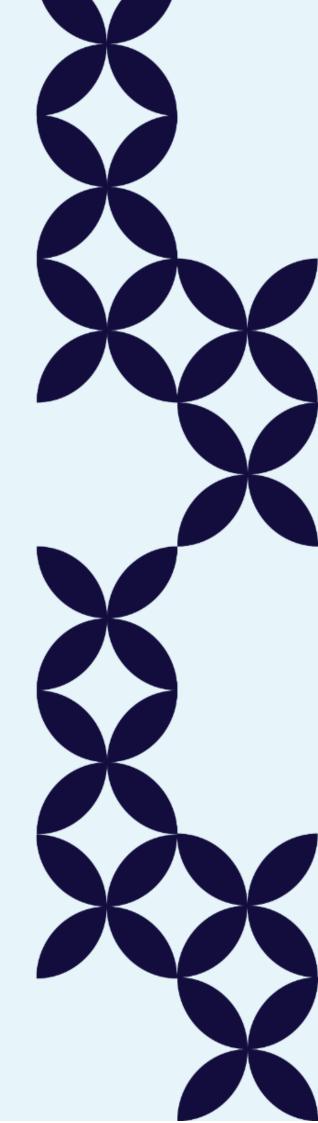


# **ASEAN Plan**

NEW ZEALAND FOREIGN AFFAIRS & TRADE Manatū Aorere

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# Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Plan to guide the planning and management of New Zealand's International Development Cooperation (IDC) engagement with the ASEAN grouping of countries and as a foundation for dialogue with partners and stakeholders.

The Plan is used to bring clarity to what work should be prioritised, and to help monitor progress towards shared outcomes and strategic goals.

This is a living document that will be reviewed with partners and updated periodically to ensure it responds to changes in country / regional context, including the impacts of any external shocks.



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# **ASEAN programme overview**

MFAT's International Development Cooperation (IDC) programme for the Association of Southeast Asian Nations (ASEAN) regional grouping, which operating at a regional, multi-country and bilateral level, focuses on three priority areas:

- 1. **Climate and economic resilience:** renewable energy, climate smart agriculture, environmental management and disaster resilience;
- 2. Knowledge and skills: scholarships, professional development and civil society leadership training;
- 3. **Peace and security:** good governance and leadership; social cohesion; preventing violent extremism (PVE); and mine action.

Consistent with the New Zealand Government's Foreign Policy Reset<sup>1</sup>, increased development cooperation focused on strengthening regional development opportunities complements New Zealand's broader efforts to lift our engagement with ASEAN and its member states.

This plan covers New Zealand's IDC to ASEAN, for regional, multi-country and bilateral programmes with official development assistance (ODA)-eligible countries including in Least Developed Countries (LDC) Cambodia, Lao PDR, and Myanmar; and Middle Income Countries (MIC) Indonesia, the Philippines, and Viet Nam.

New Zealand is also a responsive humanitarian partner in the region, providing support through international, regional and local partners to address natural disasters, and conflict-related humanitarian needs. Details can be found in MFAT's Humanitarian Plan.

## **ASEAN context**

ASEAN is made up of ten Member States committed to regional collaboration including to:

- alleviate poverty and narrow the development gap between and within ASEAN countries; and
- strengthen democracy, enhance good governance and the rule of law, and promote and protect human rights and fundamental freedoms.

Despite an overall trend of significant achievements since embarking on economic integration in the early 1990s, ASEAN acknowledges that progress has been uneven and it values its cooperation with partners like New Zealand in support of it's own efforts to reach its goals. With a combined population of over 670 million people, the ten ASEAN countries are diverse in their respective demographics, geography, political systems and levels of economic and social development.

Current challenges for the region include economic and social disparity, internal conflict and transnational crime. Inequality persists across a range of areas, including livings standards, education health and gender participation. While much of the region is stable, conflict persists in Myanmar, and pockets of instability and civil unrest continue to affect Indonesia, the Philippines and Thailand. Transnational crime is a key challenge for the region, characterised by drug trafficking, arms smuggling, money laundering, human trafficking and piracy.

Looking ahead, evolving challenges to the region's development include the impacts of climate change, demographic change, and new 'labour maket disrupting' technologies. Climate change impacts are already taking

<sup>&</sup>lt;sup>1</sup> See: <u>Resetting New Zealand's Foreign Policy | New Zealand Ministry of Foreign Affairs and Trade</u>



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a toll in some areas, particularly with the most vulnerable – women, children, the rural poor, and those living in informal urban settlements. Climate change trends are also placing macroeconomic pressures on households. ASEAN countries also face varying demographic challenges, with youth bulges predicted in some countries and aging populations in others.

New technology and artificial intelligence are expected to bring both positive and negative implications for ASEAN countries, and for our partnerships across the region. Economic growth is challenged by a mismatch between labour vs market opportunity, and under-supply of skilled labour. This is a key issue for the LDCs of Cambodia, Lao PDR and Myanmar, where investment in human capability is limited.

Notwithstanding these challenges, there are opportunities for rapid development. The region is in a postpandemic recovery phase and countries are seizing opportunities to recover and 'build back better'. Notably, ASEAN is focused on the twin opportunity and challenge of transitioning to a digital and green economy. Some ASEAN economies are showing rapid progress – particularly Indonesia, the Philippines, and Viet Nam, where industrialisation is driving their economic transition to high income status. These countries will want to avoid a 'middle income trap' associated with transition from a low wage economy to a higher wage, innovative economy.

#### New Zealand's partnership with ASEAN

New Zealand and ASEAN have a strong history of collaboration to advance peace, stability and prosperity. Our relationship is characterised by breadth and depth – as trading partners, defence and security partners, and with our strong history of development cooperation and people-to-people links.

ASEAN is New Zealand's fourth largest trading partner, and more than 132,000 New Zealand residents were born in the ASEAN region. In 2023, 3,645 tertiary students studying in New Zealand (12.5% of all international students) were from ASEAN countries<sup>2</sup>.

As one of ASEAN's eleven dialogue partners, New Zealand is party to one of the Association's foundational documents: the Treaty of Amity and Cooperation (1976). We regularly engage with member states and other partners in key annual meetings that ASEAN convenes - such as the East Asia Summit, the ASEAN Regional Forum, the ASEAN Defence Ministers' Meeting Plus, the ASEAN Foreign Ministers' Post Ministerial Conference with Partners, and the ASEAN-New Zealand Dialogue. In 2025, we mark 50 years of dialogue relations with ASEAN.

Like ASEAN's other dialogue partners, New Zealand has a practice of maintaining a Plan of Action with ASEAN – an agreed agenda of cooperation initiatives to be implemented by New Zealand over five year periods to assist ASEAN to address its development priorities.

New Zealand's IDC funding to ASEAN is our largest programme outside of the Pacific region. In the 2021-24 triennium, IDC funding of NZ\$248 million<sup>3</sup> provided benefit to ASEAN regionally and to individual member states. IDC allocated to ASEAN regionally is typically directed to projects to address transboundary issues overseen by ASEAN organisations. Some regional or multi-country initiatives are delivered in partnership with other regional organisations, such as The Asia Foundation. Bilaterally, our programme is balanced across the region's three LDCs (Cambodia, Lao PDR, and Myanmar); and the region's three Middle Income Countries (Indonesia, the Philippines, and Viet Nam). As a comparatively small donor, New Zealand's IDC is targeted towards sectors where we are

<sup>&</sup>lt;sup>3</sup> Exclusive of New Zealand's IDC humanitarian funding to the ASEAN region.



<sup>&</sup>lt;sup>2</sup> Education New Zealand, <u>International Student Enrolments 2013 to 2023 | Tableau Public</u>.

experienced leaders and innovators, including renewable energy, climate smart agriculture and disaster risk management.

New Zealand engages in regional disaster preparedness and response mechanisms in South East Asia, and partners with other international humanitarian responders such as the United Nations, International Red Cross, and international and local non-government organisations (NGOs). For major events where national and regional capacity is exceeded, New Zealand may offer practical emergency management support through New Zealand Government partners. We also recognise the value of investing in measures that reduce and manage the risk of disasters and increase resilience; and helping countries be better prepared for disasters through regional, bilateral and NGO partner initiatives.

#### Lower to Upper Middle Income Countries

Five ASEAN countries aim to reach high income country status within the next two to three decades and will then graduate from being eligible for ODA. In order to achieve this milestone, these countries will need to maintain sustained growth, and ensure development is inclusive of all groups and sub-regions within these countries. New Zealand's regional, multi-country and bilateral programmes target disadvantaged and remote regions to mitigate the impacts of uneven and inequitable growth. New Zealand has bilateral IDC programmes in Indonesia, the Philippines and Viet Nam. Thailand and Malaysia receive a number scholarships, and benefit from regional activities.

**Indonesia** is the most populous country in ASEAN, with 275 million people, has a stable democracy, and a GDP per capita of US\$4,980<sup>4</sup>. Indonesia's Human Development Index (HDI)<sup>5</sup> ranking is 112 of 193 countries. Its rapid economic development trajectory remains reliant on fossil fuels, and a transformation to a more highly skilled workforce self-sufficient in food and clean energy is needed. Our IDC programme priorities support this transition through climate and economic resilience (especially with accelerating renewable and geothermal energy development); and through human and inclusive development. This is particularly in Eastern Indonesia, recognising Indonesia's priority to close the gap between least and most developed sub-regions of the country.

**The Philippines** has a population of 116 million, GDP per capita of US\$4,150, and a HDI ranking of 113 of 193 countries. Our IDC in the Phillippines focuses on climate and economic resilience (renewable energy and climate smart agriculture); knowledge and skills; and peace, security and preventing violent extremism. The region of Mindanao, which has been hindered by decades of civil unrest and violent extremism, is the focus of our IDC programme, in agreement with the Philippines Government.

**Viet Nam** has a population of 98 million, GDP per capita of US\$4,650, and a HDI ranking of 107 of 193 countries. Our IDC programme in Viet Nam focuses on climate smart agriculture and disaster resilience, and developing human capital, knowledge and skills. This contributes towards the Government of Viet Nam's 2035 ambition of economic prosperity with environmental sustainability; equity and social inclusion; and a capable and accountable state.

## Least Developed Countries: Cambodia, Lao PDR and Myanmar

<sup>&</sup>lt;sup>5</sup> HDI ranks for each ASEAN country are taken from the UNDP website – see <u>Specific country data | Human Development Reports</u>



<sup>&</sup>lt;sup>4</sup> GDP data for each ASEAN country is taken from the IMF website – see <u>IMF DataMapper</u>

One of ASEAN's key objectives is to narrow the development gap between its member states. New Zealand's bilateral IDC programmes in Myanmar, Cambodia and Lao PDR support this objective.

**Cambodia** has a population of 16.8 million, GDP per capita of US\$2,740, and a HDI ranking of 148 of 193 countries. Our IDC programme in Cambodia focuses on climate resilience and food security; livelihoods; knowledge and skills; governance; and mine action.

**Lao PDR** has a population of 7.5 million, GDP per capita of US\$1,950, and a HDI ranking of 139 of 193 countries. Our IDC programme in Lao PDR focuses on climate resilience and renewable energy; knowledge and skills; governance; and mine action.

**Myanmar** has a population of 57 million, GDP per capita of US\$1,180, and a HDI ranking of 144 of 193 countries. A military coup in 2021 and armed conflict have fuelled a protracted and deteriorating economic, development and humanitarian crisis. Our IDC programme focuses on supporting climate and economic resilience through agriculture, livelihoods and food security; and in peace and security, including through mine action (operating within the development-peace-humanitarian nexus).

# Strategic framework for the ASEAN Plan

New Zealand's International Development Cooperation (IDC) Priorities Framework 2024-27<sup>6</sup> is a guiding document for this Plan. It shows how the IDC Programme contributes to MFAT's Strategic Framework<sup>7</sup>, and articulates priority outcomes that we aim to advance through the IDC Programme.

The logic diagram on the next page sets out our ambitions for our work with ASEAN, aligned to the Priorities Framework. It represents integrated delivery across development, foreign policy, trade, and security and covers a total regional aid flow view of our IDC, covering our core programme, multi-country and regional investments, Manaaki New Zealand Scholarships, and Partnering for Impact with New Zealand NGO partnerships.

The logic diagram sets out strategic goals that drive more specific medium and short term outcomes. New Zealand will work towards these outcomes in partnership with ASEAN. The medium term outcomes describe our interests, and aspirations for ASEAN. The short term outcomes cover areas of immediate focus, rather than detailing all initiatives required to deliver these medium term outcomes.

<sup>&</sup>lt;sup>7</sup> See: <u>https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf</u>



<sup>&</sup>lt;sup>6</sup> See: <u>https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf</u>

# Logic diagram for ASEAN Plan

# STRATEGIC GOALS

#### STRATEGIC GOAL 1:

ASEAN region is secure and peaceful; rule of law and human rights are protected and advanced.

STO2:

The drivers and harmful

impacts of instability

are mitigated,

and violent extremism

particularly for women

communities at risk of

and girls and other

marginalisation.

STRATEGIC GOAL 2:

ASEAN region is more prosperous and resilient; and inequality between and within countries is reduced.

**MEDIUM TERM OUTCOMES** 

# STRATEGIC GOAL 3:

ASEAN region mitigates, and has increased resilience to, the intensifying impacts of climate change; and the natural environment is protected.

# MO1:

Countries and communities are more cohesive, peaceful and secure, enabled by inclusive, transparent and accountable governance.

#### MO2:

Productive, sustainable and resilient livelihoods are more accessible, including to women and marginalised communities.

#### MO3: Partner countries and communities are more resilient to natural and man-made shocks.

#### MO4:

### SHORT TERM OUTCOMES: key changes expected to result from MFAT activities and engagement in 4–6 years

### STO1:

Strengthened capability and increased participation of women and girls in government and civil society institutions.

# STO3:

Increased economic returns and food security benefits.

## STO4: Countries have increased skills and knowledge to manage the opportunities and challenges for inclusive sustainable development.

# STO5: Improved risk reduction, preparedness, response and recovery from humanitarian disasters.

STO6: Increased access to affordable, renewable energy.



Partner countries and communities have the capacity to progress national climate mitigation targets, manage environmental degradation and are able to adapt to the impacts of climate change.

STO7:

Policy and planning are strengthened to enable fit-for-purpose climate change adaptation and environmental management at national and community level.

Increasing influence of external /contextual factors

MFAT has more

influence

# How we put this Plan into action

New Zealand's IDC funding for this Plan is managed over a three year period (July 2024 – June 2027). There is flexibility to move funds across the IDC programme to respond to rapidly changing contexts. Information about New Zealand's overall IDC budget for the current funding triennium is on the MFAT website<sup>8</sup>.

# How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy<sup>9</sup> identifies four development principles that guide New Zealand's work with partner countries, and sets out a commitment to deliver development that is effective, inclusive, resilient and sustained.

At a bilateral level, we ensure priorities and approaches are adapted to country contexts. Programming is balanced across LDCs and MICs. We have a range of partnership arrangements in place with partner governments, in-country agencies and national and regional organisations to ensure activities delivered bilaterally align with national and regional development goals, and achieve mutual benefit.

New Zealand's IDC is a very small portion of total development assistance into the ASEAN region. As such, we tailor our activities in identified thematic areas to each country context. We support regional and bilateral initiatives, and work in coordination with other partners to magnify our impact and achieve our strategic goals. Our value proposition in ASEAN is to deliver on our commitments, targeting sectors where New Zealand is an experienced innovator and will have the greatest impact, whilst remaining responsive to emerging needs and changing contexts. We work closely with, and through, regional bodies to promote ASEAN centrality, recognising that complex challenges can only be addressed through collective impact. We appreciate the complementarity and importance of sub-regional cooperative frameworks, such as in the Mekong region, and will continue to engage constructively with these relevant mechanisms.

We work through multilateral institutions to demonstrate our commitment to the international rules-based order and good international citizenship. We will continue facilitating involvement in, and implementation of, multilateral mechanisms to address common challenges and we remain engaged in global action on climate change, gender equality and human rights.

We also engage with civil society to strengthen peacebuilding, increase capability in inclusive development, and advocate for rights-based approaches. We focus on building lasting partnerships with in-country partners that will endure beyond our development cooperation. This is driven by our MFAT principles of kotahitanga and manaakitanga which will help us to engage more deliberately to bring about intergenerational change, particularly through creating connections with our indigenous knowledge and approaches.

Our Manaaki New Zealand Scholarships Programme and continued engagement with alumni contribute to achievement of our strategic goals. Our offerings enhance professional skills and knowledge in priority areas that contribute to development in scholars' respective countries. The programme enables strong people to

<sup>&</sup>lt;sup>9</sup> See: <u>https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf</u>



<sup>&</sup>lt;sup>8</sup> See: <a href="http://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/">www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/</a>

people links and are a critical component of our relationships in the region, building affinity between ASEAN countries, and with New Zealand.

### Who we will work with to deliver on this Plan

New Zealand is committed to deepening engagement with ASEAN, and as we have signalled our intention to step up our engagement and contribution to genuinely regional cooperation that includes the widest possible participation of ASEAN member states. The focus will be on effective and relevant development activities that benefit ODA-eligible ASEAN member states in partnership with ASEAN regional bodies, where appropriate. We also aim to work with other regional and multilateral organisations where they are well-placed to achieve results and lift New Zealand's profile as a trusted development partner. Our work across the region is complemented by bilaterally-delivered development programmes in six ASEAN member states.

MFAT partners with NZ Non-Governmental Organisations (NZ NGOs) through the *Partnering for Impact* programme, which supports inclusive economic, social and environmental resilience, good governance and strengthening civil society. Through this approach, we partner with NZ NGOs and local civil society organisations to use their experience, knowledge and reach, to support delivery of locally-led solutions for people experiencing vulnerabilities.



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# How we will assess progress against this Plan

The logic diagram sets out the strategic goals, medium and short term outcomes we hope will result from New Zealand's activities and engagement with the ASEAN region.

We report back on progress towards our goals in the ASEAN region via the annual Minister of Foreign Affairs Report on the IDC appropriation<sup>10</sup>. We also report back on this Plan to the ASEAN member states through the ASEAN Secretariat, via our annual engagement with senior officials. This not only gives us an opportunity to discuss what has been achieved in partnership, but also to test whether our Plan remains fit-for-purpose or if we need to change anything.

Progress against the Plan will be assessed with the following indicators.

Strategic Goals	Indicators
Goal 1: ASEAN region is secure and peaceful; rule of law and human rights are protected and advanced	<ul> <li>World Bank <u>Worldwide Governance Indicators</u> (WGIs) for ASEAN (Government Effectiveness, Rule of Law, Political Stability and Absence of Violence/Terrorism)</li> <li>SDG 5.5.2 - Women in managerial positions (%)</li> </ul>
Goal 2: ASEAN region is more prosperous and resilient; and inequality between and within countries is reduced	<ul> <li>SDG<sup>11</sup> 8.1.1 - Annual growth rate of real GDP per capita</li> <li>SDG 1.2.1 - Proportion of population below national poverty lines (% of population)</li> </ul>
Goal 3: ASEAN region mitigates. and has increased resilience to, the intensifying impacts of climate change; and the natural environment is protected	<ul> <li>ND-GAIN Vulnerability score<sup>12</sup> (disaggregated by sector)</li> <li>SDG 1.5.2 - Direct economic loss attributed to disasters relative to GDP</li> <li>SDG 7.2.1 - Renewable energy share in the total final energy consumption</li> </ul>

Short Term Outcomes	Indicators (data to be disaggregated where relevant)
STO1: Strengthened capability and increased participation of women and girls in government and civil society institutions	<ul> <li>Number of people receiving training or capability-building support in governance</li> <li>Number of people receiving training or capability-building support in equity and inclusion</li> </ul>
STO2: The drivers and harmful impacts of instability and violent extremism are mitigated, particularly for women and girls and other communities at risk of marginalisation	<ul> <li>Number of people receiving training or capability-building support in peace and security</li> <li>Number of people receiving training or capability-building support in equity and inclusion</li> </ul>

<sup>&</sup>lt;sup>10</sup> See https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid

<sup>&</sup>lt;sup>12</sup> Country Index // Notre Dame Global Adaptation Initiative // University of Notre Dame





<sup>&</sup>lt;sup>11</sup> THE 17 GOALS | Sustainable Development (un.org)

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STO3: Increased economic returns and food security benefits	<ul> <li>Number of people supported to improve their livelihoods</li> <li>Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation</li> </ul>
STO4: Countries have increased skills and knowledge to manage the opportunities and challenges for inclusive sustainable development	<ul> <li>Number of people that complete tertiary or vocational/professional scholarships</li> <li>Evidence of skills and knowledge obtained from scholarships/training being used in targeted sectors.</li> </ul>
STO5: Improved risk reduction, preparedness, response and recovery from humanitarian disasters	<ul> <li>Number of people receiving training or capability-building support in peace and security</li> </ul>
STO6: Increased access to affordable, renewable energy	<ul> <li>Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation</li> </ul>
	<ul> <li>Number of policies, plans or regulations supported to create an enabling environment for renewable energy investment</li> </ul>
STO7: Policy and planning are strengthened to enable fit-for-purpose climate change adaptation and environmental management at national and community level	<ul> <li>Number of policies or plans related to adaptation and environmental management written / updated / influenced</li> </ul>

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the ASEAN Plan is expected to take place in 2026. The Ministry's forward strategic evaluation schedule is available on the website<sup>13</sup>.

<sup>13</sup> Evaluation and research | New Zealand Ministry of Foreign Affairs and Trade



# For further information

For more about MFAT's engagement with ASEAN go to our website at <u>https://www.mfat.govt.nz/en/aid-and-development/our-aid-partnerships-in-south-east-asia/aid-partnership-with-the-association-of-south-east-asian-nations-asean/</u> or contact <u>GDS@mfat.govt.nz</u>.

For more about the scholarships programme, go to our website at <u>https://www.nzscholarships.govt.nz/</u> or contact the Global and Scholarships Division, Pacific and Development Group, at <u>scholarships@mfat.govt.nz</u>.

This document is one in a series of Plans published by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and managed by the Ministry's Pacific and Development Group. For the latest version please go to <u>www.mfat.govt.nz</u>

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<sup>&</sup>lt;sup>15</sup> https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html



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