose of agricultural cooperatives for the benefit of producers in the region.

OUTLINE

<u>Vision:</u>
A competitive, inclusive, resilient and sustainable Food, Agriculture, and Forestry (FAF) sector integrated with the global economy, based on a single market and production base contributing to food and nutrition security and prosperity in the ASEAN Community.

<u>Goals:</u>

- <u>Ensuring equitable, sustainable and inclusive growth</u>: Addresses socio-economic disparities and poverty, ensures gender equality, narrows regional socio-economic disparities and bridges the development gap between Member States.
- <u>Alleviating poverty and eradicating hunger</u>: ASEAN countries have agreed to support UN Secretary General's Zero Hunger Challenge at regional and country level for hunger eradication.
- <u>Ensuring food security, food safety and better nutrition</u>: ASEAN has been able to avoid serious threats to food security. Challenges that have emerged include competing demands for resources, effects of climate change and environmental degradation in food production and pressures on supplies due to growing demand.

- Deepening regional integration: Establish a single market and production base in the FAF sectors must be removed in order to establish fully integrated ASEAN market in food, agricultural and forestry products.
- Enhancing access to global markets: Reducing trade cost is central to fostering competitiveness and market penetration and can be achieved through the elimination of trade impending regulations and standards that restrict market access, hinder intra-regional trade, and undermine ASEAN's international competitiveness.
- Increasing resilience to, and contributing to mitigation and adaptation of climate change, natural disasters and other shocks: Strengthen mechanism and develop capabilities to prevent and reduce losses due to disasters and emergencies.
- Achieving Sustainable Forest Management (SFM): AMS will strengthen their cooperation and implement national laws and policies and appropriate regional policy frameworks to tackle the challenges of illegal logging, deforestation, and degradation more efficiently and effectively.

Priority areas of cooperation/Strategic Thrust

1. Enhance quantity and quality of production with sustainable, 'green' technologies, resource management systems, and minimize pre- and post-harvest losses and waste;
2. Enhance trade facilitation, economic integration and market access;
3. Ensure food security, food safety, better nutrition and equitable distribution.
4. Increase resilience to climate change, natural disasters and other shocks;
5. Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness.
6. Strengthen ASEAN joint approaches on international and regional issues affecting the FAF sector.
7. Promote sustainable forest management.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS)

Date of Issuance: 21 October 2020

Author: AMAF

BACKGROUND

In 2009-2020, ASEAN formulated and implemented the ASEAN Integrated Food Security (AIFS) Framework, and two Strategic Plans of Action on Food Security in 2009-2013 and 2015-2020, focusing on a strategic set of measures based on strong commitments and ownership among all AMS. This document means to provide scope and joint pragmatic approaches for cooperation among AMS related to food security and to identify opportunities and new strategies for 2021-2025 and provide guidance to relevant sectoral working groups as well as stakeholders and Dialogue/Development Partners on how to enhance their efficiency and contribution in promoting food security in ASEAN. AIFS shall also implement the 2017 ASEAN Regional Guidelines on Food Security and Nutrition Policy and 2018 ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry.

Other documents related to AIFS are:

- 2015 Statement of ASEAN Ministers on Agriculture and Forestry on Food Security and Nutrition
- 2017 ASEAN PPP Regional Framework for Technology Development in FAF Sector
- 2018 AMAF's Approach to Gender Mainstreaming in the FAF Sector
- Multi Sectoral Framework on Climate Change: Agriculture and Forestry towards Food and Nutrition Security and Achievements of SDGs (MSFCC)
- 2019 Action Plan to Promote and Implement the ASEAN Guidelines on Promoting Responsible Investment in FAF Sectors

OBJECTIVE

The main goal is to ensure long-term food security and nutrition, to improve the livelihoods of farmers in the ASEAN region, provide forum for information, new technology, and knowledge exchange. More details on the objectives:

- To sustain and increase food production;
- To reduce postharvest losses;
- To promote conducive market and trade for agriculture commodities and inputs;
- To ensure food stability, affordability, safety, quality and nutrition;
- To promote availability and accessibility to agriculture inputs; and
- To operationalize regional food emergency relief arrangements.

OUTLINE

The SOM-AMAF, supported by ASEC, is the body with primary responsibility for implementation and review of the AIFS Framework and its SPA-FS. There are 5 (five) principles for sustainable food security in ASEAN which are 1) invest in country-owned plans to channel resources, 2) conduct strategic coordination at national, regional, and global level to improve governance, 3) strive for a comprehensive twin-track approach to food security, 4) ensure the strong role for the multilateral system and institutions through several improvements, and 5) ensure sustained and substantial commitment by all partners. These principles are to tackle existing food security challenges faced by AMS both existing challenges or newly emerging ones. The governance of AIFS framework shall be created adequately to ensure institutional stability, transparency, accountability and rules of law, coherence in policy making and prioritization of supportive policies, and create an open trading system that promote agriculture and rural development.

The SPA-FS 2021-2025 consists of several strategic thrust/ action programmes/ activities as follow

1. Strengthen food security, including emergency/ shortage relief arrangement
2. Promote conducive food market and trade

3. Strengthen integrated food security information systems to effectively forecast, plan and monitor supplies and utilization for basic food commodities
4. Promote sustainable food production
5. Encourage grater investment in food and agri-based industry to enhance food security
6. Identify and address emerging issues related to food security
7. Utilize nutrition information to support evidence-based food security and agriculture policies
8. Identify policies, institutional and governance mechanisms for nutrition-enhancing agriculture development in AMS
9. Develop and strengthen nutrition-enhancing food, agriculture and forestry policies/programs and build capacity for their implementation, monitoring and evaluation

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: Strategic Plan of Action for ASEAN Cooperation on Crops 2016-2020

Date of Issuance: (not stated)

Author: Sectoral Working Group on Crop

BACKGROUND

The Special SOM-34th AMAF, held on 13-14 August 2013 in Pakse, Lao PDR agreed on the need to develop a vision, objectives and goals of the ASEAN Cooperation in Food, Agriculture and Forestry sectors towards 2020 (FAF), based on the review of the current Framework and Strategic Plan. The ASEAN Vision 2020 Statement, agreed at the 2nd Informal ASEAN Summit in December 1997, provided direction to the food, agriculture and forestry sectors to "*enhance food security and international competitiveness of food, agriculture and forest products, to make ASEAN a leading producer of these products, and to promote the forestry sector as a model in forest management, conservation and sustainable development*". The Strategic Plan of Action for ASEAN Cooperation on Crops (SPA Crops) is developed to implement the Vision and SP-FAF (2016-2025) measures that are relevant to crops sub-sector within a 5-year time frame, covering the period of 2016 – 2020.

OBJECTIVE

The 1st Technical Consultation Meeting on the Development of Strategic Plan of Action for ASEAN Cooperation on Crops (2016-2020), held on 7 May 2015, in Yogyakarta, Indonesia agreed to adopt the overarching FAF.s Vision and Goals as the Vision and Goals for the Crops sub-sector. The Technical Consultation Meeting also agreed that the following six 6 STs of the SP FAF (2016-2025) are relevant with the new SPA for ASEAN Cooperation on Crops 2016 – 2020:

ST 1: Enhance quantity and quality of production with sustainable, 'green' technologies, resource management systems, and minimize pre- and post- harvest losses and waste;
ST 2: Enhance trade facilitation, economic integration and market access;
ST 3: Ensure food security, food safety, better nutrition and equitable distribution.
ST 4: Increase resilience to climate change, natural disasters and other shocks;
ST 5: Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness.
ST 6: Strengthen ASEAN joint approaches on international and regional issues affecting the FAF sector.

OUTLINE

<u>Strategic Thrust 1:</u> Enhance quantity and quality of production with sustainable, 'green' technologies, resource management systems, and minimize pre- and post-harvest losses and waste.

AP 1.1: Identify infrastructure investment requirements to increase production and reduce post-production losses, and address investment needs.

AP 1.2: Increase private sector participation in policy discussions, programme and project formulation, research and development (R&D) and provide incentives and foster an enabling environment for public-private partnerships (PPPs) towards enhancing productivity and quality, recognizing that the 'private sector' in the context of FAF must refer not only to larger commercial enterprises but must also include the small-scale farmers, fishermen and SMEs.

AP 1.3: Develop yield and productivity enhancing technologies and best practices that involve land use intensification in a sustainable manner, bearing in mind that expansion of cultivable land rapidly reaches its limits even in the land-abundant AMS.

AP 1.4: Balance the competing demands for the use of natural resources for food crops, industrial crops and other purposes through land-use planning to ensure ecological sustainability, food security and producer profitability and employment.

AP 1.5: Develop new and appropriate technologies, best practices and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing crops sub-sectors.

AP 1.6: Provide institutional mechanisms and appropriate incentives for PPP in R&D and technology diffusion, collaborating with the private sector to identify priority, high pay off research issues, and utilize it as a channel for both technology generation and diffusion.

AP 1.7: Identify and document technology, success stories and explore new methods of extension including enhanced use of information and communications technology (ICT) and other communication facilities for dissemination of successful technologies and management systems throughout AMS.

Strategic Thrust 2: Enhance trade facilitation, economic integration and market access.

AP 2.1: Identify and eliminate NTBs that have no economic or scientific rationale and implement trade facilitation measures.

AP 2.2: Harmonize accreditation, inspection and certification so that uniform requirements will prevail ASEAN-wide, enabling the recognition of equivalence.

AP 2.3: Streamline and improve quarantine systems and procedures, and harmonize standards and regulations.

AP 2.4: Involve the private sector in identifying priority products for harmonization of standards and regulations to focus scarce scientific and technical resources on high pay-off products.

Strategic Thrust 3: Ensure food security, food safety, better nutrition and equitable distribution

AP 3.1: Effectively implement the ASEAN Integrated Food Security (AIFS) framework and the strategic plan of action on food security in the ASEAN region (SPA-FS) 2015-2020.

AP 3.2: Collaborate with relevant ASEAN bodies in finalizing and implementing the ASEAN Food Safety Policy (AFSP).

AP 3.3: Accelerate the establishment of food safety standards, and mobilize resources for effective ASEAN wide adoption. one priority is to respond quickly and positively to increasing consumer demands for better food quality and safety as well as better labeling and information.

AP 3.4: Improve food security and nutrition through diversifying food sources and strengthening the quality and variety of food production and improving the food value chains.

Strategy Thrust 4: Increase resilience to climate change, natural disasters and other shocks.

AP 4.1: Promote good agriculture practices incorporating resilient technologies (climate, natural disasters) to minimize the negative effects on natural resources such as soil, and water and reduce the greenhouse gas emission.

AP 4.2: Promote access to climate finance resources to support climate smart/friendly agriculture.

Strategic Thrust 5: Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness.

AP 5.1: Assist small scale producers and SMEs in the FAF sector to become viable and competitive enterprises by provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains.

AP 5.2: Encourage larger scale enterprises to perform a mentoring role by linking with small scale producers and SMEs through mechanisms such as contract farming to foster adoption of innovations and participation in high value market

Strategic Thrust 6: Strengthen ASEAN joint approaches on international and regional issues.

AP 6.1: Enhance coordination and develop joint approaches through consultations among AMS and related ASEAN bodies in regional and international fora.

AP 6.2: Present ASEAN common position on the issues affecting Crop sector in regional and international fora.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: Strategic Plan of Action (SPA) on ASEAN Cooperation on Fisheries 2021-2025

Date of Issuance: (not stated)

Author: ASEAN Sectoral Working Group on Fisheries

BACKGROUND

The fisheries sector is vital to food and nutritional security, economy and livelihood of the people in the ASEAN region. The problem of Illegal, Unreported and Unregulated (IUU) fishing and the plethora of effects of climate change further exacerbate the problem of overfishing and overstressed aquatic ecosystems. The SPA-Fisheries (2016-2020) contained 65 activities and sub-activities that are aligned with the 6 strategic thrusts and 19 action programmes of the SP-FAF 2016-2025. From the lists of 65 activities and sub-activities, 31% are completed, 43% are on-going implementation and 26% remain unimplemented. Some of the notable accomplishments include the adoption of several regional guidelines relating to traceability system for aquaculture products, catch documentation scheme, an early warning system for aquatic animal health emergencies and cold chain management for seafood.

The issuance of the ASEAN-SEAFDEC Common Position on the Inclusion of Commercially-exploited Aquatic Species to CITES Appendix, including the Joint Declaration on Regional Cooperation for Combating IUU Fishing and Enhancing the Competitiveness of ASEAN Fish and Fishery Products were also accomplished. Some of the on-going activities are focusing on the conduct of ASEAN General Fisheries Policy feasibility study, developing guidelines and action plan to combat antimicrobials resistance (AMR) in aquaculture, pilot-testing of electronic catch documentation scheme, establishing the Multilateral Arrangement for the Mutual Recognition of Agri-food Standards and Conformity Assessment, and establishing the ASEAN Network for Combating Illegal, Unreported and Unregulated (IUU) Fishing. SPA-Fisheries 2021-2025 was developed taking into account the on-going and unimplemented activities and sub-activities from the previous SPA and recent developments in the ASEAN fisheries sector.

OBJECTIVE

The goal of the SPA-Fisheries 2021-2025 is to ensure a competitive, inclusive, resilient and sustainable fisheries sector contributing towards economic growth, poverty alleviation, food security and nutrition in the ASEAN region.

OUTLINE

The ASEAN Sectoral Working Group on Fisheries (ASWGFi), supported by SOM-AMAF, will be responsible of the implementation and report of the SPA. Priority activities may be funded by AMS and/or through collaboration with Dialogue Partners and International and Regional Organizations.

The strategic thrusts of SPA-Fisheries 2021-2025 are as follow

1. Enhance quantity and quality of fisheries and aquaculture production with "green" technologies, sustainable resource management systems and minimize pre- and post-harvest losses and waste;
2. Enhance trade facilitation, economic integration and market access (including NTMs, certification, inspection andn harmonized standards);
3. Ensure food security, food safety, better nutrition and equitable distribution;
4. Increase resilience of fisheries and aquaculture to climate change, natural disasters and other shocks (by investment in technology R&D);
5. Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness in line with the ASEAN Policy Blueprint on SME Development; and
6. Strengthen ASEAN join approaches on international regional issues (especially regarding trans-boundary fishing and traceability of fishery products in order to combat IUU fishing).

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: Strategic Plan of Action of the ASEAN SPS Contact Points (SPA – ASCP)

Date of Issuance: 2015/2016

BACKGROUND

This document is the final version of the Strategic Plan of Action for the ASEAN SPS Contact Points for 2016-2020 which should be under the ASEAN Standard and Conformance Strategic Plan [even though not stated in this document].

OBJECTIVE

To inform the detailed activities of each strategic thrust on the SPA – ASCP and also their expected outputs.

OUTLINE

Strategic Thrust 1: Strengthening of Coordination Arrangements on SPS in the Region

a. Enhance capacity of ASCP in coordination SPS-related issues under AMAF by conducting meetings with relevant SWGs/EWGs
b. Promote close collaboration and coordination with other SPS-related ASEAN bodies through liaising, providing technical information, and enhancing related AMAF working groups' activities to be consistent with SP-FAF 2016-2025

Strategic Thrust 2: Enhancement of SPS Cooperation and Exchange of Information in the Region

a. Exchange information among the relevant WGs under AMAF and related ASEAN SPS Bodies by promoting information sharing through ASEAN platforms and compiling SPS related national law/regulation.

Strategic Thrust 3: Promotion of Harmonisation of SPS-related Measures in the Region

a. Ensure coherence and consistency of SPS-related policies and measure by providing advisory support and policy options to SOM-AMAF/AMAF and reviewing and updating SPS-related documents under AMAF.
b. Promote cooperation and mutual support in SPS capacity building activities including involving SMEs through some compilation and dissemination of SPS workshop/training from relevant WGs as well as SPS-related research.

Strategic Thrust 4: Monitoring of SPS Initiatives Under AMAF

a. Monitor the implementation of SPS-related policies and measures/the endorsed ASEAN standards at the national and regional level then make the progress report of each AMS' implementation.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: Strategic Plan of Action for the ASEAN Cooperation in Agricultural Cooperative (2021-2025)

Date of Issuance: 28 January 2021

Author: ASEAN Sectoral Working Group on Agricultural Cooperatives

BACKGROUND

This document complements The ASEAN Cooperation in Agricultural Cooperatives (2021-2025) document.

OBJECTIVE

To explain the identified activities in line with the Strategic Thrusts 2 and 5 of ASEAN Cooperation in related to Agricultural Cooperatives.

OUTLINE

Strategic Thrust 2: Enhance trade facilitation, economic integration and market access.

Established business linkages among the potential agricultural Cooperatives and farmers Organization.

- Exchange knowledge and best practices of agriculture cooperative development in ASEAN.
- Strengthening networking for regional agricultural cooperatives and farmers organization.
- Setting up taskforce/network of experts, stakeholders working on OVOP.
- Exchange knowledge and best practices of development of local and national products (based on the OVOP concept/principles).
- Building a virtual information bank on OVOP products.
- Identify trade regulation among AMS.

Promote direct investment and strategic partnership with ASEAN agricultural cooperatives and farmers organization, producers, consumer and traders.

- To promote direct investment among the AMS.
- Organize annual trade fairs at regional level to display OVOP products by themes.

Empowerment of personnel and stakeholders engaged in OVOP development.

- Learning exchanges for OVOP in ASEAN.

Strengthening the food marketing system of agricultural cooperatives for enhancing food security in ASEAN.

- Strengthen the role of agricultural cooperatives in food marketing chain.
- ASEAN Cooperatives Business Forum (ACBF).

Strategic Thrust 5: Assist resource constrained small producers and SMEs to improve productivity, technology and product quality, to meet global market standards and increase competitiveness in line with the ASEAN Policy Blueprint on SME Development.

Assist small scale producers in the FAF sector to become viable and competitive enterprises by provision of better technology, inputs, finance and extension services, access to higher value markets, and by facilitating integration into modern value chains.

- Capacity building for assisting small scale producers in the FAF sector.

Promote and strengthen cooperatives and farmers organizations so as to better integrate small producers in the value chains and to provide collective platforms to deal with production and market risks.

- Promote e-commerce for agricultural cooperatives in ASEAN.
- Promote the awareness of ASEAN agricultural cooperatives and farmers' organizations on ASEAN process and dynamics
- Promote policy forums between ASEAN farmers' organizations and ASWGAC.
- Facilitate thematic learning exchanges for ASEAN farmers' organizations.
- Promote e-commerce for cooperatives producing OVOP products in ASEAN.
- Enhance Partnership with relevant stakeholders to promote agricultural cooperatives development.
- Capacity building for promoting and strengthen cooperatives and farmers organization.

Empowerment of personnel and leaders of agricultural cooperatives.

- Exchange visit of cooperatives personnel and leaders.
- Policy research and development on cooperative and agriculture policies and regulations.

Establishment of strategic alliances among agricultural cooperatives in ASEAN.
- Identification of cooperatives for strategic alliances.

Abstract form for Policy/Measures/Guidelines of FVC Strengthening for ASEAN Region

Name of Document: ASEAN Framework: Support Food, Agriculture and Forestry Small Producers, Cooperatives and Micro, Small, and Medium-Sized Enterprises to Improve Product Quality to Meet Regional/International Standards and Ensure Competitiveness

Date of Issuance: 26 February 2021 (approved), 20 March 2021 (adopted)

Author: ASWGAC/ SOM-AMAF

BACKGROUND

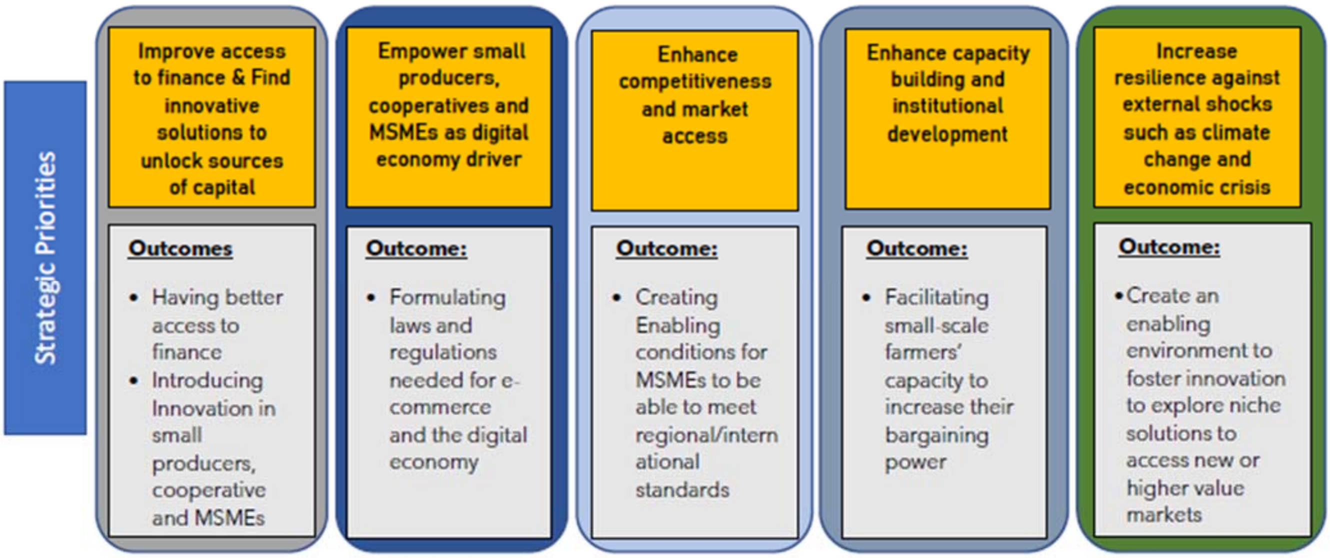
The food, agriculture, and forestry (FAF) sector remain a strategic sector in most ASEAN countries and a major source of employment and income for a large proportion of the population. The ASEAN Framework is based on countries/regional experience and international best practices. They set out different options that serve as reference guides for AMS in their efforts to enhance the quality of food, agriculture and forestry products to meet regional/international standards and to ensure the competitiveness of small producers, cooperatives and MSMEs.

The collaborative development of the ASEAN Framework is one of the key priorities in 2021 to implement the Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry, 2016-2025 which says "A competitive, inclusive, resilient and sustainable Food, Agriculture, and Forestry sector integrated with the global economy, based on a single market and production base contributing to food and nutrition security and prosperity in the ASEAN Community". One of the seven priority areas of cooperation is to "Assist resource-constrained small producers and SMEs to improve productivity, technology, and product quality, to meet global market standards and increase competitiveness".

OBJECTIVE

- Providing recommendation on strategic priorities, principles and action programmes to formulate policies and regulations to manage and promote FAF small producers, cooperatives and MSMEs
- Enhancing the capacity/competitiveness of FAF small producers, cooperatives and MSMEs to meet regional and global market standards

OUTLINE



As seen on the figure above, the five strategic priorities are seen on the orange squares. Each principle and action programmes are as follow

Strategic Priority 1: Improve access to finance and solutions for capital

Governments are important financial sources aside from private sources. Public financing can focus on facilitating financial instruments for farmer associations/cooperatives at the rural level/sector. Regulation and awareness programs can play a key role for the needs of smaller players. Actions to take cover developing credit guarantee scheme, improving credit infrastructure, utilizing technology of e-lending, promoting internal and external financing, and monitoring innovative rural financing mechanism.

Strategic Priority 2: Empower small producers, cooperatives, MSMEs as digital economy drivers
ASEAN should encourage small players digitalization by providing digital infrastructure, technical assistance, and financial support. The digital platform could be collaboratively developed by governments and digital developers, who can also expand their business base. Actions to take cover analyzing regulatory gap needed for e-commerce, increasing access to better Internet services, encouraging commercial banks to develop tailored lending practices and products suitable for FAF small players, funding initial technology procurement, and mediating communication with major digital platformers in the region.

Strategic Priority 3: Enhance the competitiveness and market access for FAF products
Governments should realize enabling conditions for small players to be able to meet regional/international standards to participate in GVC by enhancing small players' capacities and capabilities. They could include supporting legislation and regulations, infrastructure standardization, and supportive R&D environment to enhance FAF product. Actions to take cover promoting awareness of regional and international standard of goods, exchanging knowledge and technology, facilitating smaller players integration into modern value chains through e-commerce, mediating partnership for smaller players with bigger enterprises, providing complete and fair market information and QC.

Strategic Priority 4: Enhance capacity building and institutional development
Governments could form cooperatives, associations and networks for small-scale farmers which easy access to research findings, technologies, and market information to increase their bargaining power and implement effective marketing strategies. They should also empower women, youth and marginalized groups to participate in decision making. Actions to take cover holding events to support the developments of small-scale agricultural cooperatives and marketing mechanisms, conducting targeted educational activities, and developing tools benefiting small-scale farmers and cooperatives.

Strategic Priority 5: Increase resilience against external shocks such as climate change and economic crisis
Externals shocks may present both challenges and opportunities for small-scale farmers and cooperatives; lead to decreasing yield and yet enabling environment to foster innovation and niche solutions to access new or higher value markets. Smaller players should be equipped with knowledge and infrastructures to understand risks and mitigation to their crops and market outlets. The knowledge includes economic and technology literacy to be adapted in their agricultural practices. Actions to take cover assessing/mapping current agricultural production scheme, vulnerability and future opportunities, increasing risk management capacity, facilitating production diversification to reduce seasonal food and income fluctuations, and accelerating uptake of climate-resilient innovation and technology through partnership with relevant parties to improve technicalities and co-financing for small-scale players.