



Initiative for ASEAN Integration (IAI) Work Plan V (2026–2030)



one vision
one identity
one community

Initiative for ASEAN Integration (IAI) Work Plan V (2026–2030)

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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Initiative for ASEAN Integration (IAI) Work Plan V (2026–2030)

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1. ASEAN – NDG – CLMV and Timor-Leste
2. Local Community – Sustainable Economic Development

ASEAN: A Community of Opportunities for All

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Initiative for ASEAN Integration (IAI) Work Plan V (2026–2030)

The ASEAN Secretariat
2026

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ABSTRACT

This Work Plan was developed by Ernst & Young (EY) for the IAI Task Force and the ASEAN Secretariat under the project *Narrowing the Development Gap: ASEAN's Roadmap for the IAI Work Plan V supported by the Australia for ASEAN Futures (Aus4ASEAN Futures) Initiative and the Mekong-Australia Partnership (MAP)*. This document seeks to outline the IAI's agenda over the next five years (2026–2030) by detailing the strategic framework for IAI Work Plan V.

The report includes five sections:

1. The Kuala Lumpur Declaration on the Adoption of the Initiative for ASEAN Integration (IAI) Work Plan V (2026–2030)
2. An executive summary of the Work Plan
3. An introduction to the document, including an overview of the IAI and the structure of the Work Plan
4. The key trends that will impact efforts in Narrowing the Development Gap (NDG) across ASEAN over the next five years (2026–2030)
5. The strategic framework of IAI Work Plan V, including information on the IAI's vision, structure, and details on the Strategic Areas, Objectives, Strategic Measures, Cross-Cutting Mechanisms and Purposes under the Work Plan

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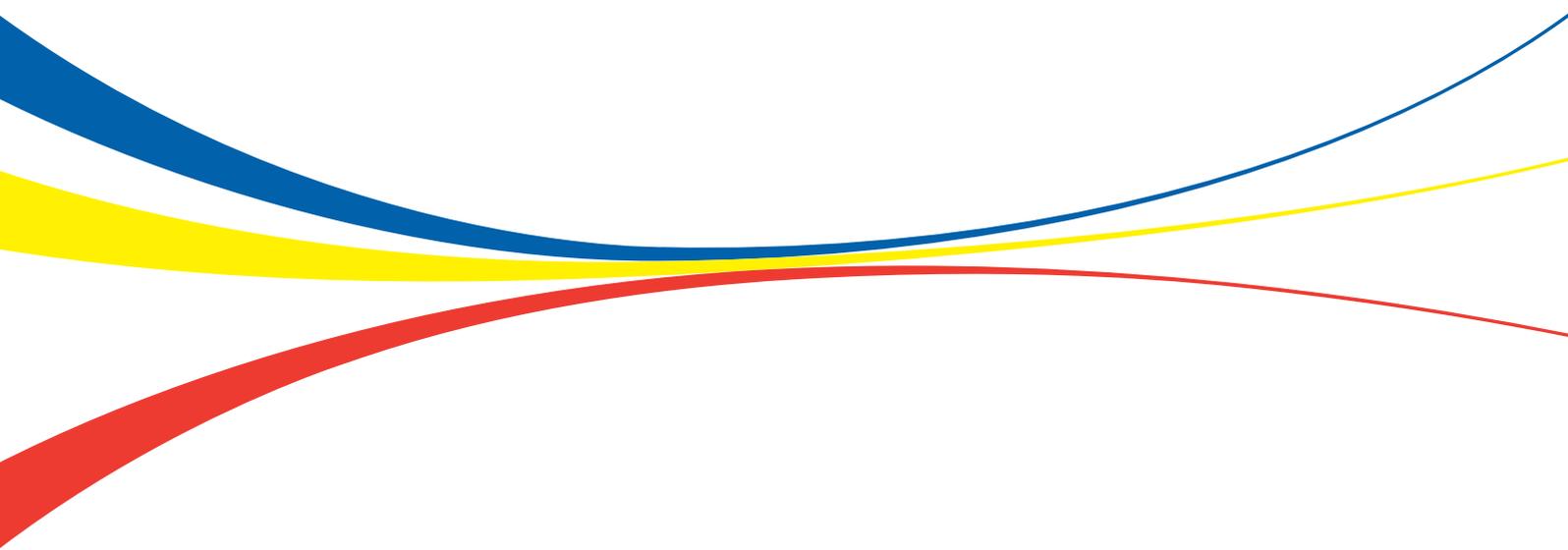
LIST OF ABBREVIATIONS

ACMECS	Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy
ACSP	ASEAN Connectivity Strategic Plan
ACV	ASEAN Community Vision
AEC	ASEAN Economic Community
AI	Artificial Intelligence
AIFS	ASEAN Integrated Food Security
AMME	ASEAN Ministerial Meeting on Environment
AMS	ASEAN Member States
APASTI	ASEAN Plan of Action on Science, Technology and Innovation
APSC	ASEAN Political Security Community
ASCC	ASEAN Socio-Cultural Community
ASEAN	Association of Southeast Asian Nations
ASEC	ASEAN Secretariat
BIMP-EAGA	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area
CET	Continuing Education and Training
CLMV	Cambodia, Lao PDR, Myanmar and Viet Nam
CLMV-TL	Cambodia, Lao PDR, Myanmar, Viet Nam, and Timor-Leste
CPD	Continuous Professional Development
ECCE	Early Childhood Care Education
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FG-GVC	Focal Group on Global Value Chains
G2P	Government-to-Person
GMS	Greater Mekong Subregion
GVC	Global Value Chains
IAI	Initiative for ASEAN Integration
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
IUU	Illegal, Unreported, and Unregulated
MAP	Mekong-Australia Partnership
MRE	Monitoring, Reporting and Evaluation

MSME	Micro, Small and Medium Enterprises
NDG	Narrowing the Development Gap
NEET	Not in Employment, Education or Training
ODA	Official Development Assistance
R&D	Research and Development
SAP SMED	Strategic Action Plan for SME Development
SB	Sectoral Bodies
SME	Small and Medium Enterprises
SPA-FS	Strategic Plan of Action on Food Security
STEM	Science, Technology, Engineering, and Mathematics
TVET	Technical and Vocational Education and Training
WASH	Water, Sanitation, and Hygiene
WGI	Worldwide Governance Indicator

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**KUALA LUMPUR DECLARATION ON THE
ADOPTION OF THE INITIATIVE FOR ASEAN
INTEGRATION (IAI) WORK PLAN V (2026–2030)**



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1. KUALA LUMPUR DECLARATION ON THE ADOPTION OF THE INITIATIVE FOR ASEAN INTEGRATION (IAI) WORK PLAN V (2026–2030)

WE, the Member States of the Association of Southeast Asian Nations (hereinafter referred to as ASEAN), namely, Brunei Darussalam, Kingdom of Cambodia, the Republic of Indonesia, the Lao People’s Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, the Democratic Republic of Timor-Leste, and the Socialist Republic of Viet Nam, on the occasion of the 47th ASEAN Summit;

RECALLING the launch of the Initiative for ASEAN Integration (IAI) at the Fourth ASEAN Informal Summit in Singapore in 2000, the *Hà Nội Declaration on Narrowing Development Gap for Closer ASEAN Integration* (2001), the *Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together* (2015), and the *Hà Nội Declaration on the Adoption of the IAI Work Plan IV (2021–2025)* (2020), which collectively affirm ASEAN’s commitment to narrowing the development gaps within ASEAN and between ASEAN and the rest of the world, and to strengthening regional integration;

AFFIRMING the continued relevance of the IAI in advancing ASEAN’s goals, and recognising the IAI Work Plan V (2026–2030) as an integral part of the *ASEAN Community Vision 2045: Resilient, Innovative, Dynamic and People-Centred ASEAN*, its coherence with the ASEAN Strategic Plans adopted under the *Kuala Lumpur Declaration on ASEAN 2045: Our Shared Future (2025)*, and its alignment with other broader sectoral and thematic frameworks across ASEAN;

UNDERSCORING the importance of continued efforts in enhancing ASEAN’s competitiveness and promoting collective, effective, and innovative responses to foster deeper integration and more inclusive development across all ASEAN Member States;

RECOGNISING the relevance and complementarity of subregional development to ASEAN’s regional integration and community building process, especially in narrowing the development gap, and encouraging closer coordination and collaboration between ASEAN Sectoral Bodies and ASEAN-approved sub-regional cooperation frameworks to facilitate the realisation of this endeavour;

ENCOURAGED by the progress achieved through the implementation of IAI Work Plans I, II, III, and IV, particularly the advancements made by Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV) in their development journeys and alignment with ASEAN-wide goals and commitments, in particular the ASEAN Community-building;

RECOGNISING the evolving global landscape marked by persistent economic uncertainties, increasing climate-related impacts, and other emerging challenges, which underscore the need for strengthened regional cooperation and inclusive development strategies to address both longstanding priorities and emerging challenges, build resilience, promote sustainability, and ensure that no Member State is left behind in ASEAN’s integration journey;

RECOGNISING FURTHER the need for the IAI to be responsive to the diverse needs of ASEAN, taking into account the challenges and disparities across ASEAN Member States, noting that development gaps still exist within, between and among ASEAN Member States, and that it is imperative for ASEAN’s strategies to be inclusive, coherent, forward-looking and effective to ensure that ASEAN’s growth is equitable, sustainable, inclusive and comprehensive, while emphasising the importance of ensuring that the IAI continues to remain relevant as ASEAN strives toward building a resilient, innovative, dynamic, people-centred ASEAN Community;

ACKNOWLEDGING the inclusion and integration of Timor-Leste into ASEAN processes and frameworks as the 11th Member State of ASEAN, and the importance of ensuring that the IAI effectively supports Timor-Leste’s integration journey into the ASEAN Community, including through targeted capacity-building initiatives and development cooperation to facilitate its accession to ASEAN agreements and obligation;

COMMENDING the work of the IAI Task Force in the formulation of the IAI Work Plan V (2026–2030);

APPRECIATING the valuable contributions of ASEAN Member States and ASEAN’s partners to supporting the implementation of the past IAI Work Plans and **LOOKING FORWARD** to enhanced collaboration and continued support to ensure the effective implementation of IAI Work Plan V (2026–2030);

DO HEREBY:

1. **ADOPT** the IAI Work Plan V (2026–2030), which aims to narrow the development gap among ASEAN Member States as well as between ASEAN and the rest of the world, through focused cooperation and targeted assistance, with particular emphasis on infrastructure, training and capacity-building, as well as policy and implementation support;
2. **AFFIRM** that this Work Plan succeeds the IAI Work Plan IV (2021–2025) and forms an integral part of *ASEAN Community 2045: Our Shared Future and its Strategic Plans*;
3. **COMMIT** to identify and advance an effective approach to narrowing the development gap to support ASEAN Member States towards the realisation of

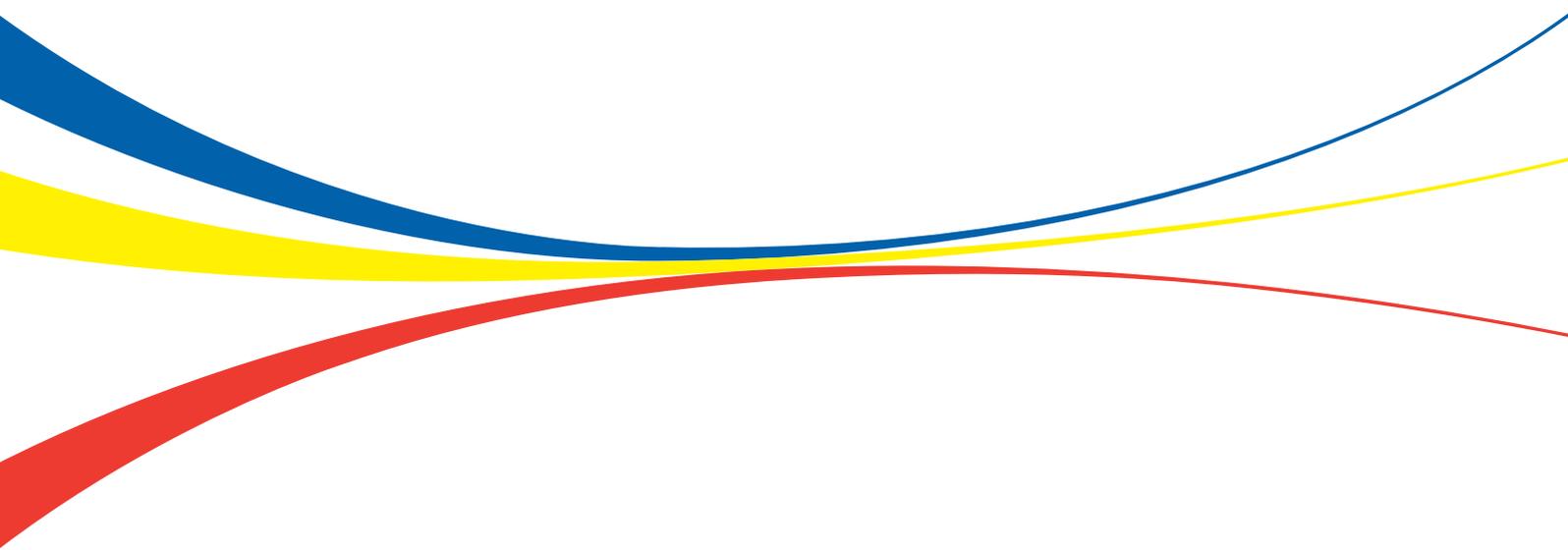
the ASEAN Community Vision 2045 by building on achievements thus far and incorporating forward-looking strategies;

4. **ENCOURAGE** all ASEAN Member States, Dialogue Partners, and other external partners, including Sectoral Dialogue Partners, Development Partners, regional and international organisations, the private sector, as well as other relevant stakeholders to support and contribute resources and expertise to implement the IAI Work Plan V in a timely, responsive, and impactful manner;
5. **TASK** relevant ASEAN Sectoral Bodies and implementing agencies to support the priorities and deliverables of the IAI Work Plan V;
6. **MANDATE** the IAI Task Force to coordinate, monitor, and report the progress of the IAI Work Plan V's implementation to the ASEAN Summit annually through the ASEAN Coordinating Council, and to give impetus to refresh the IAI, while maintaining its core focus on narrowing the development gap, to ensure that it remains relevant and responsive to the evolving development needs of ASEAN, covering both existing and emerging, new areas, and to ensure coherence and synergies with broader ASEAN cooperation initiatives.

ADOPTED at the 47th ASEAN Summit, this Twenty-Sixth day of October in the Year Two Thousand and Twenty-Five, in a single original copy in the English language.

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**INITIATIVE FOR ASEAN INTEGRATION (IAI)
WORK PLAN V (2026–2030)**



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2. Executive Summary

The Initiative for ASEAN Integration (IAI) was launched by ASEAN Heads of State/ Government at the Fourth ASEAN Informal Summit in 2000, to narrow the development gap and strengthen ASEAN's competitiveness as a region. The strategy for implementation of the IAI was defined in the 2001 *Ha Noi Declaration on Narrowing the Development Gap for closer ASEAN Integration*. The IAI serves as a key framework for regional integration and cooperation through which ASEAN Member States (AMS) and ASEAN Partners could extend infrastructure development, technical assistance and capacity-building support to the newer AMS – Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) countries.

Since its inception, the IAI has been implemented through four successive Work Plans, Work Plan I (2002–2008) comprised 232 projects across four priority areas, while Work Plan II (2009–2015) outlined 182 actions aligned with the three ASEAN Community Blueprints 2015. Work Plan III (2016–2020) consolidated efforts into 26 actions under five strategic areas, and Work Plan IV (2021–2025) continued this approach with 24 actions across five strategic areas.

As Work Plan IV concludes, a new phase is needed to sustain momentum and address both persistent barriers such as unequal access to quality education, healthcare, and infrastructure, and emerging challenges including unequal access to frontier technologies, labour market dislocations, the rise of sustainability-led growth models, and restructuring of global value chains.

Timor-Leste's Accession

A significant development shaping IAI Work Plan V is the accession of Timor-Leste as ASEAN's 11th Member State and hence, the newest IAI beneficiary. Timor-Leste's inclusion highlights ASEAN's commitment to regional integration and offers an opportunity to provide targeted support to accelerate the country's development, reduce disparities, and ensure that all AMS equitably benefit from ASEAN cooperation.

Development and Alignment

IAI Work Plan V has been developed in close collaboration with CLMV and Timor-Leste (CLMV-TL), other AMS and stakeholders. It is aligned with the ASEAN Community Vision (ACV) 2045 "Resilient, Innovative, Dynamic, and People-Centred ASEAN" and the Strategic Plans of the three ASEAN Community Pillars, ensuring coherence with ASEAN's broader trajectory.

Strategic Framework for IAI Work Plan V

Work Plan V will continue to promote cooperation and targeted assistance to narrow the development gap within and between AMS and enhance regional integration and competitiveness. It is centred around six Strategic Areas. Four of the Areas are adapted from IAI Work Plan IV either directly (i.e., Food and Agriculture) or adjusted to reflect the changing conditions for narrowing development gaps in the region (i.e., Micro Enterprises and the Informal Sector, Education and Skills, Public Health). Their Objectives have also been updated to reflect the most pertinent gaps and needs for the region at present. Two new Areas (i.e., Local Community Empowerment and Resilience, Inclusive Growth and Sustainable Economic Development) have been added to capture evolving needs stemming from trends such as unequal access to technologies and opportunities within countries, and the rise of sustainability-led growth models.

The details on these Strategic Areas are as follows:

- 1. Food and Agriculture.** Food and Agriculture remain key economic pillars in the CLMV-TL countries, contributing at least 12% of GDP across CLMV-TL, with over 30% of the population employed in agriculture. Yet, productivity is constrained by reliance on traditional practices, vulnerability to climate shocks, and limited access to technology. Work Plan V will promote adoption of climate-resilient practices, strengthen participation of high-value food systems, and encourage environmentally sustainable production.
- 2. Micro Enterprises and the Informal Sector.** Micro, small and medium enterprises (MSMEs) make up 99% of ASEAN business establishments, with micro enterprises and the informal sector representing a large share of livelihoods – around 80% of the workforce. Yet, micro enterprises and informal sector groups in particular face poorer working conditions and more funding constraints, lack social protection, and remain excluded from economic opportunities. Work Plan V will focus on reducing these gaps by supporting micro enterprises and informal workers, complementing existing SME-oriented frameworks, and advancing more inclusive policy environments.
- 3. Education and Skills.** Education and skills are the critical foundations of inclusive and resilient development. Despite high policy commitment, CLMV-TL face disparities in access, quality, and outcomes for learners across communities, especially those in disadvantaged and remote groups, due to economic, geographic, and sociocultural barriers. Moreover, in today's landscape, the demand for adaptable, future-ready skills has intensified due to technological shifts and labour market dislocations. Recognising this, Work Plan V will focus on strengthening the foundational education systems, promoting equitable access, and enhancing strategies that meet upskilling and reskilling needs to drive national workforce development and lifelong learning outcomes, thereby creating long-term conditions to reduce poverty and improve people's quality of life.

4. **Public Health.** Public health is a core government responsibility that directly contributes to quality of life, labour productivity, and inequality across populations. While there are existing regional frameworks and plans on public health, CLMV-TL countries continue to face gaps in access and outcomes due to geographic, environmental and capacity constraints. Work Plan V will focus on strengthening the role of public health in building healthy and inclusive societies by enhancing public health education, community-led solutions, and improving disaster preparedness.
5. **Local Community Empowerment and Resilience.** Rural communities, where more than 60% of the CLMV-TL population reside, are central to national development yet often under-supported. They drive production, trade, and innovation across key sectors but face structural and resources limitations. Work Plan V will strengthen the capacity of local communities, especially in less developed and remote areas, to contribute to growth, reinforce social cohesion, and build resilience to economic, social and environmental shocks.
6. **Inclusive Growth and Sustainable Economic Development.** Inclusive growth and sustainable economic development are critical to ASEAN's long-term resilience and competitiveness. The ASEAN Community Vision 2045 underscores a commitment to building a people-centred ASEAN where inclusivity and sustainability are mainstreamed across ASEAN economic integration endeavours, ensuring that no Member State and no part of ASEAN is left behind in the journey toward a more equitable, sustainable, and prosperous region. While ASEAN is increasingly embracing sustainable growth models such as the circular, green, and blue economies, progress in CLMV-TL countries remains uneven due to structural challenges, limited financing and capacity, and low awareness. Work Plan V will promote inclusive growth by enhancing linkages and coordination, and mainstreaming these models into the IAI by supporting social enterprises, promoting inclusive financing, enhancing resilient digital infrastructure and enabling transition pathways that balance economic growth with environmental sustainability.

Cross-Cutting Mechanisms

To maximise impact, Work Plan V identifies three Cross-Cutting Mechanisms that strengthen capacity across all Strategic Areas:

- **Building capable civil services.** Enhancing institutional and human resources capabilities of CLMV-TL governments to improve policy implementation, services delivery, and governance.
- **Expanding access to finance.** Mobilising diverse financing sources, including blended finance, philanthropy and private capital to broaden fiscal space, safeguard economic resilience, and ensure sustainability of development efforts.

- **Leveraging multi-stakeholder partnerships.** Strengthening collaboration with subregional initiatives, private sector actors, community-based and civil society organisations, and ASEAN-6 partners to optimise resource, enhance delivery capacity, and accelerate inclusive growth and sustainable development in alignment with ASEAN's broader objectives.

Through its Strategic Areas and Cross-Cutting Mechanisms, IAI Work Plan V positions ASEAN to continue reducing development disparities, enhancing capacity, foster inclusive and sustainable growth, and prepare CLMV-TL and ASEAN as a whole for a resilient, competitive, and cohesive future.

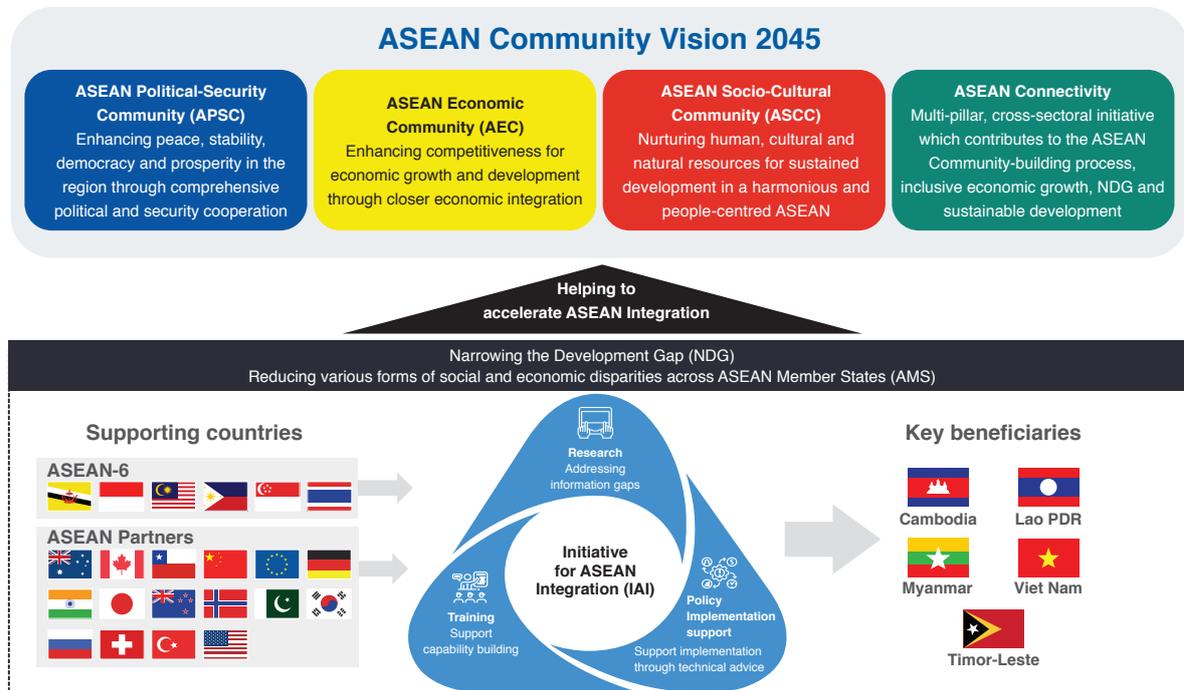
3. Introduction

3.1 History of the Initiative for ASEAN Integration (IAI)

Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) countries joined ASEAN in the late 1990s as its newer Member States. At the time of accession, these countries were relatively less developed across many socioeconomic dimensions compared to other ASEAN Member States (AMS). To address these disparities and enhance ASEAN’s overall competitiveness, the Initiative for ASEAN Integration (IAI) was launched by ASEAN Heads of State/Government at the Fourth ASEAN Informal Summit in 2000. The implementation strategy of the IAI was further defined in the *Ha Noi Declaration on Narrowing the Development Gap for Closer ASEAN Integration* in 2001. The IAI provides a framework for regional cooperation through which AMS and ASEAN’s Partners extend technical assistance and capacity-building support to CLMV countries. The structure of the IAI and its role in supporting ASEAN integration is illustrated in Exhibit 1.

Exhibit 1

IAI AND ITS PLACE IN THE ASEAN COMMUNITY VISION 2045



Since its inception, the IAI has been implemented through a series of structured Work Plans, each building on the lessons and priorities of its predecessor and adapting to the evolving regional context. Collectively, these Work Plans have supported efforts to

narrow development gaps within ASEAN by delivering targeted technical assistance and capacity-building support to CLMV countries. Over time, they have facilitated improvements in institutional capacity, human resource development, connectivity, and policy readiness, thereby enabling CLMV countries to participate more effectively in ASEAN integration processes:

- IAI Work Plan I (2002–2008): A six-year Work Plan comprising 232 projects across four priority areas: infrastructure, human resource development, information and communications technology, and regional economic integration.
- IAI Work Plan II (2012–2015): The second Work Plan, significantly expanded in scope, with 383 projects aligned to the three ASEAN Community Blueprints, namely the ASEAN Economic Community (AEC), the ASEAN Socio-Cultural Community (ASCC) and the ASEAN Political Security Community (APSC).
- IAI Work Plan III (2016–2020): Launched at the 28th ASEAN Summit in 2016, the third Work Plan shifted to a more focused design, with 26 Actions across five Strategic Areas: Food and Agriculture, Trade Facilitation, MSMEs, Education, and Health and Well-being, along with six enabling actions. By its conclusion, 133 projects had been implemented under this framework.
- IAI Work Plan IV (2021–2025): Adopted at the 37th ASEAN Summit in 2020, the fourth Work Plan retained the same five Strategic Areas as Work Plan III, refreshed with 24 actions and four enabling actions, continuing ASEAN’s support for inclusive growth and integration.

While CLMV have benefited from IAI support, substantial development gaps persist. In 2023, for instance, value added per worker in agriculture, forestry, and fishing averaged between USD 1,250 to USD 2,419 in CLMV, far below Malaysia (USD 15,229) and the Philippines (USD 3,272).¹ Nonetheless, progress under the IAI Work Plan IV is evident. The Midterm Review of IAI Work Plan IV revealed that the development gap between CLMV and ASEAN frontier economies had narrowed across 43% of the outcome metrics. The most significant improvements were observed in the Strategic Area of Health and Well-being, where CLMV countries closed the gap in 7 out of 8 outcome metrics. At the same time, ASEAN’s commitments have grown in scale and complexity, requiring more advanced implementation capabilities, particularly in human capital and institutional capacity.

Against this backdrop, and in light of emerging trends that will shape efforts to narrow development gaps in the coming years (outlined in Chapter 4), a renewed Work Plan is essential. Covering the period of 2026–2030, IAI Work Plan V will build on past achievements, address persistent and new challenges, and lay the foundation for a more inclusive and integrated ASEAN community.

¹. World Bank World Development Indicators. (2023). Agriculture, forestry, and fishing, value added per worker (constant 2015 US\$). Retrieved from: <https://databank.worldbank.org/source/world-development-indicators>

3.2 Accession of Timor-Leste into ASEAN

A key development under IAI Work Plan V is the accession of Timor-Leste as ASEAN's 11th Member State and the newest beneficiary of the IAI. As the fifth IAI beneficiary, Timor-Leste's inclusion is both timely and strategic. It presents an opportunity to accelerate the country's national development through targeted support in narrowing development gaps relative to other AMS, while underscoring ASEAN's commitment to fostering regional integration and ensuring that all Member States benefit meaningfully from regional cooperation.

Since gaining independence in 2002, Timor-Leste has worked to strengthen its institutional and economic foundations. Nonetheless, urgent development challenges remain, including but not limited to:

- a. **Limited integration into international trade.** Exports account for 23% of GDP in 2023², lower than Singapore (174%), Brunei Darussalam (77%), as well as Viet Nam (87%) and Cambodia (67%). Heavy reliance on oil and gas (83% of export value in 2023) exposes the economy to volatility and hinders diversification.³ Coffee, at 12% of export value in 2023 is the next largest product. Greater diversification and deeper integration into global and regional value chains are essential to strengthen resilience and drive sustainable growth.
- b. **Constraints in the healthcare system.** With only one (1) doctor per 1,000 people,⁴ Timor-Leste faces acute manpower shortages and systemic constraints: limited Continuous Professional Development (CPD), uneven distribution of human personnel, and overstretched staff managing multiple responsibilities across various service delivery points.⁵ These issues weaken service delivery and impede progress in health outcomes, which are critical to overall socio-economic development.
- c. **Low educational attainment.** As of 2022, only 47% of the population had completed primary education, compared to 98% in Viet Nam,⁶ 95% in Malaysia and 87% in Cambodia.⁷ This issue can be attributed to several factors. Post-independence, Timor-Leste had to rebuild its education system after widespread destruction of

² World Bank World Development Indicators. (2023). Exports of goods and services (% of GDP). Retrieved from: <https://databank.worldbank.org/source/world-development-indicators>

³ Observatory of Economic Complexity. (2023). Timor-Leste's Exported Products. Retrieved from: <https://oec.world/en/profile/country/tls>

⁴ World Bank World Development Indicators. (2020). Physicians (per 1,000 people). Retrieved from: <https://databank.worldbank.org/source/world-development-indicators>

⁵ Journal of Business and Innovation. (2024). Barriers and Enablers in Health Workforce Management in Primary Healthcare in Dili Municipality, Timor-Leste. Retrieved from: <https://jurnal.iob.edu.tl/index.php/torbin/article/download/20/19>

⁶ UNICEF (2022). Viet Nam Education Fact Sheets. Retrieved from: <https://www.unicef.org/vietnam/unicef-viet-nam-key-results-2022>

⁷ Kingdom of Cambodia Ministry of Education, Youth, and Sport (2023). The education, youth, and sport performance in the academic year 2021-2022 and goals for the academic year 2022-2023. Retrieved from: https://planipolis.iiep.unesco.org/sites/default/files/ressources/cambodia_education_congress_report_2022-2023_eng.pdf

schools, and the departure of many teachers. Poverty further constrains access, as families struggle to meet basic education expenses.^{8,9} Addressing these gaps is vital to strengthen human capital and support sustained economic growth.

Through IAI Work Plan V, ASEAN can provide targeted assistance to help Timor-Leste tackle these challenges, laying stronger foundations for inclusive and sustainable participation in ASEAN integration.

3.3 Structure of IAI Work Plan V

IAI Work Plan V is composed of two components (Exhibit 2):

- a. **The Strategic Framework.** Covering 2026–2030, this outlines the IAI’s vision, six Strategic Areas, corresponding Objectives, and Strategic Measures. The framework sets the overall agenda for narrowing the development gap and is elaborated in Chapter 5.
- b. **The Implementation Approach.** To ensure efficient and effective delivery, the implementation component will set out governance and ownership arrangements, modalities for project delivery, stakeholder engagement strategies, and Monitoring, Reporting and Evaluation (MRE) guidelines. This will be developed following the endorsement of the Strategic Framework.

Recognising persistent implementation challenges, Work Plan V will also develop and deploy practical, user-friendly tools to facilitate smooth delivery and promote consistency across CLMV-TL and other stakeholders. These tools will serve to translate the Work Plan into accessible reference materials, strengthen coordination within and among IAI beneficiary countries, facilitating broader exchanges of lessons and practices that support ASEAN’s shared integration goals, and enhance effective monitoring, and reporting. The proposed tools include:

- **Simple infographics** presenting the essence of the IAI framework, the priorities of the Work Plan V, and the respective roles and responsibilities of key stakeholders (e.g. National Coordinators, National Focal Points, ASEAN Secretariat, IAI Task Force, and ASEAN Partners).
- **Guidelines for project proposal development** to assist stakeholders in designing and submitting project concepts or project proposals aligned with the Work Plan’s Strategic Areas and Objectives.

⁸ Generis Global. (2024). An Overview of the Education System in Timor-Leste. Retrieved from: <https://generisonline.com/an-overview-of-the-education-system-in-timor-leste/>

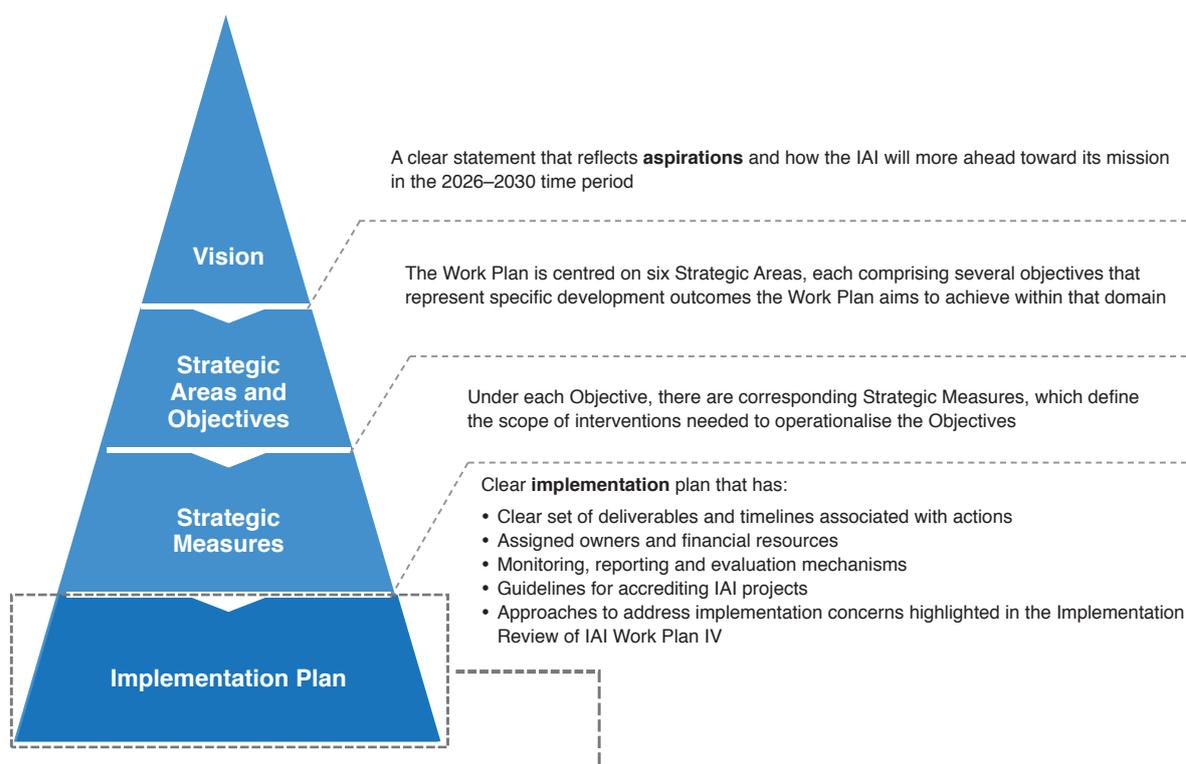
⁹ United Nations Children’s Fund. (Accessed in 2025). Quality Education: Realising rights to quality education for all children. Retrieved from: <https://www.unicef.org/timorleste/quality-education>

- **Project monitoring and reporting templates** tailored to the Work Plan V MRE framework, enabling more consistent data collection and tracking of outputs and intermediate results across beneficiary countries.
- **A simplified MRE framework** that translates broader monitoring and evaluation principles into practical steps and indicators suitable for national and local implementers.
- **Coordination support tools** to strengthen collaboration among ministries and agencies, as well as engagement with broader ASEAN stakeholders and partners.

By embedding these tools in the implementation approach, Work Plan V will ensure that stakeholders have accessible and actionable guidance to fulfil their responsibilities. This will help reduce complexity, foster shared ownership, and improve the consistency and quality of implementation across the region.

Exhibit 2

STRATEGIC FRAMEWORK AND IMPLEMENTATION PLAN OF IAI WORK PLAN V



Implementation Support Tools for smooth delivery and consistency of the Implementation Plan

1	Infographics on IAI framework and stakeholder roles
2	Proposal development guidelines
3	Monitoring and reporting templates
4	Simplified MRE Framework
5	Coordination support tools

4. Key Trends Impacting the Narrowing of the Development Gap (NDG) in ASEAN (2026–2030)

Global and regional dynamics are reshaping the development landscape. Rapid technological change, shifting labour demands, and growing sustainability priorities create new opportunities for growth, but risk deepening and widening disparities among AMS if not addressed with targeted interventions.

Four trends are particularly crucial for ASEAN over the next five years: (1) Unequal access to frontier technologies; (2) Labour market dislocations; (3) Emergence of sustainability-led growth models; and (4) Shifting global value chains.

4.1 Unequal access to frontier technologies

Frontier technologies, spanning digital, physical, and biological domains, are transforming economic structures, service delivery, and labour markets.¹⁰ Innovations such as Artificial Intelligence (AI), autonomous systems, blockchain, and genetic engineering are being rapidly adopted, but uptake is highly uneven. Advanced economies benefit from strong digital infrastructure, skilled workforces, and mature innovation ecosystems, while developing economies struggle with connectivity gaps, skill shortages, and weak institutional support. Without targeted actions, these disparities risk widening growth gaps and excluding less advanced economies or least developed AMS from innovation-driven opportunities.

Within ASEAN, some progress is being made. Lao PDR and Viet Nam have introduced blockchain policies (2021 and 2024 respectively),^{11,12} with Lao PDR piloting crypto mining and trading licenses and Viet Nam launching its national blockchain platform, NDACHain, in 2025.^{13,14} Nonetheless, CLMV-TL still face significant barriers: limited broadband access,

¹⁰ World Intellectual Property Organisation (WIPO). (Accessed in 2025). Frontier Technologies. Retrieved from: <https://www.wipo.int/documents/d/frontier-technologies/docs-en-pdf-frontier-tech-6th-factsheet.pdf>

¹¹ Vietnam Law and Legal Forum. (2024). National strategy aims at boosting application and development of blockchain technology. Retrieved from: <https://vietnamlawmagazine.vn/national-strategy-aims-at-boosting-application-and-development-of-blockchain-technology-73170.html>

¹² Lao PDR Ministry of Technology and Communications. (2021). National Digital Economy Development Vision (2021-2040). Retrieved from: https://mtc.gov.la/index.php?r=site/downloadfile&file=Wj_AjMvVbw1a5dfyK2hewd/d8041fafa380173c81841cdce0be35b4.pdf

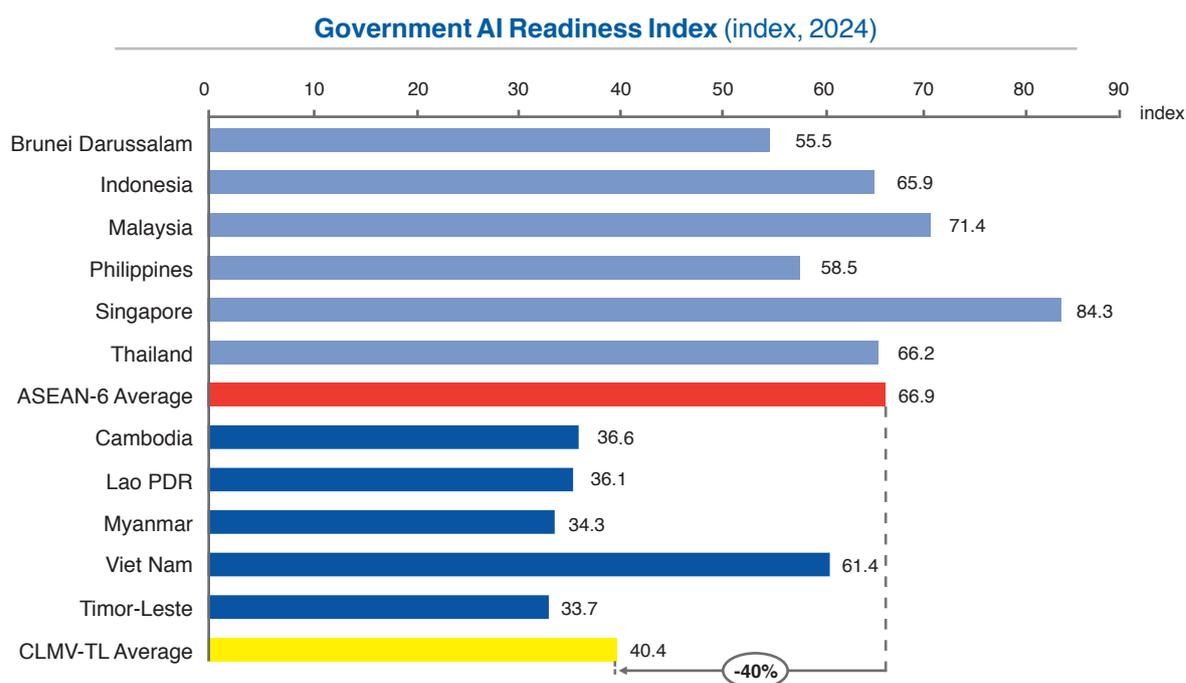
¹³ IMF eLibrary. (2023). Lao People's Democratic Republic: Technical Assistance Report-Regulation and Supervision of Crypto Assets. Retrieved from: <https://www.elibrary.imf.org/view/journals/002/2023/319/article-A001-en.xml>

¹⁴ Vietnam Briefing. (2025). Vietnam Introduces National Blockchain Platform: Enhancing Data Protection. Retrieved from: <https://www.vietnam-briefing.com/news/vietnam-introduces-national-blockchain-platform-new-tool-for-secure-data-identity-and-compliance.html/>

weak internet infrastructure, low digital literacy, and underdeveloped regulatory frameworks.¹⁵ A recent study found CLMV-TL governments are 40% less AI-ready compared to ASEAN-6 countries (Exhibit 3).

Exhibit 3

GOVERNMENT AI READINESS INDEX ACROSS AMS



Source: Oxford Insights. (2024). Government AI Readiness Index 2024.

To fully benefit from frontier technologies, CLMV-TL need support in strengthening institutions, while expanding public access to digital services.¹⁶ Regional cooperation will be critical to bridge these gaps through shared infrastructure, inclusive innovation, and digital skills development.

4.2 Labour market dislocations

Labour markets globally are undergoing profound transformation, with automation, AI, and the net zero transition reshaping demand for skills and jobs. At the same time, the rise of the gig economy offers flexibility but often without security and social protection, while

¹⁵ World Bank. (2025). Fixed broadband subscriptions (per 100 people). Retrieved from: <https://data.worldbank.org/indicator/IT.NET.BBND.P2>

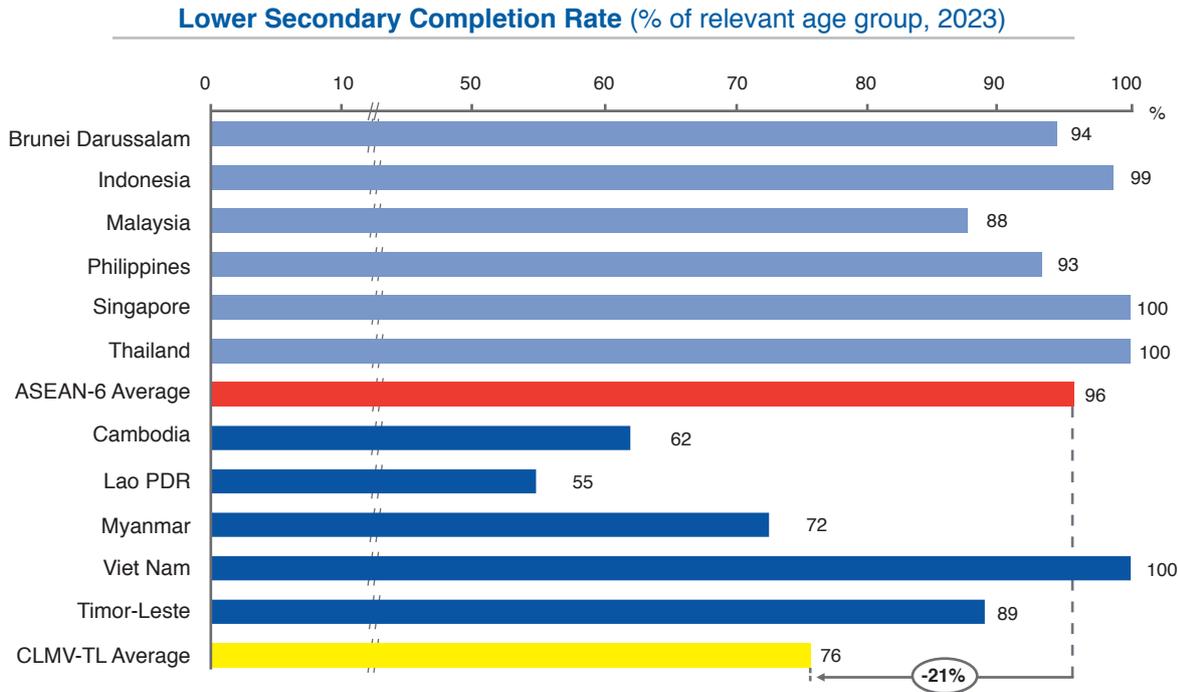
¹⁶ World Bank. (2017). The Future of Work Requires More, Not Less Technology in Developing Countries. Retrieved from: <https://openknowledge.worldbank.org/server/api/core/bitstreams/2d09f575-8c00-53fa-a4aa-d50c0d636e90/content>

demographic shifts¹⁷ present opportunities that require robust education and job creation. These changes could accelerate inclusive growth but, without interventions, risk deepening inequalities, especially in economies with large informal labour and weak social protection.

ASEAN governments are beginning to respond. For example, Cambodia is drafting its National AI Strategy 2025–2030, focusing on human resource development, data infrastructure, digital government, ethical AI, and innovation.¹⁸ Nevertheless, CLMV-TL still face persistent barriers: lower levels of education, and digital literacy, and high informality. In 2023, the average lower secondary education completion rate across CLMV-TL was 21% below that of other AMS (Exhibit 4).¹⁹ Without foundational education, workers cannot acquire the skills needed for higher-value sectors, limiting employability.

Exhibit 4

RATE OF LOWER SECONDARY EDUCATION COMPLETION ACROSS AMS



1. Latest available data from Myanmar and Timor-Leste were 2018 and 2020 respectively. Source: World Bank. (2025). Lower secondary completion rate, total (% of relevant age group).

¹⁷ This is defined by the UN Population Fund (UNFPA) as “the economic growth potential that can result from shifts in a population’s age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 & younger, and 65 & older)”. Retrieved from: <https://www.unfpa.org/demographic-dividend>

¹⁸ OpenDevelopment Mekong. (2025). Draft National Artificial Intelligence Strategy 2025–2030 (Version 5). Retrieved from: https://data.opendevelopmentmekong.net/library_record/draft-national-artificial-intelligence-strategy-2025–2030-version-5

¹⁹ World Bank. (2025). Lower secondary completion rate, total (% of relevant age group). Retrieved from: <https://data.worldbank.org/indicator/SE.SEC.CMPT.LO.ZS>

To mitigate risks and harness opportunities, CLMV-TL need inclusive measures that strengthen human capital, expand access to vocational training, digital literacy, and social protection, facilitate the gradual formalisation of informal and gig work, and prepare the workforce as the region transitions into emerging green industries (see Chapter 4.3). Such measures are essential for building resilient, future-ready workforces, and for narrowing gaps with more advanced economies.

4.3 Emergence of sustainability-led growth models

New economic models such as the circular²⁰, green²¹, and blue economies²² are gaining traction as pathways to reconcile growth, sustainability, and social equity. These approaches can improve resource efficiency, reduce emissions, and sustain ecosystems, while generating new employment opportunities. They are especially relevant for CLMV-TL, where agriculture, forestry and fisheries are major economic sectors and sources of employment (Exhibit 5).

However, adoption has been uneven. Advanced economies are advancing faster, supported by strong institutions, financing, and innovation ecosystems, while developing economies lag due to limited technical capacity, weak regulatory frameworks, and scarce financing. Without targeted support, these disparities may widen, reducing competitiveness and resilience.

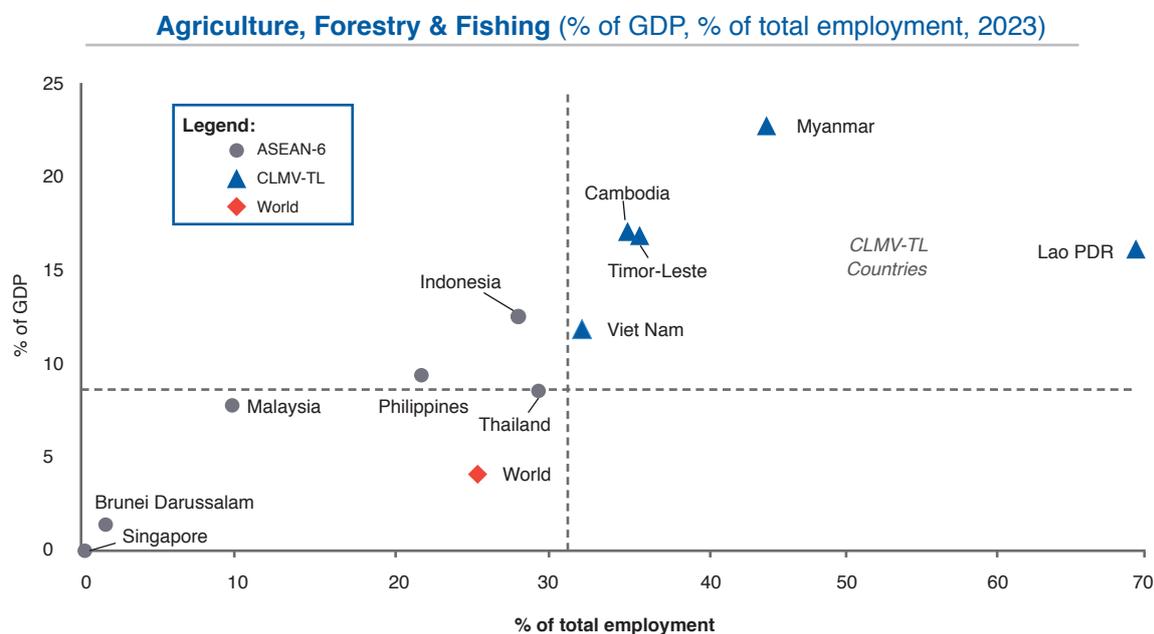
²⁰ The Circular Economy is defined as a production and consumption model which involves keeping materials in use through reuse, recycling, remanufacturing, and designing out waste. Source: Ellen Macarthur Foundation. (Accessed in 2025). Circular economy introduction. Retrieved from: <https://www.ellenmacarthurfoundation.org/topics/circular-economy-introduction/key-ideas>

²¹ The Green Economy is defined as an economy that is low-carbon, resource efficient, and socially inclusive. Source: United Nations Environment Programme (UNEP). (Accessed in 2025). Green Economy. Retrieved from: <https://www.unep.org/regions/asia-and-pacific/regional-initiatives/supporting-resource-efficiency/green-economy>

²² The Blue Economy is defined as the creation of value-added from resources from oceans, seas and fresh water in an inclusive and sustainable way. Source: Association of Southeast Asian Nations. (2023). ASEAN Blue Economy Framework. Retrieved from: <https://ASEAN.org/wp-content/uploads/2023/09/ASEAN-Blue-Economy-Framework.pdf>

Exhibit 5

SIZE OF AGRICULTURE, FORESTRY & FISHING SECTOR ACROSS AMS



Source: World Bank. (2025). Agriculture, forestry, and fishing, value added (% of GDP); Employment in agriculture (% of total employment) (modelled ILO estimate).

ASEAN has established frameworks to guide regional adoption, including the Framework for Circular Economy for AEC, ASEAN Blue Economy Framework, and the ASEAN Digital Economy Framework Agreement. Tailored support will be necessary for CLMV-TL to implement these frameworks effectively. With adequate technical assistance and financing, these economies can leverage sustainability-led growth models to unlock new opportunities, strengthen resilience, and contributing meaningfully to NDG.

4.4 Shifting of global value chains

Global Value Chains (GVCs)²³ are undergoing significant restructuring, shaped by geopolitical tensions, trade fragmentation, and shifts in production strategies. Firms are increasingly regionalising supply chains, adopting nearshoring and friendshoring models, and leveraging digital technologies to build resilience.²⁴ For ASEAN, these shifts are

²³ GVCs refer to the international distribution of production stages, which are broken into activities and tasks carried out in different countries. Industrial Analytics Platform by United Nations Industrial Development Organisation. (2019). What are global value chains and why do they matter? Retrieved from: <https://iap.unido.org/articles/what-are-global-value-chains-and-why-do-they-matter>

²⁴ S&P Global (2025). 2025 global outlook: Supply chain resilience tested amid geopolitical risk and economic shifts. Retrieved from: <https://www.spglobal.com/en/research-insights/market-insights/geopolitical-risk/supply-chain-resilience>

highly relevant: strategic location and large consumer base makes it an attractive hub for companies seeking diversification.^{25,26}

These dynamics offer opportunities for ASEAN to attract new investments, integrate Micro, Small, and Medium Enterprises (MSMEs) into value chains, and capture higher-value segments of production—without necessarily producing entire goods domestically. However, the benefits of GVC reconfiguration are not guaranteed to be inclusive. Structural constraints, such as weak institutions, inadequate infrastructure, and limited access to finance can prevent some countries from adapting, leaving them excluded from new trade networks and investment flows, and confined to low-value activities. These constraints risk widening the economic divide within ASEAN.

Evidence of uneven participation is already visible. While ASEAN overall is benefitting from supply chain reconfiguration, investments inflows remain concentrated in the more developed economies. In 2023, Foreign Direct Investment (FDI) inflows into ASEAN-6 were 84% higher than those into CLMV-TL (Exhibit 6).^{27,28} This disparity persists despite proactive measures by CLMV-TL, such as Lao PDR's collaboration with China on the Laos-China Railway, and Cambodia's reforms of its investment framework in 2021.²⁹

²⁵ S&P Global. (2023). ASEAN as a China Plus One destination: Current situation and risk outlook. Retrieved from: <https://www.spglobal.com/market-intelligence/en/news-insights/research/ASEAN-china-plus-one-destination-current-situation-risk-outlook>

²⁶ Fidelity International. (2023). China + 1 = ASEAN: A winning formula. Retrieved from: <https://www.fidelityinternational.com/editorial/article/china-1-ASEAN-a-winning-formula-7e1ba8-en5/>

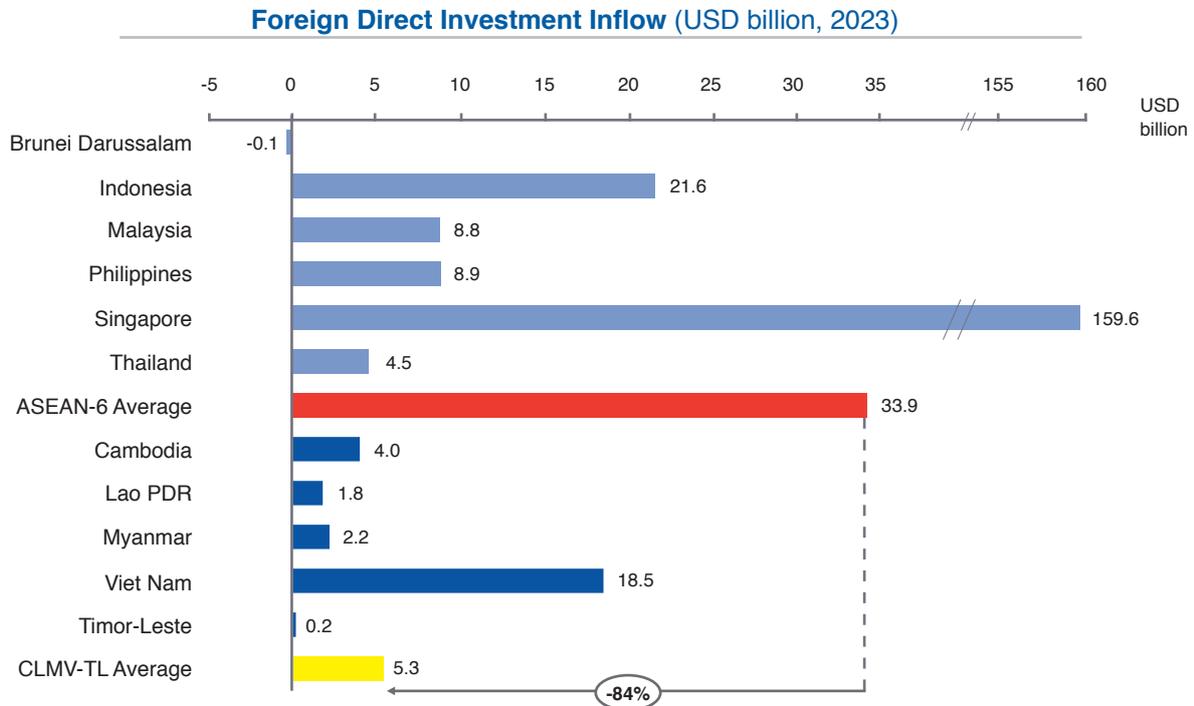
²⁷ ASEAN. (2024). ASEAN Investment Report 2024. Retrieved from: <https://ASEAN.org/wp-content/uploads/2024/10/AIR2024-3.pdf>

²⁸ Central Bank of Timor-Leste. (2024). Foreign Direct Investment Inflows 2023: A Catalyst for Timor-Leste's Economic Diversification. Retrieved from: https://bancocentral.tl/uploads/documentos/documento_1734500718_6914.pdf

²⁹ Adaeng. (2025). Cambodia's Investment Law Explained: What Changed and Why It Matters (2025 Guide). Retrieved from: <https://adaeng.co/cambodia-investment-law-2025/>

Exhibit 6

FOREIGN DIRECT INVESTMENT INFLOW ACROSS AMS



Sources: ASEAN. (2024). ASEAN Investment Report 2024; Central Bank of Timor-Leste. (2024) Foreign Direct Investment Inflows 2023: A Catalyst for Timor-Leste's Economic Diversification.

ASEAN has established the Focal Group on Global Value Chains (FG-GVC) to advance regional initiatives, such as the development of ASEAN GVC Sectoral Plan 2026–2030. This Sectoral Plan aims to diversify ASEAN's partners to strengthen the region's supply chain resilience, while exploring strategic sectors such as healthcare, metals and mining, and electrical machinery to enhance the region's competitiveness. To ensure that all AMS benefit from the ongoing reorganisation of GVCs, support for CLMV-TL must go beyond risk mitigation towards support in unlocking opportunities for structural transformation. This includes targeted support to bridge infrastructure gaps, expand access to finance and strengthen institutional capacities. Equally critical are investments in digital readiness, workforce upskilling, and innovation, which will enable MSMEs to participate more effectively in regional and global value chains. Such measures are essential to help CLMV-TL move up the value ladder, narrow development gaps and contribute to a more competitive, resilient and equitable ASEAN economy.

5. Strategic Framework of IAI Work Plan V

5.1 Vision

The IAI’s vision is to narrow the development gap within and between ASEAN Member States and enhance the region’s integration and overall competitiveness. Building on momentum from previous Work Plans while responding to the emerging needs, IAI Work Plan V advances this vision over 2026–2030. As ASEAN pursues a “Resilient, Innovative, Dynamic, and People-Centred ASEAN” under the ASEAN Community Vision (ACV) 2045, the IAI will help ensure no Member State and no part of ASEAN is left behind. Tailored support for CLMV-TL will enable them to meet regional obligations as well as ambitious regional targets, strengthen collective efforts and foster inclusive growth across the region in the next five years.

5.2 Alignment with the ASEAN Community Vision 2045 and its Strategic Plans

The Strategic Areas, Objectives and Strategic Measures of IAI Work Plan V are framed to support the ACV 2045 “Resilient, Innovative, Dynamic, and People-Centred ASEAN” and align with the strategic plans of the three pillars – the AEC Strategic Plan 2026–2030, ASCC Strategic Plan, APSC Strategic Plan, and the ASEAN Connectivity Strategic Plan (ACSP). In particular, the IAI has been designated to lead implementation of several Strategic Measures under the AEC and ASCC Strategic Plans including those under the objective of narrowing the development gap in the AEC Strategic Plan 2026–2030. Aligning Work Plan V with these instruments ensures policy coherence, facilitates support from relevant Sectoral Bodies during implementation, and enables CLMV-TL to benefit fully from regional initiatives, unlock complementary financing, and strengthen institutional capacity – key to NDG.

5.3 Strategic Areas of IAI Work Plan V

As illustrated in Exhibit 7, Work Plan V is organised around six Strategic Areas: (A) Food and Agriculture; (B) Micro Enterprises and the Informal Sector; (C) Education and Skills; (D) Public Health; (E) Local Community Empowerment and Resilience; and (F) Inclusive Growth and Sustainable Economic Development. Each Strategic Area comprises Objectives (the specific outcomes to be achieved) and Strategic Measures (the intervention scope to realise each Objective). In total, Work Plan V contains 16 Objectives and 45 Strategic Measures, detailed in Sections 5.4 – 5.9.

Exhibit 7

STRUCTURE OF IAI WORK PLAN V



The Strategic Areas, and their Objectives and Strategic Measures, were derived from a comprehensive review of ASEAN, national, and external NDG documents, including the paper developed for Lao PDR’s Priority Economic Deliverable (PED) in 2024 on Reframed Strategies for Narrowing Development Gaps and Promoting Sustainable and Inclusive Economic Growth in the ASEAN Region and through iterative consultations with key stakeholders, including CLMV-TL, other AMS, ASEAN Sectoral Bodies (SBs), key ASEAN Secretariat (ASEC) desk officers, and ASEAN Partners so that priorities reflect on-the-ground needs and regional ambitions.

To strengthen delivery, three Cross-Cutting Mechanisms support implementation in CLMV-TL – (i) Building capable civil services; (ii) Expanding access to finance; and (iii) Leveraging multi-stakeholder partnerships. Each Mechanism enhances outcomes across the Strategic Areas by reinforcing implementation capability and fostering sector, cross-country collaboration. Details are elaborated in Section 5.10.

5.4 Strategic Area A: Food and Agriculture

Food and Agriculture are key economic pillars in the CLMV-TL countries. In 2023, these sectors accounted for at least 12% of GDP across these economies,³⁰ with over 30% of the population employed in agriculture.³¹ They also contribute significantly to the exports of Cambodia, Lao PDR, and Viet Nam (at least 7% in 2013).³² Yet, participation in

³⁰ World Bank. (2023). Agriculture, forestry and fishing, value added (% of GDP). Retrieved from: <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS>

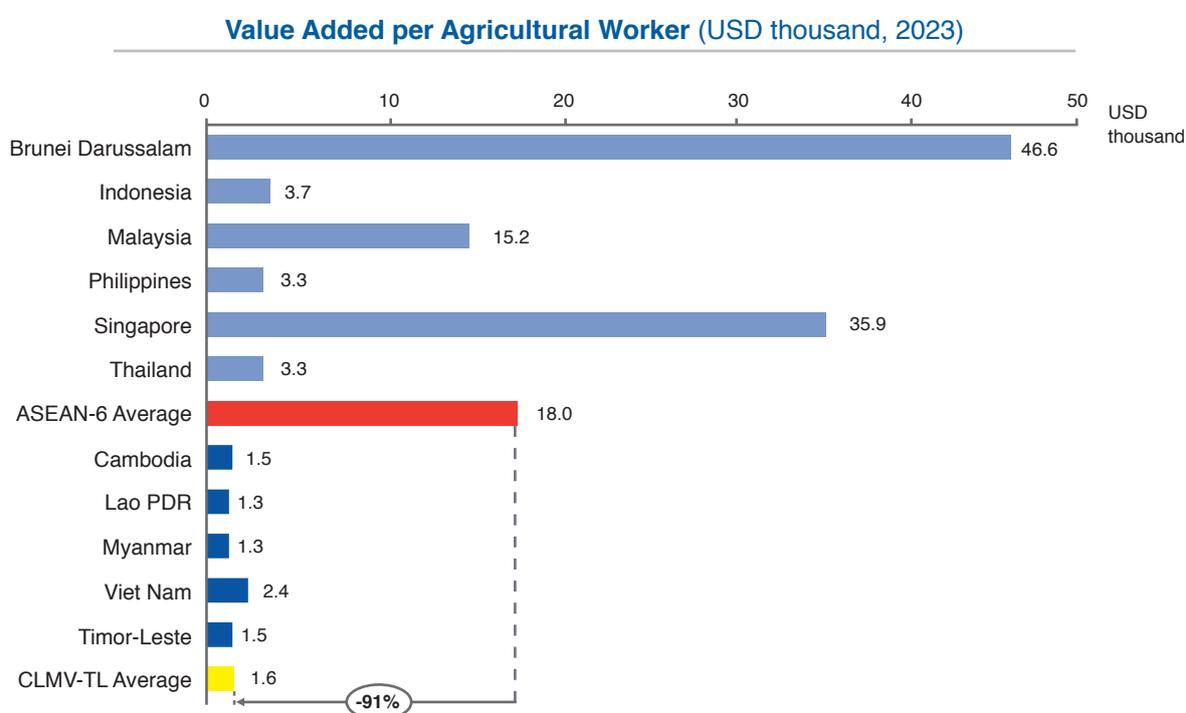
³¹ Asian Development Bank. (2021). Employment in Agriculture. Retrieved from: <https://kidb.adb.org/>

³² Trading Economics. (2023). Food Exports (% of Merchandise Exports). Retrieved from: <https://tradingeconomics.com/>

higher-value segments of agri-food chain remains low, and adoption of climate-resilient practices is limited due to constrained access to technology and finance, reliance on traditional methods, and vulnerability to climate shocks.^{33,34} Productivity gaps persist - value added per agricultural worker in CLMV-TL averages ~USD 1,600 compared with ~USD 18,000 in other AMS (Exhibit 8).^{35,36} If unaddressed, these gaps could limit income growth and export potential of farmers and agribusinesses, increase exposure to climate-related risks, and undermine long-term food security.

Exhibit 8

VALUE ADDED PER AGRICULTURAL WORKER ACROSS AMS



Sources: World Bank. (2023). Agriculture, forestry, and fishing, value added per worker (USD thousand)

³³ ASEAN Secretariat. (Accessed in 2025). ASEAN Roadmap for Enhancing the Role of Agricultural Cooperatives in Agricultural Global Value Chains 2018–2025. Retrieved from: <https://ASEAN.org/wp-content/uploads/2012/05/ASEAN-Roadmap-Agricultural-Cooperatives.pdf>

³⁴ ASEAN Magazine. (Accessed in 2025). Climate Change and Food Security in ASEAN: A Policy Response to Ensure Food Security in the Region. Retrieved from: <https://theASEANmagazine.ASEAN.org/article/climate-change-and-food-security-in-ASEAN-a-policy-response-to-ensure-food-security-in-the-region/>

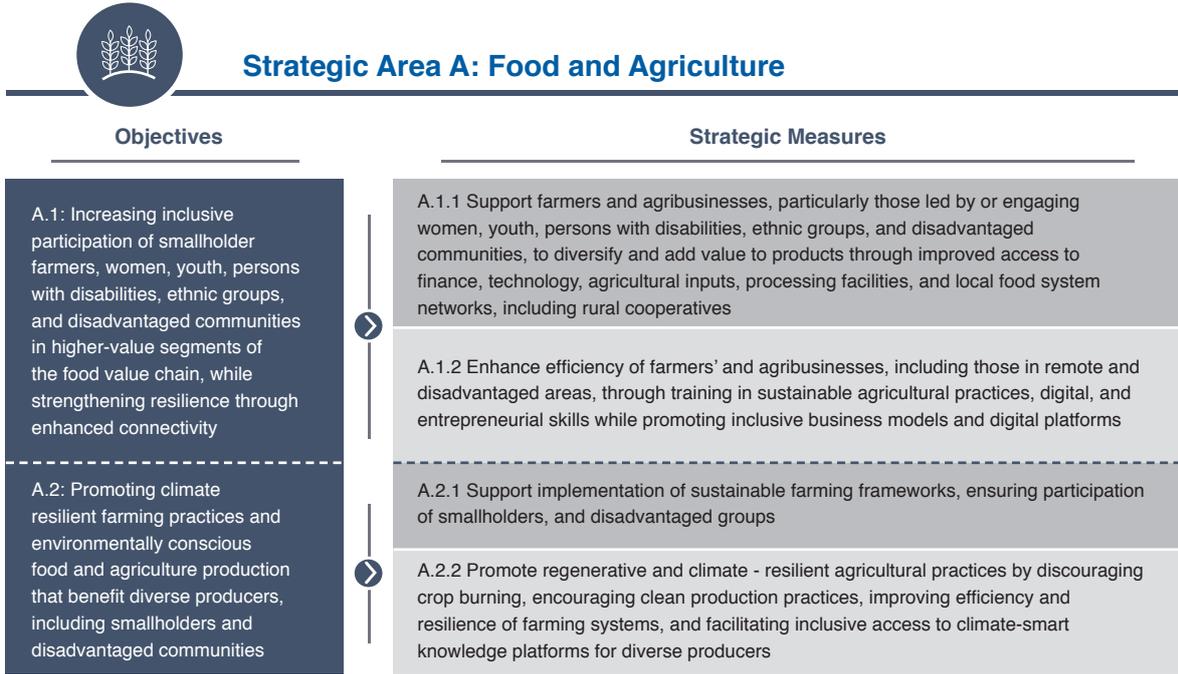
³⁵ World Bank. (Accessed in 2025). Agricultural Transformation and Inclusive Growth: The Malaysian Experience. Retrieved from: <https://documents1.worldbank.org/curated/en/617611574179512389/pdf/Agricultural-Transformation-and-Inclusive-Growth-The-Malaysian-Experience.pdf>

³⁶ Global Agriculture & Food Security Programme. (2021). Sustainable Agriculture Productivity Improvement Project (SAPIP). Retrieved from: <https://www.gafspfund.org/projects/sustainable-agriculture-productivity-improvement-project-sapip>

Work Plan V supports ASEAN frameworks including the ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action on Food Security (SPA-FS) 2021–2025 and the Action Plan for Sustainable Agriculture in ASEAN, emphasising climate-smart agriculture, sustainable production, value chain integration, digital technologies, and inclusive rural development. Exhibit 9 outlines the Objectives and Strategic Measures.

Exhibit 9

OBJECTIVES AND STRATEGIC MEASURES FOR STRATEGIC AREA A: FOOD AND AGRICULTURE



5.4.1 Objective A.1: Increasing inclusive participation of smallholder farmers, women, youth, persons with disabilities, ethnic groups, and disadvantaged communities in higher-value segments of the food value chain, while strengthening resilience through enhanced connectivity

This Objective aims to shift farmers and agribusinesses in CLMV-TL countries from low-value primary production to higher-value activities - processing, packaging, certification, and exports - by improving access to finance and agricultural inputs, expanding post-harvest and processing infrastructure, and strengthening local food-system networks (e.g. cooperatives).³⁷ It aims to unlock better income, enhance resilience to price and climate shocks, and deepen integration into regional and global value chains.

³⁷ International Trade Administration. (2024). Laos Country Commercial Guide. Retrieved from: <https://www.trade.gov/country-commercial-guides/laos-market-opportunities>

Strategic Measures under Objective A.1:

A.1.1 Support farmers and agribusinesses, particularly those led by or engaging women, youth, persons with disabilities, ethnic groups, and disadvantaged communities, to diversify and add value to products through improved access to finance, technology, agricultural inputs, processing facilities, and local food system networks, including rural cooperatives

This Strategic Measure supports Objective A.1 by helping farmers and agribusiness owners move up the value chain through expanding access to capital and advanced technology, agricultural inputs (e.g. seeds and fertilisers), and post-harvest infrastructure (e.g. processing units). It also seeks to strengthen linkages within local food systems, with producer groups such as farming cooperatives playing a central role. This is especially critical in CLMV-TL, where smallholders make up a large share of the sectors but often lack the scale, resources, and bargaining power to access markets or invest in value adding activities independently.³⁸ By enhancing capacity and coordination, this Strategic Measure will develop more inclusive and resilient agricultural sectors, strengthen livelihoods, and position producers to compete in higher-value regional and global agri-food chains.

This aligns with the AEC Strategic Plan 2026–2030 and the ASEAN Regional Guidelines for Sustainable Agriculture, which emphasise the importance of shifting sectors from basic production activities to higher-value segments of the food chain.

A.1.2 Enhance efficiency of farmers' and agribusinesses, including those in remote and disadvantaged areas, through training in sustainable agricultural practices, digital, and entrepreneurial skills while promoting inclusive business models and digital platforms

This Strategic Measure furthers Objective A.1 by providing farmers and agribusinesses with essential training in sustainable agricultural practices, digital tools, and entrepreneurial skills needed to enhance production efficiency and adopt inclusive and technology-enabled business models, which includes the use of digital platforms. This could include support for certification services, and business training programs that enable smallholders and agribusinesses to operate in agro-processing hubs and move up the value chain. In parallel, farmer-to-cooperative digital marketplace training could be introduced to help farmers and agribusinesses improve price transparency, strengthen procurement systems, and expand market access across rural and urban areas. Targeted training will enable them to optimise resource use, improve operational performance, and engage more effectively in modern agri-food value chains. This is particularly relevant to CLMV-TL, where productivity remains

³⁸ FAO. (Accessed in 2025). Agricultural cooperatives: paving the way for food security and rural development. Retrieved from: <https://openknowledge.fao.org/server/api/core/bitstreams/0c68d066-ef07-45eb-823f-d290f8aa00aa/content>

constrained by traditional practices, limited digital adoption, and low access to technical knowledge. By equipping farmers and agribusinesses with these tools, this Strategic Measure will help them overcome structural barriers, reduce reliance on intermediaries, and participate more competitively in domestic and cross-border agri-food markets.

It aligns with the ASEAN Community Vision 2045 and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry 2016–2025, which underscores ASEAN’s commitment to inclusive and innovative agricultural development.

5.4.2 Objective A.2: Promoting climate resilient farming practices and environmentally conscious food and agriculture production that benefit diverse producers, including smallholders and disadvantaged communities

This Objective seeks to encourage producers to adopt sustainable methods that reduce environmental degradation and build resilience to climate variability. It will help CLMV-TL overcome systemic constraints such as limited access to climate-smart technologies and weak incentives to move away from environmentally harmful practices.³⁹ Over time, this should result in more efficient resource use, reduced environmental degradation, and stronger adaptability of smallholders and disadvantaged producers, thereby cultivating more resilient food systems and better alignment with national and regional climate and development goals.

Strategic Measures under Objective A.2:

A.2.1 Support implementation of sustainable farming frameworks, ensuring participation of smallholders, and disadvantaged groups

This Strategic Measure advances Objective A.2 by accelerating the adoption of sustainable farming practices under relevant national and regional frameworks. Implementation in CLMV-TL remains slower due to capacity constraints at the local level, leading to widespread land degradation, inefficient resource use, and heightened vulnerability to climate-related shocks.⁴⁰ Strengthening implementation capacity will improve the sustainable and responsible use of natural resources, reduce environmental degradation, and boost the long-term sustainability of farming systems.

This is consistent with the Regional Guidelines for Sustainable Agriculture in ASEAN, which promote the integration of sustainability practices into national food and agriculture systems.

³⁹ FAO. (Accessed in 2025). Climate-Smart Agriculture. Retrieved from: <https://www.fao.org/climate-smart-agriculture/en/>

⁴⁰ ASEAN Secretariat. (Accessed in 2025). Action Plan for Sustainable Agriculture in ASEAN. Retrieved from: https://ASEAN.org/wp-content/uploads/2024/11/Action-Plan-for-Sustainable-Agriculture__.pdf

A.2.2 Promote regenerative and climate-resilient agricultural practices by discouraging crop burning, encouraging clean production practices, improving efficiency and resilience of farming systems, and facilitating inclusive access to climate-smart knowledge platforms for diverse producers

This Strategic Measure supports Objective A.2 by encouraging agricultural practices that restore ecological balance and strengthen production system resilience. Many CLMV-TL producers still rely on harmful practices that degrade resources and reduce productivity.⁴¹ Replacing these with regenerative and climate-smart approaches will restore degraded resources, reduce exposure to climate and market risks, and improve long-term productivity.

This is aligned with the ASEAN Regional Guidelines for Sustainable Agriculture, which encourage regional efforts to scale-up climate-smart agriculture practices.

5.5 Strategic Area B: Micro Enterprises and the Informal Sector

MSMEs account for over 99% of ASEAN enterprises and are central to employment and value creation across sectors.⁴² Within this group, micro enterprises (i.e., enterprises that employ less than ten people and operate with limited capital) and informal workers (i.e., workers without formal employment arrangements, such as employment contracts or workers' representation⁴³), form a large share of livelihoods. In ASEAN, about 80% of the workforce is informal⁴⁴, and CLMV-TL have 42% higher informal employment than the ASEAN-6 on average (Exhibit 10). Yet, micro and informal enterprises, especially in CLMV-TL, face more persistent constraints relative to SMEs: poorer working conditions, funding constraints, limited social protection, policy blind spots due to weak data collection, and exclusion from high-value segments. For example, fewer than 40% of workers in CLMV-TL have access to social protection on average, 61% lower than other AMS (Exhibit 11). Without targeted action, these constraints not only erode productivity and limit upward mobility, they also risk locking a large portion of the region's workforce into vulnerable livelihoods. This could, in turn, undermine efforts to build inclusive growth, economic resilience, and social equity across the region.

⁴¹ Asian Development Bank Institute. (Accessed in 2025). Smart Agriculture Under Climate Change. Retrieved from: <https://www.adb.org/publications/smart-agriculture-under-climate-change>

⁴² Asian Development Bank. (2024). Asia Small and Medium-Sized Enterprise Monitor 2024: Designing an MSME Ecosystem for Resilient Growth in Asia and the Pacific. Retrieved from: <https://www.adb.org/publications/asia-sme-monitor-2024>

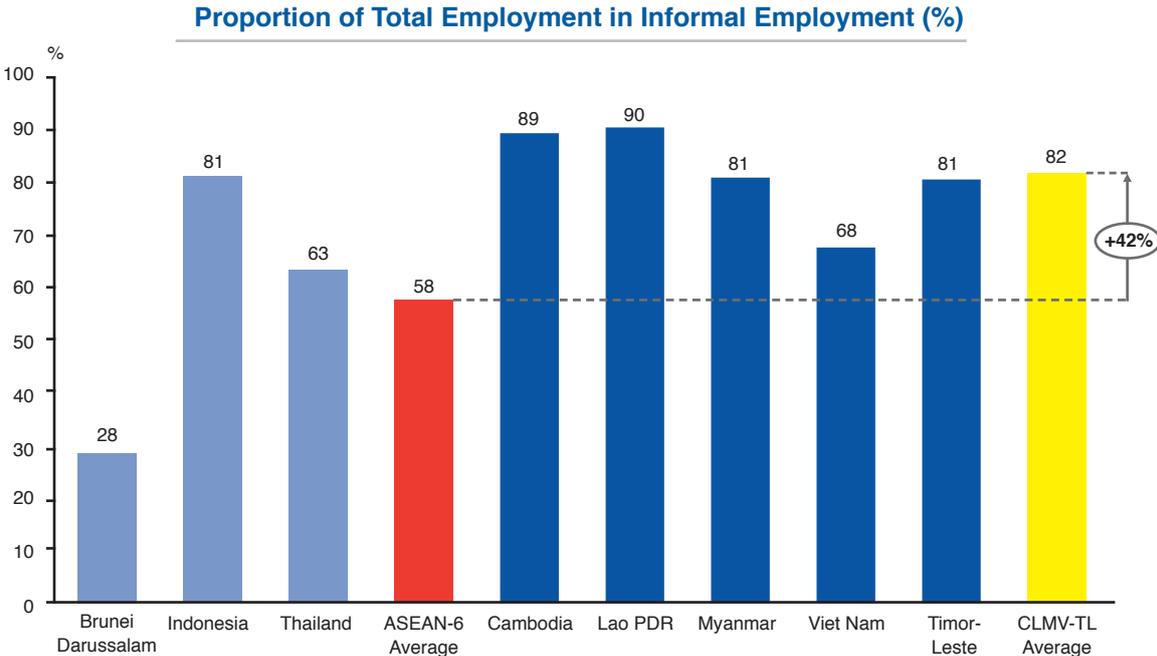
⁴³ International Labour Organisation (ILO) (2015). Informal Economy Workers. Retrieved from: <https://www.ilo.org/resource/45-informal-economy-workers>

⁴⁴ Association of Southeast Asian Nations. (2023). ASEAN Employment Outlook: The Quest for Decent Work in Platform Economy: Issues, Opportunities and Ways Forward. Retrieved from: https://ASEAN.org/wp-content/uploads/2023/07/ASEAN_employment_outlook_WEB_FIN.pdf

ASEAN strategies – including ASEAN Strategic Action Plan for SME Development (SAP SMED) 2016–2025, the AEC Strategic Plan 2026–2030 – consistently emphasise productivity and innovation, access to finance, market access and internationalisation, digitalisation, trade facilitation, and sustainability.

Exhibit 10

PROPORTION OF TOTAL EMPLOYMENT IN INFORMAL EMPLOYMENT ACROSS AMS

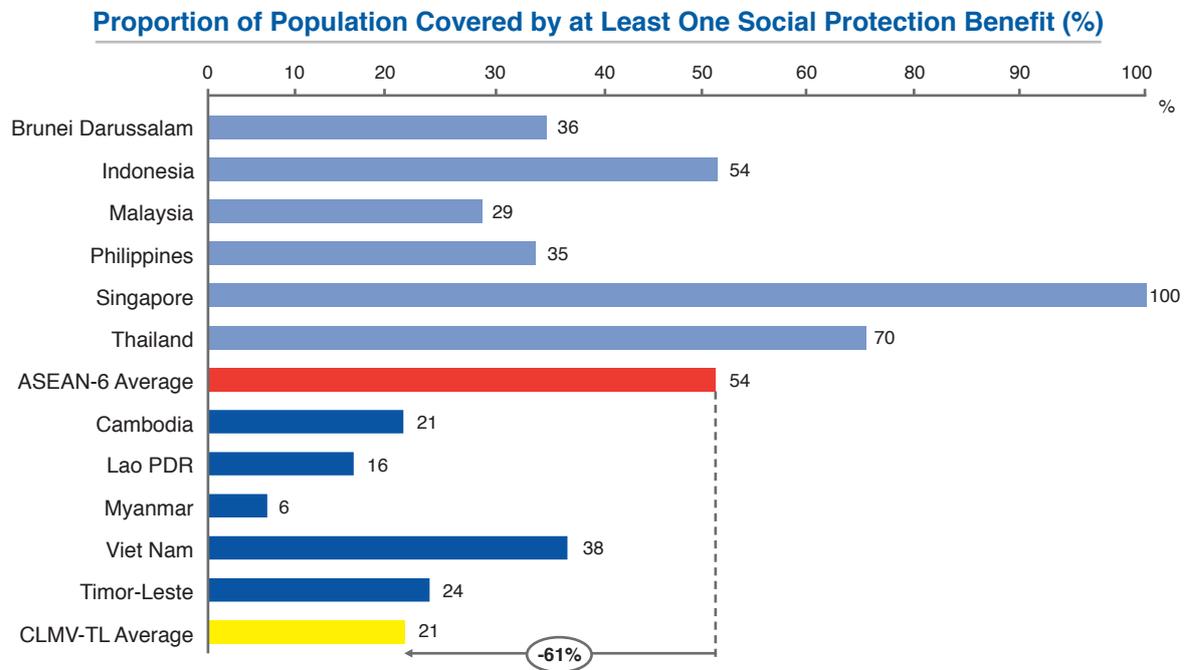


1. Latest available data for each country ranges from 2019 to 2024.
2. Data not available for Malaysia, Philippines, and Singapore.

Source: The International Labour Organization. (2025). SDG indicator 8.3.1 - Proportion of informal employment in total employment by sex and sector (%).

Exhibit 11

PROPORTION OF POPULATION COVERED BY AT LEAST ONE SOCIAL PROTECTION ACROSS AMS



1. Latest available data for each country ranges from 2019 to 2024.

Source: ILO. (2025). SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems (%).

Work Plan V complements these efforts by prioritising the micro and informal segments. Exhibit 12 summarises Objectives and Strategic Measures.

Exhibit 12

OBJECTIVES AND STRATEGIC MEASURES FOR STRATEGIC AREA B: MICRO ENTERPRISES AND THE INFORMAL SECTOR



Strategic Area B: Micro Enterprises and the Informal Sector

Objectives	Strategic Measures
<p>B.1: Strengthening the enabling environment, institutional support, and capacities of micro and informal enterprises to increase resilience, formalisation, and participation in the economy</p>	<p>B.1.1 Improve awareness of alternative financing, including microfinancing, community lending, and digital tools through outreach and financial literacy programmes, prioritising remote, border, and disadvantaged areas</p>
	<p>B.1.2 Promote entrepreneurship through inclusive knowledge-sharing and peer-learning platforms, with tailored support for women, youth, persons with disabilities, ethnic groups, and other disadvantaged groups</p>
<p>B.2: Supporting capacity of micro and informal enterprises, including those led by women, youth, persons with disabilities, and disadvantaged groups and services, and enable access to wider markets</p>	<p>B.2.1 Build the capacity of micro and informal enterprises to improve product quality, pricing, and market readiness, including for local and regional export opportunities</p>
	<p>B.2.2 Facilitate access to appropriate technologies, tools, and training to support innovation, product upgrading, and improved productivity, with priority for disadvantaged and remote producers</p>
	<p>B.2.3 Strengthen linkages between micro enterprises and broader value chains, including through cooperative platforms, digital marketplaces, and local branding strategies that highlight traditional and community-based products</p>

5.5.1 Objective B.1: Strengthening the enabling environment, institutional support, and capacities of micro and informal enterprises to increase resilience, formalisation, and participation in the economy

This Objective endeavours to empower micro and informal enterprises to participate more fully and sustainably in national and regional economies. By expanding access to financing, strengthening institutional support, and improving entrepreneurial ecosystems, it seeks to enhance enterprises' ability to engage with economic opportunities, build their resilience, and make formalisation a viable and attractive pathway for their growth. This should address systemic disadvantages that trap micro and informal enterprises in cycles of vulnerability and exclusion, including low financial literacy, limited access to networks, and low trust in formal systems. Over time, this will lead to more resilient enterprises, increased voluntary transition into more formal and productive business models, and enhanced contribution to inclusive economic growth.

Strategic Measures under Objective B.1:

B.1.1 Improve awareness of alternative financing, including microfinancing, community lending, and digital tools through outreach and financial literacy programmes, prioritising remote, border, and disadvantaged areas

This Strategic Measure supports Objective B.1 by strengthening financial literacy and raising awareness of non-traditional financing options through community-based programmes and digital platforms. To address persistent barriers, this could include the introduction of a One-stop “micro-enterprise readiness” package that combines financial literacy training, product quality enhancement, branding support, and digital payments onboarding into a single, accessible program tailored for micro and informal enterprises. Complementing this, a blended microfinance facility could also be established as a public-private financing window providing small loans and matching grants, with priority given to women-led businesses and enterprises in border areas to help them access capital for equipment upgrades, certification, and market expansion. In CLMV-TL, uptake of financial products remains low due to limited knowledge, mistrust of institutions, and weak outreach in rural and border areas.⁴⁵ Addressing these gaps will expand the adoption of savings, credit, and digital payments, laying the foundation for greater economic resilience and participation in value chains.

This supports the ASEAN Digital Integration Framework (2019) and the ASEAN Comprehensive Recovery Framework (2020), which highlight digital financial services as enablers of inclusive growth.

B.1.2 Promote entrepreneurship through inclusive knowledge-sharing and peer-learning platforms, with tailored support for women, youth, persons with disabilities, ethnic groups, and other disadvantaged groups

This Strategic Measure facilitates Objective B.1 by equipping individuals in CLMV-TL countries with the skills, networks and confidence to pursue entrepreneurship as a viable pathway to economic empowerment. In CLMV-TL countries, micro and informal enterprises often remain small-scale and survival-oriented with a lack of established structures and access to institutional support and funding, especially in comparison to SMEs. Young informal workers also see limited prospects in entrepreneurship due to a lack of training and role models. By promoting entrepreneurship and supporting inclusive ecosystems, this Strategic Measure will help micro and informal enterprises gain practical business skills, connect with peers and mentors, and access platforms that foster innovation and collaboration that can grow their businesses sustainably.

⁴⁵ Alliance for Financial Inclusion. (2021). Policy Note on Digital Financial Literacy for ASEAN. Retrieved from: https://ASEAN.org/wp-content/uploads/2021/11/Annex-5-Endorsed-AFI_ASEAN_PN-1.pdf

The approach aligns with the AEC Strategic Plan 2026–2030, which highlights inclusive entrepreneurship as a driver of resilience and long-term growth.

5.5.2 Objective B.2: Supporting capacity of micro and informal enterprises, including those led by women, youth, persons with disabilities, and disadvantaged groups, to develop higher-value goods and services, and enable access to wider markets

This Objective aims to strengthen the capabilities of micro and informal enterprises so that they can move beyond low-productivity activities and participate more effectively in higher-value markets. Unlike SMEs, which often have access to formal support systems, financing, and market networks, CLMV-TL micro and informal enterprises often operate with outdated production methods, weak market linkages, limited financial capacity, and limited knowledge of standards. These constraints confine them to low-value segments of the economy. By addressing these barriers, micro and informal enterprises can diversify their products, improve product quality and production processes, and better integrate into broader value chains – contributing to greater resilience, upward mobility, and more inclusive economic development.

Strategic Measures under Objective B.2:

B.2.1 Build the capacity of micro and informal enterprises to improve product quality, pricing, and market readiness, including for local and regional export opportunities

This Strategic Measure supports Objective B.2 by equipping enterprises with training in market research, quality standards, and production methods. Many CLMV-TL micro and informal enterprises currently lack the technical assistance, market intelligence, and certification support to produce goods that meet the requirements of domestic or regional buyers, which restricts their market opportunities.⁴⁶ Building capacity in these areas will enable such enterprises to improve production processes, meet buyer expectations, diversify income sources, and access wider and higher-value markets, enabling them to contribute more effectively to regional trade.

This aligns with the ASEAN SAP SMED 2016–2025 and the AEC Strategic Plan 2026–2030, which emphasise enterprise productivity, innovation, and trade readiness.

⁴⁶ Ministry of Commerce. (2021). Integration of Small and Medium Enterprises (SMEs) in Eco-Friendly Packaging to the Global Value Chain. Retrieved from: https://ASEAN.org/wp-content/uploads/2023/12/ENG_Final-report.pdf

B.2.2 Facilitate access to appropriate technologies, tools, and training to support innovation, product upgrading, and improved productivity, with priority for disadvantaged and remote producers

This Strategic Measure advances Objective B.2 by introducing affordable technologies such as digital platforms, providing training to enable enterprises to improve output and quality, and building networks with partners that can support business development. In CLMV-TL, many micro enterprises do not have the means to upgrade their capabilities, instead relying on outdated practices that limit efficiency and product value.⁴⁷ Improving access to tools, training, and networks will help enterprises meet rising standards in sustainability, traceability, and digital commerce, enabling them to climb value chains and developing a more innovative, resilient and competitive micro enterprise ecosystem.

This is directly aligned with the AEC Strategic Plan 2026–2030 and the ASEAN Digital Integration Framework (2019), which prioritise inclusive digital transformation and competitiveness.

B.2.3 Strengthen linkages between micro enterprises and broader value chains, including through cooperative platforms, digital marketplaces, and local branding strategies that highlight traditional and community-based products

This Strategic Measure facilitates Objective B.2 by connecting micro and informal enterprises to broader markets and value chains. Many CLMV-TL micro and informal enterprises operate in isolation, with limited bargaining power or access to distribution channels. Compared to SMEs, they often lack the scale, infrastructure, and networks needed to engage with formal buyers and participate in structured supply chains.⁴⁸ Strengthening cooperative platforms, digital marketplaces, and branding initiatives will help integrate these enterprises into higher-value markets, expand sales opportunities, and preserve cultural identity through locally branded products.

This aligns with AEC Strategic Plan 2026–2030, which emphasises enhancing the participation of enterprises from lagging areas in seamless regional trade.

⁴⁷ Economic Research Institute for ASEAN and East Asia. (2024). The Digital Divide Amongst MSMEs in ASEAN. Retrieved from: <https://www.eria.org/research/the-digital-divide-amongst-msmes-in-ASEAN>

⁴⁸ Organisation for Economic Co-operation and Development. (2022). ASEAN SMEs Integration in GVCs: Opportunities and Challenges in Response to COVID-19. Retrieved from: <https://ASEAN.org/wp-content/uploads/2022/11/ASEAN-SMEs-Integration-in-GVCs.pdf>

5.6 Strategic Area C: Education and Skills

Education and skills are critical foundation for inclusive development and resilience, reducing poverty, improving quality of life and narrowing development gaps. ASEAN countries have demonstrated strong policy commitment in these, with education expenditure accounting for 10–17% of total government budgets in 2022.⁴⁹

ASEAN has consistently prioritised education and skills in its regional development agenda. Beyond education's inclusion in IAI Work Plan IV (2021–2025), education and skills feature prominently in the AEC Strategic Plan 2026–2030 and ASCC Strategic Plan, and the ASEAN Work Plan on Education 2021–2025. These frameworks set out strategic goals and measures to expand access to quality education, strengthen human capital, and improve lifelong learning outcomes. Importantly, they also place emphasis on disadvantaged groups such as youth, older persons, persons with disabilities, and low-income households. This collective policy focus provides a strong platform to accelerate progress in education outcomes, particularly for disadvantaged communities in CLMV-TL.

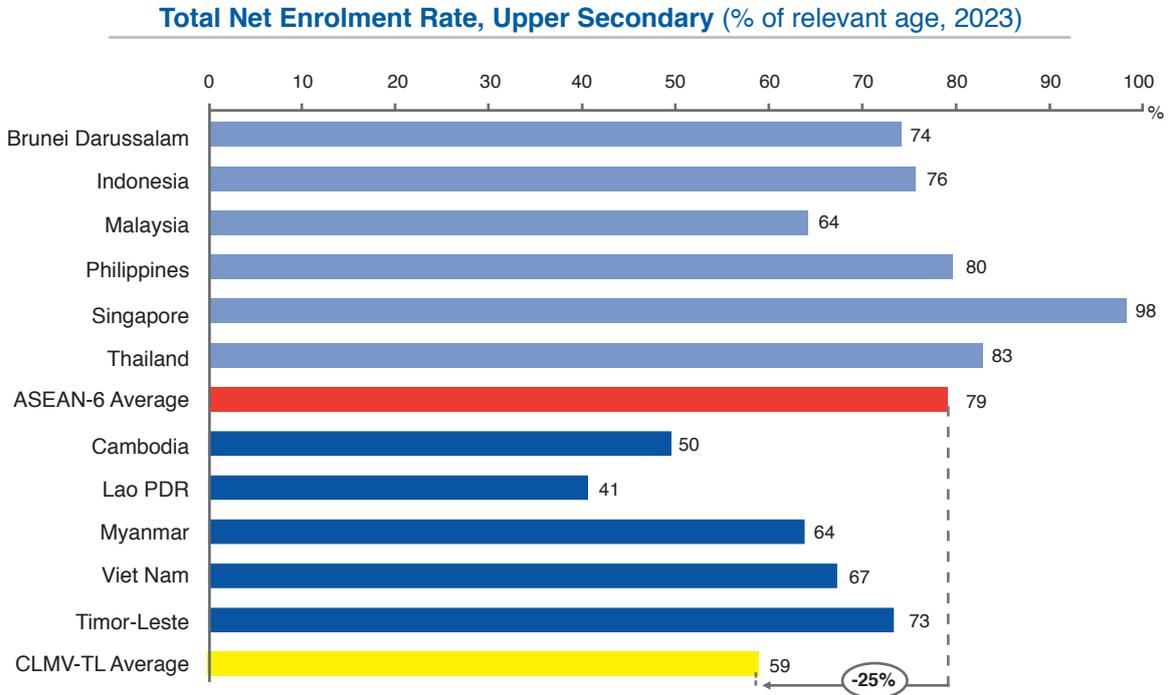
Nonetheless, significant disparities remain. CLMV-TL continue to face gaps in access, quality and outcomes driven by geographic isolation, economic constraints, and sociocultural barriers, as well as limited implementation capacity. For example, upper secondary enrolment remains below 60% in Cambodia and Lao PDR, compared to over 75% in Thailand and Indonesia (Exhibit 13).⁵⁰ Moreover, in today's rapidly evolving landscape, technological shifts and labour market dislocations have intensified the need to upskill and reskill workers with adaptable, future-ready competencies. Hence, addressing persistent inequalities in educational attainment is critical, not only to build inclusive communities and promote upward mobility for disadvantaged groups, but also to equip national workforces with skills required to participate in high-growth sectors such as digital services, advanced manufacturing and green industries.

⁴⁹ World Bank. (Accessed in 2025). Government expenditure on education, total (% of government expenditure). Retrieved from: <https://data.worldbank.org/indicator/SE.XPD.TOTL.GB.ZS?end=2023&start=1972&view=chart>

⁵⁰ United Nations Educational, Scientific, and Cultural Organization. (2023). Total net enrolment rate, upper secondary (% of relevant age group). Retrieved from: <https://databrowser.uis.unesco.org>

Exhibit 13

TOTAL NET ENROLMENT RATE FOR UPPER SECONDARY EDUCATION ACROSS AMS



1. Latest available data from Myanmar, Singapore, Timor-Leste were 2018, 2022 and 2020 respectively.
Source: UNESCO. (2025). Total net enrolment rate, upper secondary (% of relevant age group).

Work Plan V will therefore seek to address these risks by strengthening the foundational role of education in building resilient, skilled, and inclusive societies. Exhibit 14 summarises the specific Objectives and Strategic Measures in this Strategic Area.

Exhibit 14

OBJECTIVES AND STRATEGIC MEASURES FOR STRATEGIC AREA C: EDUCATION AND SKILLS



Strategic Area C: Education and Skills

Objectives	Strategic Measures
<p>C.1: Strengthening educational institutions' capacity in planning, budgeting, teacher deployment, and service delivery, especially in rural and disadvantaged areas</p>	<p>C.1.1: Strengthen leadership, planning, and operational capabilities of local and rural education staff to improve service delivery</p> <p>C.1.2: Expand teacher professional development with modern technologies, inclusive pedagogies, and digital literacy skills, focusing on remote and disadvantaged areas</p>
<p>C.2: Expanding equitable and affordable access, retention, completion, and learning outcomes in quality Early Childhood Care Education (ECCE), primary, and secondary education for vulnerable and disadvantaged students</p>	<p>C.2.1: Promote context-appropriate teaching models and strengthen training for teachers, caregivers and community facilitators to deliver quality education, with a focus on rural, remote, and disadvantaged communities</p> <p>C.2.2: Raise awareness among families, communities, and policymakers on ECCE benefits and education completion, particularly in disadvantaged and marginalised areas</p> <p>C.2.3: Provide access to digital and essential skills education for disadvantaged youth, including those Not in Employment, Education or Training (NEET) and marginalised learners</p> <p>C.2.4: Increase financial and social support for vulnerable students, and those from remote areas</p> <p>C.2.5: Introduce targeted Science, Technology, Engineering, and Mathematics (STEM) programmes in primary and secondary schools, with a focus on disadvantaged and vulnerable students, to build foundation for innovation and research</p>
<p>C.3: Promoting more inclusive and equitable access to higher education opportunities through targeted outreach, scholarships, and support services for students from low-income, remote areas and marginalised backgrounds</p>	<p>C.3.1: Develop bridge and preparatory programmes for disadvantaged and underrepresented students transitioning effectively into higher education</p> <p>C.3.2: Expand scholarship programmes targeting women, students in remote areas, persons with disabilities, and low-income families</p> <p>C.3.3: Promote the use of inclusive and accessible digital tools in higher education, particularly for students with disabilities and those from remote or disadvantaged communities</p>
<p>C.4: Enhancing the quality, relevance, and perception of Technical and Vocational Education and Training (TVET) to support inclusive skills development and workforce adaptability</p>	<p>C.4.1: Provide technical assistance and capacity building for TVET educators with focus on adopting inclusive and flexible pedagogy, updated industrial knowledge, and digital skills</p> <p>C.4.2: Strengthen public awareness of TVET pathways, through outreach campaigns that highlight success stories of women, youth, and marginalised learners</p> <p>C.4.3: Foster partnerships with the private sector to align TVET programmes with evolving industry needs, enhance demand for training opportunities, and improve employment outcomes for graduates, prioritising vulnerable and disadvantaged groups</p> <p>C.4.4: Establish targeted Continuing Education and Training (CET) programmes using modular content and accessible delivery formats tailored to diverse learner needs</p> <p>C.4.5: Increase research and policy assessment support to raise the awareness and understanding of evolving skill requirements for workers, including women and those in remote and informal roles</p>

5.6.1 Objective C.1: Strengthening educational institutions' capacity in planning, budgeting, teacher deployment, and service delivery, especially in rural and disadvantaged areas

This Objective focuses on enhancing the ability of educational institutions to plan, allocate resources, and deliver services more effectively. Across CLMV-TL, schools often face inefficient teacher deployment, limited staff training and teaching resources, and weak coordination within and across institutions, resulting in suboptimal resource utilisation and uneven quality of education.⁵¹ For example, student-teacher ratios across CLMV countries often exceed 40:1, compared to the ASEAN average of 25:1.⁵² These gaps are most acute in rural or remote and disadvantaged areas, where teachers are often reluctant to be posted due to poor living conditions, professional isolation, and other sociocultural or family constraints. As a result, students in these communities experience inconsistent service delivery, fragmented learning support, and weaker learning outcomes. By improving institutional capacity, particularly in at the local level, this should improve resource planning, enhance teacher management, and ensure more equitable and consistent delivery of education services across countries.

Strategic Measures under Objective C.1:

C.1.1 Strengthen leadership, planning, and operational capabilities of local and rural education staff to improve service delivery

This Strategic Measure supports Objective C.1 by providing training for local education staff to enhance their planning, leadership, and coordination skills. In CLMV-TL, school staff often shoulder multiple responsibilities without adequate preparation, leading to inefficiencies, and weak responsiveness to students' needs. Strengthening frontline staff capacity will enable schools to deliver more inclusive, and student-centred services.

This aligns with the AEC Strategic Plan 2026–2030, ASCC Strategic Plan, and ASEAN Work Plan on Education 2021–2025, which emphasise local capacity building and integrated service delivery.

⁵¹ International Journal of Child Care and Education Policy. (Accessed in 2025). Bridging the gap: an examination of teacher deployment in Cambodian preschools. Retrieved from: <https://ijcep.springeropen.com/articles/10.1186/s40723-025-00148-z>

⁵² World Bank. (Accessed in 2025). Primary education, teachers. Retrieved from: <https://data.worldbank.org/indicator/se.prm.tchr?locations=KH-LA-MM-VN>

C.1.2 Expand teacher professional development with modern technologies, inclusive pedagogies, and digital literacy skills, focusing on remote and disadvantaged areas

This Strategic Measure furthers Objective C.1 by expanding access to Continuous Professional Development (CPD) opportunities that reflect the evolving demands of classrooms. In CLMV-TL countries, existing CPD is often limited, outdated and poorly aligned with the needs of inclusive and digitalised learning environments.⁵³ By equipping teachers with skills in inclusive pedagogy and digital tools, this Strategic Measure will strengthen teaching quality, ensure more engaging and equitable learning experiences, and better prepare students for the future.

This aligns with the latest ASCC Strategic Plan, as well as the ASEAN Work Plan on Education 2021–2025, which prioritises teacher quality, digital transformation, and inclusive education.

5.6.2 Objective C.2: Expanding equitable and affordable access, retention, completion, and learning outcomes in quality Early Childhood Care Education (ECCE), primary, and secondary education for vulnerable and disadvantaged students

This Objective seeks to address barriers that prevent children and youth from fully participating in and completing their education with strong learning outcomes. In CLMV-TL, poverty, language barriers, and geographic isolation continue to drive low enrolment and high dropout rates, especially among people in vulnerable situations in rural areas.⁵⁴ By addressing these barriers, this Objective will improve enrolment, reduce dropout, and ensure all learners can benefit from inclusive, student-centred education. Over time, this will build a strong foundation for national human capital development, as well as equip students with the skills needed to access better jobs, reducing intergenerational cycles of poverty, and enhancing resilience.

⁵³ Frontiers in Education. (Accessed in 2025). Challenges faced by teacher educators in Laos: A qualitative study. Retrieved from: <https://www.frontiersin.org/journals/education/articles/10.3389/educ.2025.1614060/full>

⁵⁴ Education Cambodia. (Accessed in 2025). The Future of Education in Cambodia: Challenges and Opportunities. Retrieved from: <https://educationcambodia.org/the-future-of-education-in-cambodia-challenges-and-opportunities/24702/>

Strategic Measures under Objective C.2:

C.2.1 Promote context-appropriate teaching models and strengthen training for teachers, caregivers and community facilitators to deliver quality education, with a focus on rural, remote, and disadvantaged communities

This Strategic Measure progresses Objective C.2 by equipping educators with skills and digital tools to deliver relevant and inclusive instruction adapted to local contexts. Many non-formal educators and rural schools lack structured training and pedagogical support that cater to the linguistic, cultural, and socioeconomic realities of their learners, results in learning gaps.⁵⁵ Strengthening their capacity will ensure teaching is better aligned with learners' needs and enhance overall teaching outcomes.

This aligns with the ASCC Strategic Plan, which emphasises inclusive human capital development, particularly for disadvantaged groups.

C.2.2 Raise awareness among families, communities, and policymakers on ECCE benefits and education completion, particularly in disadvantaged and marginalised areas

This Strategic Measure supports Objective C.2 by increasing understanding of the long-term benefits of ECCE and sustained schooling. In CLMV-TL, limited awareness contributes to low enrolment and high early dropout rates.⁵⁶ Building awareness across households and communities will foster collective responsibility for children's education and reduce early dropout.

This aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education 2021–2025, and the ASEAN Leaders' Declaration on ECCE (2023), which emphasise inclusive human capital development and community engagement to improve education outcomes.

C.2.3 Provide access to digital and essential skills education for disadvantaged youth, including those Not in Employment, Education or Training (NEET) and marginalised learners

This Strategic Measure contributes to Objective C.2 by equipping disadvantaged groups with digital and foundational skills to re-engage in education and the workforce. In CLMV-TL, gaps in infrastructure and limited access to digital skills and online learning

⁵⁵ Prabhakara S (2023). Non-Formal Education, Community-based Learning and Informal Education for Sustainable Development. Retrieved from: https://www.researchgate.net/publication/379260012_Non-Formal_Education_Community-Based_Learning_and_Informal_Education_for_Sustainable_Development_Sustainable_Development_and_Quality_Education

⁵⁶ International Journal of Child Care and Education Policy. (Accessed in 2025). Understanding barriers to early childhood education enrolment in underserved communities. Retrieved from: <https://ijceep.springeropen.com/articles/10.1186/s40723-023-00116-5>

continue to persist, even as economies across the region have rapidly digitalised following the COVID-19 pandemic.⁵⁷ Many youths, particularly NEET, lack both digital access and core skills.⁵⁸ Expanding digital and skills education will reconnect them to pathways for learning and employment, foster more equitable education systems and help bridge the digital divide across AMS.

This aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education 2021–2025, and the ASEAN Digital Masterplan 2025, which emphasises digital transformation, inclusion, and skills development for all.

C.2.4 Increase financial and social support for vulnerable students, and those from remote areas

This Strategic Measure advances Objective C.2 by providing scholarships, stipends, and mentoring support to students facing compounded disadvantages in CLMV-TL countries. Without such support, many are at risk of dropping out or disengaging from education entirely due to poverty, exclusion, or heavy household responsibilities.⁵⁹ Strengthening financial and social safety nets will enable these learners to stay in school and complete their education.

This aligns with the ASCC Strategic Plan and ASEAN Work Plan on Education 2021–2025, which emphasise inclusive and equitable education, and targeted support for disadvantaged learners.

C.2.5: Introduce targeted Science, Technology, Engineering, and Mathematics (STEM) programmes in primary and secondary schools, with a focus on disadvantaged and vulnerable students, to build foundation for innovation and research

This Strategic Measure facilitates Objective C.2 by embedding inclusive STEM programmes that encourage inquiry-based learning and spark interest in science and technology. In CLMV-TL, students in low-income or rural areas often lack access to STEM opportunities due to resource gaps and untrained educators.⁶⁰ Expanding STEM programmes will nurture future talent to strengthen national capacity for innovation, support workforce development in high-growth sectors, and strengthen competitiveness in the knowledge economy eventually.

⁵⁷ Association of Southeast Asian Nations. (Accessed in 2025). ASCC Research and Development Policy Brief No. 19: Digital Literacy and Transformation. Retrieved from: https://ASEAN.org/wp-content/uploads/2025/05/ASCC-RD_Policy-Brief_FoE-19_2025_Digital-Literacy-and-Transformation.pdf

⁵⁸ SALTO-YOUTH. (Accessed in 2025). Digi4You Digital Skills Training Toolkit. Retrieved from: https://www.salto-youth.net/downloads/toolbox_tool_download-file-4063/digi4you_R2_DigitalSkillsTrainingToolkit_EN.pdf

⁵⁹ Lund University (Accessed in 2025). Ethnic minority women and education in Southeast Asia: Barriers to access and equity. Retrieved from: <https://lup.lub.lu.se/luur/download?func=downloadFile&recordId=3021600&fileId=3911679>

⁶⁰ Retrieved from: https://www.cd-center.org/wp-content/uploads/2023/04/EN_STEM_Report_Final.pdf

This aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education 2021–2025, and the ASEAN Plan of Action on Science, Technology and Innovation (APASTI) 2016–2025, which promote inclusive education, human capital development, and regional collaboration in science and innovation.

5.6.3 Objective C.3: Promoting more inclusive and equitable access to higher education opportunities through targeted outreach, scholarships, and support services for students from low-income, remote areas and marginalised backgrounds

This Objective seeks to increase higher education enrolment and completion among underrepresented groups in CLMV-TL countries by providing preparatory support, expanding financial aid, and improving access to learning environments. Students from rural and marginalised communities often face barriers such as financial constraints, geographic isolation, and limited institutional support, which result in persistently low tertiary education participation.^{61,62} By addressing these challenges, CLMV-TL can build more diversified student populations, strengthen national research and innovation capacities, and promote upward mobility.

Strategic Measures under Objective C.3:

C.3.1 Develop bridge and preparatory programmes for disadvantaged and underrepresented students transitioning effectively into higher education

This Strategic Measure supports Objective C.3 by providing tailored programmes that prepare disadvantaged students for the academic and social demands of higher education. In CLMV-TL, many students face challenges such as a lack of adequate academic preparation unfamiliarity with university systems, and lack of exposure to expectations of tertiary education, which increases the risk of academic failure and dropout.^{63,64} Bridge programmes are key as they will give these students structured academic support, orientation to university life, and confidence-building opportunities that they may not otherwise receive. Such programmes have proved effective in improving retention, equity, and performance in higher education across countries like Australia and South Africa.⁶⁵ By providing targeted

⁶¹ Education Cambodia. (Accessed in 2025). The Future of Higher Education in Cambodia: Challenges and Opportunities. Retrieved from: <https://educationcambodia.org/the-future-of-higher-education-in-cambodia-challenges-and-opportunities/24591/>

⁶² Brookings Institution. (Accessed in 2025). Education and development in Southeast Asia. Retrieved from: <https://www.brookings.edu/wp-content/uploads/2020/12/Development-Southeast-Asia-Ch4-Education.pdf>

⁶³ Education Cambodia. (Accessed in 2025). The future of higher education in Cambodia: Challenges and opportunities. Retrieved from: <https://educationcambodia.org/the-future-of-higher-education-in-cambodia-challenges-and-opportunities/24591/>

⁶⁴ American Psychological Association. (Accessed in 2025). Predicting school dropout: A longitudinal study of academic failure, social isolation, and life events. Retrieved from: <https://psycnet.apa.org/fulltext/2019-54274-001.pdf>

⁶⁵ National Centre for Student Equity in Higher Education (NCSEHE), Curtin University Department of Education (2023). Centring the Voices of Harder to Reach Under-Represented and Disadvantaged Cohorts. Retrieved from: <https://www.education.gov.au/download/18227/accord-report-centring-voices-harder-reach-under-represented-and-disadvantaged-cohorts/37669/document/pdf>

support to address systemic gaps, these initiatives will enable smoother transitions and sustained participation in tertiary education.

This aligns with the ASCC Strategic Plan and ASEAN Work Plan on Education 2021–2025, which prioritise inclusive pathways and improved outcomes for disadvantaged learners.

C.3.2 Expand scholarship programmes targeting women, students in remote areas, persons with disabilities, and low-income families

This Strategic Measure facilitates Objective C.3 by increasing financial support for students from disadvantaged groups or remote areas in CLMV-TL countries seeking access to higher education. In all countries, including CLMV-TL, tertiary education involves significantly higher costs than primary or secondary education, such as tuition accommodation, transportation, and other living expenses. Such barriers disproportionately affect students in disadvantaged communities, often preventing them from enrolling in or completing higher education studies despite being academically qualified.⁶⁶ Providing targeted scholarships will enhance enrolment and completion rates, strengthen human capital and improve upward mobility.

This aligns with the ASCC Strategic Plan and ASEAN Work Plan on Education 2021–2025, and ASEAN Roadmap on Higher Education Space 2025, which highlights the importance of inclusive financing, regional collaboration, improved access and recognition of higher education across the region.

C.3.3 Promote the use of inclusive and accessible digital tools in higher education, particularly for students with disabilities and those from remote or disadvantaged communities

This Strategic Measure progresses Objective C.3 by expanding digital learning environments through mobile platforms, captioning services, and modular content. In CLMV-TL, students from remote and disadvantaged areas often lack access to assistive technologies and online platforms, limiting participation and performance.⁶⁷ Improving digital accessibility will create more flexible and equitable learning opportunities, enabling broader participation in higher education.

This aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education 2021–2025, and the ASEAN Digital Masterplan 2025, which all highlight digital inclusion, accessibility, and the integration of technology to support lifelong learning.

⁶⁶ Education Cambodia. (Accessed in 2025). The future of higher education in Cambodia: Challenges and opportunities. Retrieved from <https://educationcambodia.org/higher-education-in-cambodia-challenges-and-opportunities/24708/>

⁶⁷ Cambodia Development Resource Institute. (Accessed in 2025). Bridging the digital divide: Advancing inclusive and equitable education in Cambodia. Retrieved from <https://coc2025.cdri.org.kh/blogs/bridging-the-digital-divide-advancing-inclusive-and-equitable-education-in-cambodia>

5.6.4 Objective C.4: Enhancing the quality, relevance, and perception of Technical and Vocational Education and Training (TVET) to support inclusive skills development and workforce adaptability

This Objective aims to strengthen TVET systems in CLMV-TL so they are aligned with evolving labour market needs. Currently, TVET in these countries faces challenges such as outdated curricula, weak industry engagement, limited support for diverse learners, and low public awareness and appreciation of its benefits.⁶⁸ These factors result in low enrolment and weak employment outcomes, undermining the role of TVET as a pathway for skills development. By upgrading quality, improving relevance, and reshaping perceptions, TVET can become a driver of workforce adaptability, inclusion and resilience across ASEAN.

Strategic Measures under Objective C.4:

C.4.1 Provide technical assistance and capacity building for TVET educators with focus on adopting inclusive and flexible pedagogy, updated industrial knowledge, and digital skills

This Strategic Measure advances Objective C.4 by equipping TVET educators with the competencies needed to deliver high-quality, inclusive, and future-ready training. In CLMV-TL, many TVET educators lack exposure to modern teaching practices, evolving industry demands, and the latest digital tools, leading to weak learner engagement and mismatch between training outcomes and labour market needs. Strengthening educator capacity, particularly in digital pedagogy and technology-enabled instruction, will improve the relevance and quality of training, support more flexible learning pathways, reduce dropout rates, and build more responsive TVET systems.

This is aligned with the ASCC Strategic Plan, ASEAN Work Plan on Education (2021–2025), and ASEAN TVET Council Work Plan (2021–2030) which promote inclusive human capital development, TVET capacity building, digital skills integration, and stronger links between education and industry.

C.4.2 Strengthen public awareness of TVET pathways, through outreach campaigns that highlight success stories of women, youth, and marginalised learners

This Strategic Measure facilitates Objective C.4 by enhancing perceptions of TVET as a viable and respected pathway to employment. In CLMV-TL, TVET is often seen as a second-choice option, discouraging enrolment and limiting opportunities.⁶⁹ By promoting

⁶⁸ Business & Financial Times. (2023). Negative perceptions still hurting TVET. Retrieved from: <https://thebftonline.com/2023/08/21/negative-perceptions-still-hurting-tvet/>

⁶⁹ World Bank. (Accessed in 2025). Better Technical and Vocational Education and Training (TVET) Systems. Retrieved from: <https://www.worldbank.org/en/topic/skillsdevelopment/publication/better-technical-vocational-education-training-TVET>

positive narratives and showcasing diverse success stories, outreach efforts can elevate the visibility and perceived value of TVET. This can foster broader recognition of its role in inclusive skills development and encourage greater participation in programmes across all segments of society.

This Strategic Measure aligns with the ASCC Strategic Plan, ASEAN Work Plan on Education (2021–2025), and ASEAN TVET Council Work Plan (2021–2030), all of which emphasise inclusive education, equitable access, and improved recognition of TVET credentials.

C.4.3 Foster partnerships with the private sector to align TVET programmes with evolving industry needs, enhance demand for training opportunities, and improve employment outcomes for graduates, prioritising vulnerable and disadvantaged groups

This Strategic Measure supports Objective C.4 by strengthening collaboration between TVET institutions and industry partners. In CLMV-TL, limited industry engagement has resulted in curricula that lag behind market demands, thereby weakening the employability of graduates especially for learners from vulnerable and disadvantaged backgrounds.⁷⁰ Building stronger partnerships will ensure curricula remain relevant, support work-based learning, and enhance job placement rates, particular for vulnerable and disadvantaged learners.

This Strategic Measure aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education (2021–2025), and the ASEAN TVET Council Work Plan (2021–2030), which all emphasise industry-responsive education, inclusive workforce development, and stronger public-private collaboration.

C.4.4 Establish targeted Continuing Education and Training (CET) programmes using modular content and accessible delivery formats tailored to diverse learner needs

This Strategic Measure contributes to Objective C.4 by developing CET programmes that make upskilling more accessible to adults, particularly in disadvantaged communities. As labour markets evolve with technological changes and shifting industry demands, workers increasingly require flexible and responsive learning opportunities to remain relevant and competitive. In CLMV-TL, current traditional CET structures may not be able to accommodate diverse learner profiles, especially if they are balancing work, family, or other

⁷⁰ Cambodia Development Resource Institute. (Accessed in 2025). Enhancing the collaboration between TVET institutions and the private sector in Cambodia: Implications for skills provision. Retrieved from: <https://cdri.org.kh/publication/enhancing-the-collaboration-between-tvet-institutions-and-the-private-sector-in-cambodia-implications-for-skills-provision>

responsibilities.⁷¹ By promoting modular and flexible CET programmes, this Measure will enable inclusive participation, foster the development of Cross-Cutting skills, and strengthen workforce adaptability and resilience in a rapidly changing economic landscape.

This aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education (2021–2025), and the ASEAN TVET Council Work Plan (2021–2030), which all promote lifelong learning, inclusive education, and flexible training pathways.

C.4.5 Increase research and policy assessment support to raise the awareness and understanding of evolving skill requirements for workers, including women and those in remote and informal roles

This Strategic Measure supports Objective C.4 by strengthening labour market intelligence, policymaking capacity to address emerging skill gaps. In CLMV-TL, limited data and analysis on workforce needs hinder the development of responsive training programmes and inclusive employment strategies.⁷² By improving research and policy support, governments design evidence-based TVET strategies that meet evolving demands, reduce inequality and strengthen workforce competitiveness.

This aligns with the ASCC Strategic Plan, the ASEAN Work Plan on Education (2021–2025), the ASEAN TVET Council Work Plan (2021–2030), and the AEC Strategic Plan 2026–2030, which promotes data-driven planning, inclusive workforce development, and future-ready skills.

5.7 Strategic Area D: Public Health

Public health is a core government responsibility that directly contributes to the quality of life, labour productivity, and inequality across populations. In 2022, ASEAN countries allocated between 3-18% of total government expenditure to health, reflecting strong policy commitment.⁷³

ASEAN's continued commitment to public health is reflected in its regional development agenda. For instance, the IAI Work Plan IV (2021–2025) has a Strategic Area for 'Health and Well-being'. Public health also features prominently in the ASCC Strategic Plan, the ASEAN Health Sector Cooperation Strategy 2021–2025, the ASEAN Post-2015 Health Development Agenda (APHDA) 2021–2025, and the ASEAN One Health Joint Plan

⁷¹ Piseth, N. (Accessed in 2025). Adult education in Cambodia: Challenges and the way forward. Retrieved from: https://www.researchgate.net/profile/Neak-Piseth/publication/345741527_Adult_education_in_Cambodia_Challenges_and_the_way_forward/links/5fac366645851507810cce86/Adult-education-in-Cambodia-Challenges-and-the-way-forward.pdf

⁷² International Labour Organization. (Accessed in 2025). Skills and migration. Retrieved from: <https://www.ilo.org/topics/labour-migration/areas-work-labour-migration/skills-and-migration>

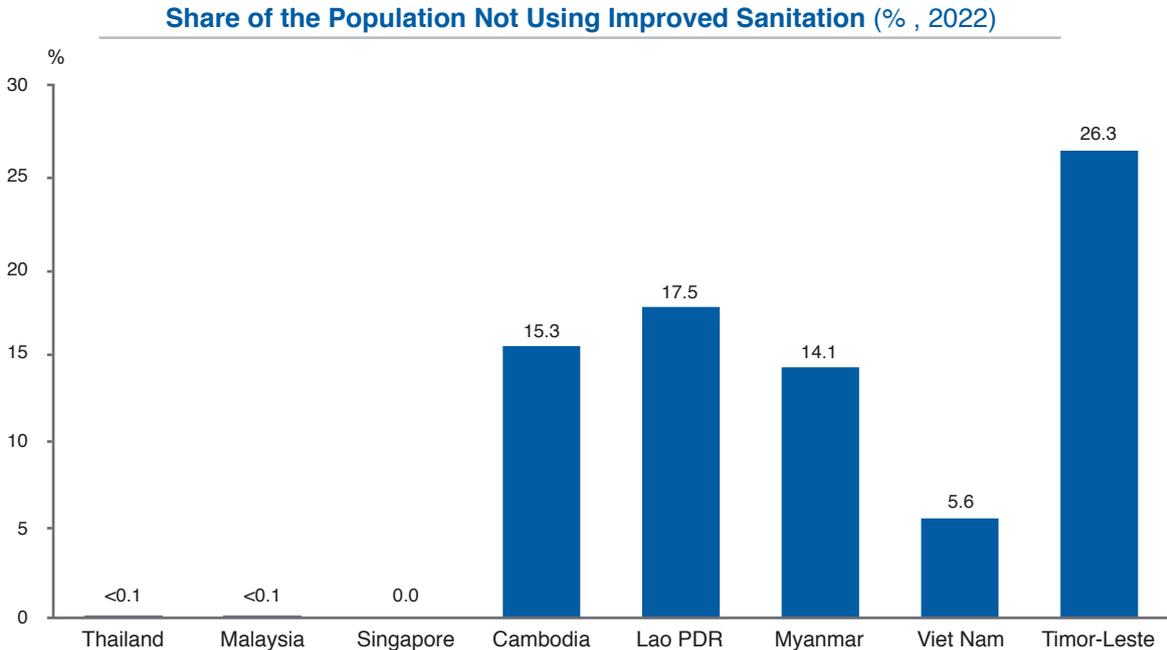
⁷³ World Health Organization. (Accessed in 2025). Domestic General Government Health Expenditure as % General Government Expenditure, 2022. Retrieved from: <https://apps.who.int/nha/database/Select/Indicators/en>

of Action (2023–2030). These plans and frameworks outline comprehensive strategies to strengthen health systems, enhance access to healthcare, and promote healthy lifestyles in the region, especially for disadvantaged groups such as women, youth, older persons, people in remote areas, and persons with disabilities. Collectively, these plans provide a strong foundation to advance inclusive and sustainable public health outcomes for AMS populations.

Despite this clear commitment, CLMV-TL countries still face persistent gaps in public health access and outcomes, driven by geographic and demographic constraints, exposure to health and environmental risks, as well as limited implementation capacity. For example, as of 2022, at least 5-26% of the CLMV-TL population did not use improved sanitation facilities while use is nearly universal in other AMS (Exhibit 15).⁷⁴ Lower use likely reflects gaps in infrastructure, affordability constraints, rural isolation, and sociocultural practices. If left unaddressed, these disparities will further widen development gaps, weaken human capital and heighten the vulnerability of CLMV-TL populations during health crises.

Exhibit 15

SHARE OF POPULATION NOT USING IMPROVED SANITATION ACROSS AMS



Data not available for Brunei Darussalam, Indonesia, and the Philippines.
 Source: Our World in Data. (2022). Share of the population not using improved sanitation, 2022

⁷⁴ Our World in Data. (Accessed in 2025). Share of the population not using improved sanitation, 2022. Retrieved from: <https://ourworldindata.org/grapher/share-without-improved-sanitation?mapSelect=TLS~KHM~LAO~MMR~VNM~MYS~THA~SGP>

Work Plan V will aim to address these risks by pursuing public health initiatives to foster healthier and more inclusive societies. Exhibit 16 summarises the specific Objectives and Strategic Measures in this Strategic Area.

Exhibit 16

OBJECTIVES AND STRATEGIC MEASURES FOR STRATEGIC AREA D: PUBLIC HEALTH



Strategic Area D: Public Health

Objectives	Strategic Measures
<p>D.1: Promoting public health education and community based solutions, especially on healthcare, nutrition, and Water, Sanitation, and Hygiene (WASH), with a focus on people in remote areas and vulnerable situations including low income households, persons with disabilities, older persons, women, and children</p>	D.1.1: Increase awareness and support for community-led WASH initiatives, targeting disadvantaged regions and vulnerable populations
	D.1.2: Enhance access to and awareness on available primary healthcare services in remote and disadvantaged areas, with specific outreach to women and marginalised groups
	D.1.3: Facilitate knowledge exchange and adoption of best practices on affordable and climate-resilient water technologies such as rainwater harvesting, low-cost filtration, and nature-based solutions, ensuring access for vulnerable and disadvantaged communities
	D.1.4: Develop culturally sensitive nutrition programmes that include practical and inclusive support to encourage more balanced diets, safe preparation of food, and minimise malnutrition, especially for people in remote areas and vulnerable situations
<p>D.2: Enhancing preparedness of local communities to face emergencies and climate related risks, including disasters and public health emergencies, with attention to vulnerable and mobile populations</p>	D.2.1: Strengthen local communities' capacities to detect, prepare for and respond to emergencies, pandemics, and cross-border health threats, ensuring participation of women, youth, and people in vulnerable situations
	D.2.2: Expand the use of digital healthcare tools and crisis communication systems to improve access, continuity of care for disadvantaged populations, especially in remote areas with offline alternatives available during crises

5.7.1 Objective D.1: Promoting public health education and community-based solutions, especially on healthcare, nutrition, and Water, Sanitation, and Hygiene (WASH), with a focus on people in remote areas and vulnerable situations including low-income households, persons with disabilities, older persons, women, and children

This Objective aims to empower communities including those in remote areas with knowledge and practical solutions to address key public health issues and difficulties across ASEAN by expanding access to reliable information on healthcare, nutrition, and WASH, particularly among people in remote areas and vulnerable situations. In CLMV-TL, awareness and adoption of basic public health practices remain limited, contributing to

higher rates of preventable illness, reduced productivity, and greater strain on fragile health systems.^{75,76} By promoting public health education and building local capacity, communities will be empowered to adopt preventive practices, reduce misinformation, and strengthen resilience. Over time, this will lead to improved health literacy, safer hygiene and nutrition practices, and more inclusive and equitable access to essential public health services across diverse groups.

Strategic Measures under Objective D.1:

D.1.1 Increase awareness and support for community-led WASH initiatives, targeting disadvantaged regions and vulnerable populations

This Strategic Measure supports Objective D.1 by fostering local ownership of WASH initiatives and enabling vulnerable communities to adopt safer practices. In CLMV-TL, many remote populations face limited access to clean water and sanitation, compounded by low awareness of basic hygiene standards, resulting in higher exposure to preventable health risks.⁷⁷ Supporting community-led approaches will foster behavioural change, build trust, improve life-long health outcomes, and ensure initiatives are tailored to local needs, which should encourage more sustained adoption of WASH practices over time.

This Strategic Measure aligns with the ASEAN Health Cluster Work Programme (2021–2025), which promotes inclusive public health, community empowerment, and improved access to essential services.

D.1.2: Enhance access to and awareness on available primary healthcare services in remote and disadvantaged areas, with specific outreach to women and marginalised groups

This Strategic Measure supports Objective D.1 by expanding access to primary healthcare and improving awareness through tailored outreach – such as mobile health units, community broadcasts, local ambassadors, and multilingual campaigns. In CLMV-TL, mountainous terrain and dispersed rural populations pose geographic barriers to healthcare services delivery. These challenges are compounded by limited communication infrastructure and low health literacy, which often leave people unaware of available services, leading to low uptake.⁷⁸ Strengthening access and outreach will increase service utilisation and empower people in vulnerable situations to make informed health decisions.

⁷⁵ World Health Organization. (Accessed in 2025). Health literacy toolkit for low- and middle-income countries: A series of information sheets to empower communities and strengthen health systems. Retrieved from: <https://iris.who.int/bitstream/handle/10665/205244/B5148.pdf>

⁷⁶ Al-Worafi, Y. M. (Ed.). (Accessed in 2025). Handbook of Medical and Health Sciences in Developing Countries: Education, Practice, and Research. Springer. Retrieved from: <https://link.springer.com/referencework/10.1007/978-3-030-74786-2>

⁷⁷ United National Children's Fund South Asia. (Accessed in 2025). Water, sanitation and hygiene (WASH). Retrieved from: <https://www.unicef.org/rosa/water-sanitation-and-hygiene-wash1>

⁷⁸ Royo et al. (Accessed in 2025). International Journal of Research Publication and Reviews, Volume 4, Issue 1. Retrieved from: <https://ijrpr.com/uploads/V4ISSUE1/JRPR9320.pdf>

This aligns with the ASEAN Health Cluster Work Programme (2021–2025), which promotes equitable access to healthcare and strengthened health systems across the region.

D.1.3: Facilitate knowledge exchange and adoption of best practices on affordable and climate-resilient water technologies such as rainwater harvesting, low-cost filtration, and nature-based solutions, ensuring access for vulnerable and disadvantaged communities

This Strategic Measure facilitates Objective D.1 by encouraging regional and subregional collaboration in sharing and adoption of innovative water technologies that address the needs of diverse local contexts. In CLMV-TL, many people in remote areas and vulnerable situations lack awareness, technical capacity, or financing to implement sustainable solutions, leaving them exposed to climate risks and inefficient resource use.⁷⁹ Promoting the use of innovative water technologies contributes to improved WASH outcomes by enhancing access to safe and clean water. Knowledge exchange will not only accelerate adoption of these solutions but also build local capacity and strengthen inclusive climate resilience.

This aligns with the AEC Strategic Plan 2026–2030, ASEAN Health Cluster Work Programme (2021–2025) and the ASEAN Strategic Plan on Environment (ASPEN) 2016–2025, which promote integrated approaches to public health, environmental sustainability, and climate resilience.

D.1.4: Develop culturally sensitive nutrition programmes that include practical and inclusive support to encourage more balanced diets, safe preparation of food, and minimise malnutrition, especially for people in remote areas and vulnerable situations

This Strategic Measure advances Objective D.1 by promoting nutrition programmes that reflect local dietary practices and cultural contexts. In CLMV-TL, while efforts have been made to address malnutrition and its effects, such as stunting, wasting, and micronutrient deficiencies, these issues remain prevalent, especially among people in remote areas and vulnerable situations such as women and children in rural areas. This is partly due to limited responsiveness to community-specific needs and lack of opportunities to better align with global and regional best practices in nutrition education and service delivery.⁸⁰ By equipping communities with practical, inclusive and context-relevant support on nutrition, this should help improve dietary practices, support healthier growth and development, and encourage sustained behavioural change in nutrition practices that supports long-term public health resilience.

⁷⁹ World Bank Blogs. (2025). From water to electricity: The rural-urban infrastructure gap in seven charts. Retrieved from: <https://blogs.worldbank.org/en/opendata/from-water-to-electricity--the-rural-urban-infrastructure-gap-in>

⁸⁰ Tuan Thanh Nguyen et al. (2024). Bridging the evidence-to-action gap: enhancing alignment of national nutrition strategies in Cambodia, Laos, and Vietnam with global and regional recommendations. Retrieved from: <https://www.frontiersin.org/journals/nutrition/articles/10.3389/fnut.2023.1277804/full>

This aligns with the ASEAN Health Cluster Work Programme (2021–2025) and the ASCC Strategic Plan, which emphasise inclusive health promotion, food security, and community empowerment to improve public health across the region.

5.7.2 Objective D.2: Enhancing preparedness of local communities to face emergencies and climate-related risks, including disasters and public health emergencies, with attention to vulnerable and mobile populations

This Objective aims to strengthen the ability of local communities in CLMV-TL to anticipate, respond to, and recover from health-related threats, including those driven by climate-related risks. During emergencies, many communities face challenges such as fragmented service delivery, reduced access to reliable information and limited coordination across sectors – challenges that are even more acute for vulnerable and mobile populations.⁸¹ By building stronger preparedness systems, countries can reduce disruptions in times of emergencies, improve crisis response systems, and enhance resilience to future shocks.

Strategic Measures under Objective D.2:

D.2.1 Strengthen local communities' capacities to detect, prepare for and respond to emergencies, pandemics, and cross-border health threats, ensuring participation of women, youth, and people in vulnerable situations

This Strategic Measure advances Objective D.2 by expanding community-level readiness and inclusion in crisis response systems. In CLMV-TL, many rural and disadvantaged communities often lack access to timely information. They are also limited in their capacity to mobilise resources and coordinate during public health crises.⁸² Building capacity at local level will enhance responsiveness, protect lives, and reduce long-term vulnerabilities. Overall, it will ensure that the entire country can act swiftly when faced with health-related shocks.

This is aligned with the ASEAN Climate Change Strategic Action Plan (ACCSAP) and the ASEAN Health Sector Work Plan, which emphasise inclusive preparedness, community resilience and risk governance.

⁸¹ World Health Organization. (Accessed in 2025). Preparing for and tackling health emergencies. Retrieved from: <https://www.who.int/laos/our-work/preparing-for-and-tackling-health-emergencies>

⁸² Asian Disaster Reduction Centre (ADRC). (2024). Final Report Lao PDR. Retrieved from: https://www.adrc.asia/aboutus/vrdata/FR/FY2023_Lao%20PDR_CRP.pdf

D.2.2 Expand the use of digital healthcare tools and crisis communication systems to improve access, continuity of care for disadvantaged populations, especially in remote areas with offline alternatives available during crises

This Strategic Measure supports Objective D.2 by leveraging digital technologies to improve healthcare access and communication during emergencies, while ensuring offline channels remain available for the digitally excluded population or people in remote areas. In CLMV-TL, limited internet connectivity, fragmented records, and uneven service coverage continue to hinder effective care delivery.⁸³ Addressing these gaps through inclusive digital and offline solutions will strengthen the responsiveness of health systems, improve care coordination, and ensure vulnerable populations are better supported during routine and crisis situations.

This Strategic Measure is aligned with the ASCC Strategic Plan, which promotes the strengthening of human and institutional capacity for emergency preparedness, especially for people in vulnerable situations. It supports this plan by implementing digital healthcare tools that improve healthcare information access, coordination between primary healthcare services, while also having offline alternatives to address digitally excluded groups.

5.8 Strategic Area E: Local Community Empowerment and Resilience

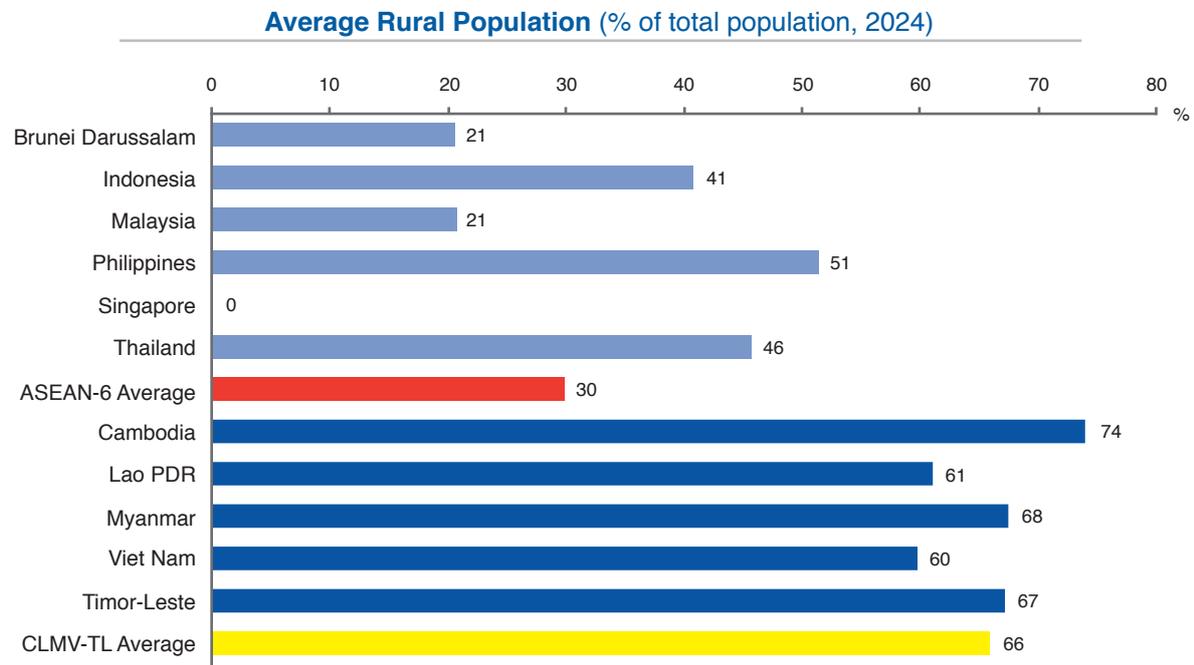
Local communities are at the heart of inclusive development and resilience in ASEAN. In CLMV-TL, more than 60% of the population reside or remote in rural areas (Exhibit 17),⁸⁴ where communities contribute significantly to production, trade, and innovation in sectors such as agriculture, fisheries and small-scale manufacturing. Despite their importance, these communities remain under-supported, with many facing persistent challenges such as weak participation in decision-making, restricted market access, outmigration and uneven preparedness for emergencies. Targeted initiatives could harness their capabilities, fuelling broader economic growth, reinforcing social cohesion, and strengthening overall resilience for the CLMV-TL countries.

⁸³ United Nations Children’s Fund. (2025). Strengthening community health in Cambodia through digitalization. Retrieved from: <https://www.unicef.org/eap/stories/strengthening-community-health-cambodia-through-digitalization>

⁸⁴ World Bank. (2023). Urban population (% of total population). Retrieved from: <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

Exhibit 17

RURAL POPULATION ACROSS AMS



Source: World Bank. (2024). Rural population (% of total population).

ASEAN has consistently recognised central role of local communities in narrowing development gaps, as reflected in frameworks, such as ASCC Strategic Plan, ASEAN Framework Action Plan on Rural Development and Poverty Eradication 2021–2025, ASEAN Master Plan on Rural Development 2022–2026 and the establishment of the ASEAN Villages Network (2023) as an existing platform to strengthen local community empowerment and resilience. These documents outline strategic goals and measures to strengthen the capacity of rural and grassroots communities, enhance their access to economic opportunities, promote social inclusion, and build their resilience to climate and health-related shocks. Emphasis is also placed on supporting people in vulnerable situations such as ethnic groups, informal workers, and rural policies through targeted interventions in community-based infrastructure and digital inclusion.

However, local communities in CLMV-TL still face many challenges. First, participation of rural and people in vulnerable situations in policy planning remains uneven, partly due to limited outreach and gaps in consultation mechanisms.⁸⁵ Second, market access for community-produced goods is restricted by infrastructural limitations and weak integration into value chains. Third, rural outmigration persists, driven by limited livelihood diversification

⁸⁵ United Nations Development Programme. (2020). Country programme document for Timor-Leste (2021–2025). Retrieved from: <https://www.undp.org/sites/g/files/zskgke326/files/2022-09/Final%20Approved%20Timor-Leste%20CPD%202021–2025.pdf>

and declining agricultural productivity, contributing to brain drain in local areas.⁸⁶ Last, preparedness for emergencies and climate-related risks is uneven, with disparities in access to early warning systems and public health services.⁸⁷

Considering the above, Work Plan V will emphasise Local Community Empowerment and Resilience. A summary of the Objectives and Strategic Measures in this Strategic Area is presented in Exhibit 18.

Exhibit 18

OBJECTIVES AND STRATEGIC MEASURES FOR STRATEGIC AREA E: LOCAL COMMUNITY EMPOWERMENT AND RESILIENCE



Strategic Area E: Local Community Empowerment and Resilience

Objectives	Strategic Measures
E.1: Increasing the participation of local, rural, remote and vulnerable communities in policy planning to strengthen ownership, local development initiatives, and improve overall government service delivery outcomes	<p>E.1.1: Facilitate engagement of broader segments, including women, youth, persons with disabilities, and remote communities, in policy planning processes at village and municipal levels</p> <p>E.1.2: Support research and application of innovative Government-to-person (G2P) delivery models to improve inclusive access to public services and social assistance in rural regions or remote areas</p>
E.2: Enhancing demand for local communities' products	<p>E.2.1: Providing inclusive training on digital tools to strengthen marketing and branding for community-based products, especially for women, youth, and ethnic groups</p> <p>E.2.2: Collaborate with private sector to develop local cultural and heritage tourism programmes that benefit community-based enterprises, particularly in rural or remote and disadvantaged areas</p>
E.3: Cultivating vibrant, liveable, and thriving rural communities	<p>E.3.1: Facilitate inclusive knowledge sharing and policy research across government agencies to strengthen evidence-based strategies that empower rural communities</p> <p>E.3.2: Develop targeted policies and programmes that encourage skilled individuals to contribute to poverty reduction and rural development through local entrepreneurship, innovation, and leadership</p>

⁸⁶ United Nations Development Programme. (2024). Migration in Myanmar: Moving to Cope. Retrieved from: <https://www.undp.org/asia-pacific/publications/migration-myanmar-moving-cope>

⁸⁷ Association of Southeast Asian Nations. (2024). A Stronger ASEAN Through Early Warning: A New Assessment. Retrieved from: <https://knowascc.ASEAN.org/content/ews/>

5.8.1 Objective E.1: Increasing the participation of local, rural, remote and vulnerable communities in policy planning to strengthen ownership, local development initiatives, and improve overall government service delivery outcomes

This Objective seeks to enhance the inclusiveness of policy planning by creating strong mechanisms for meaningful local participation. In CLMV-TL, policy development processes may not always fully reflect the needs and perspectives of local, rural, and vulnerable populations.⁸⁸ By fostering more representative, inclusive, and participatory planning processes, governments can better align services with community priorities, strengthen trust and accountability, and unlock more effective and responsive local initiatives. Over time, these efforts should contribute to more efficient and responsive delivery of public services for all communities.

Strategic Measures under Objective E.1:

E.1.1 Facilitate engagement of broader segments, including women, youth, persons with disabilities, and remote communities, in policy planning processes at village and municipal levels

This Strategic Measure supports Objective E.1 by creating opportunities for diverse groups to participate in local policy development, particularly at the village and municipal levels. In CLMV-TL, women, youth, persons with disabilities, and ethnic groups often face economic difficulties or challenges that exclude them from participating in or contributing to governance or decision making process, even when structural and institutional mechanisms for engagement are in place.⁸⁹ Strengthening their participation will lead to more inclusive and representative local development efforts that reflect the realities and priorities of diverse community members.

This aligns with the ASEAN Community Vision 2025 and the ASCC Blueprint 2025, all of which highlight the importance of inclusive governance and stakeholder engagement.

⁸⁸ World Bank. (2020). Impact Evaluation of Cambodia's Implementation of the Social Accountability Framework. Retrieved from: <https://documents1.worldbank.org/curated/en/160501602104569616/pdf/Impact-Evaluation-of-Cambodias-Implementation-of-the-Social-Accountability-Framework.pdf>

⁸⁹ United Nations Development. (2023). Assessment of disability inclusion in local governance 2023. Retrieved from: <https://www.undp.org/sites/g/files/zskgke326/files/2023-12/Key%20findings%20of%20%27Assessing%20the%20disability%20inclusion%20in%20local%20governance%27%202023%20-%20EN%20%28final%29%20%281%29.pdf>

E.1.2 Support research and application of innovative Government-to-Person (G2P) delivery models to improve inclusive access to public services and social assistance in rural regions or remote areas

This Strategic Measure supports Objective E.1 by testing new approaches to deliver services and assistance directly to citizens in rural or remote and disadvantaged areas in CLMV-TL communities often face administrative delays, weak connectivity, economic challenges and geographic isolation that limit their access to essential support.⁹⁰ This results in service gaps that leave people in remote areas and vulnerable situations without timely assistance, undermining local development effort and widening of social development gaps within countries long-term. By improving G2P delivery, services can reach beneficiaries in a more effective and timely manner, improving trust in authorities and ensuring more equitable outcomes.

This Strategic Measure aligns with the ASCC Blueprint 2025 and ASEAN Digital Masterplan 2025, both of which focus on inclusive service delivery and digital transformation.

5.8.2 Objective E.2: Enhancing demand for local communities' products

This Objective focuses on increasing consumer demand for goods and services produced by community-based enterprises, particularly in rural or remote and disadvantaged areas. Many of these enterprises struggle with weak branding, limited access to markets, fragmented integration into value chains, and weak linkages with tourism and commercial sectors.⁹¹ Strengthening demand will expand economic opportunities, support cultural preservation, and diversify sources of income for rural communities. Over time, this will foster thriving community enterprises, strengthen community resilience, and promote greater integration of local groups or communities into national and regional value chains.

Strategic Measures under Objective E.2:

E.2.1 Providing inclusive training on digital tools to strengthen marketing and branding for community-based products, especially for women, youth, and ethnic groups

This Strategic Measure supports Objective E.2 by equipping local community groups, cooperatives, and cultural producers with skills to use digital platforms, e-commerce, and

⁹⁰ World Health Organization. (2024). Ensuring the most vulnerable population receive the care they need. Retrieved from: <https://www.who.int/myanmar/news/feature-stories/detail/ensuring-the-most-vulnerable-population-receive-the-care-they-need>

⁹¹ Constant Contact. (2024). The Current State of SMB Marketing. Retrieved from: https://assets.ctfassets.net/t21gix3kzulv/4hW50gUYSP1vnFBWGesPJf/dccd24d8e3c8de820eb904d226d65227/Small_Business_Now__The_Current_State_of_SMB_Marketing.pdf

modern branding techniques to highlight the cultural identity and unique origins of their products. In CLMV-TL, such groups in rural or remote and disadvantaged areas often lack access to marketing training and digital literacy, which limit their ability to reach broader audiences and differentiate their offerings.⁹² Strengthening these capacities will help community producers showcase their products more effectively, increase visibility and cultural value, and diversify local livelihoods, thereby contributing to resilience of their families as well as local economies.

This Strategic Measure aligns with the ASCC Strategic Plan's commitment to inclusive economic empowerment and sustainable livelihoods, particularly for remote and disadvantaged communities. It also supports the ASEAN Master Plan on Rural Development, which promotes rural transformation through digital literacy, entrepreneurship, and multi-stakeholder collaboration.

E.2.2 Collaborate with private sector to develop local cultural and heritage tourism programmes that benefit community-based enterprises, particularly in rural or remote and disadvantaged areas

This Strategic Measure advances Objective D.2 by connecting local enterprises to tourism ecosystems, leveraging cultural and heritage assets to create new income opportunities. In CLMV-TL, community products and services often remain excluded from formal tourism networks, limiting their growth potential.⁹³ By fostering partnership with tourism operators and private sector actors, community-based enterprises can expand their reach, strengthening their cultural identity and embedding disadvantaged communities more deeply into tourism value chains.

This aligns with the ASCC Strategic Plan's commitment to inclusive human capital development and sustainable livelihoods, as well as the ASEAN Strategic Plan for Culture and Arts, which promotes cultural heritage as a driver of creativity, innovation and livelihood creation.

5.8.3 Objective E.3: Cultivating vibrant, liveable, and thriving rural communities

This Objective focuses on making rural areas in CLMV-TL countries more appealing for skilled individuals to support their development. At present, many rural communities face

⁹² Building Markets. (Accessed in 2025). Improving Access to Markets for Small to Medium-Sized Enterprises. Retrieved from: <https://www.buildingmarkets.org/evidence-on-market-access/>

⁹³ Cambodia Development Resource Institute. (2021). Challenges and Potentials of the Community Based Ecotourism in Livelihood Improvement: A Case Study in Preah Nimith CBET, Cambodia. Retrieved from: <https://www.cdri.org.kh/publication/challenges-and-potentials-of-the-community-based-ecotourism-in-livelihood-improvement-a-case-study-in-preah-nimith-cbet-cambodia>

limited access to services, and fewer economic opportunities, which could hinder rural development amidst the global shift towards urbanisation.⁹⁴ By developing rural areas, countries can strengthen local communities, enabling communities to benefit from a more diverse and capable workforce, and increase economic activity and service delivery. In the long term, this should lead to more balanced regional development and a more inclusive growth model that leverages the potential of rural populations to support national resilience and growth.

This Objective includes two Strategic Measures:

E.3.1 Facilitate inclusive knowledge sharing and policy research across government agencies to strengthen evidence-based strategies that empower rural communities

This Strategic Measure supports Objective E.3 by encouraging collaboration and data-driven policymaking that empowers rural communities to drive their development. In CLMV-TL, fragmented initiatives and limited access to policy-relevant data hinder the design of targeted interventions.⁹⁵ These gaps lead to policies and plans that may not accurately reflect the realities of rural communities and support conditions for their development. Strengthening collaboration and evidence-based policymaking will enable more targeted and effective approaches that will help rural areas become more economically vibrant.

This supports the ASCC Strategic Plan's focus on inclusive and sustainable development, particularly in regions that have historically lagged.

E.3.2 Develop targeted policies and programmes that encourage skilled individuals to contribute to poverty reduction and rural development through local entrepreneurship, innovation, and leadership

This Strategic Measure facilitates Objective E.3 by designing schemes for skilled individuals to contribute to housing support, enterprise development, as well as to create livelihood and leadership opportunities that reduce poverty, strengthen the economic vitality, innovation capacity and social inclusion of rural areas. In CLMV-TL, persistent gaps in infrastructure and economic prospects have contributed to long-term demographic decline in rural or remote areas.⁹⁶ By implementing tailored policies, governments can revitalise rural or remote areas, which is critical to unlocking the economic and social potential of local communities, thus contributing to poverty reduction.

⁹⁴ International Organization for Migration. (2023). Migration Profile in Timor-Leste. Retrieved from: <https://www.iom.int/sites/g/files/tmzbd1486/files/documents/2023-07/timor-leste-executive-summary-mp-v3.pdf>

⁹⁵ Viet Nam Chamber of Commerce and Industry. (2023). Assessment of National Target Program for New Rural Development. Retrieved from: <https://www.vccinews.com/news/51111/assessment-of-national-target-program-for-new-rural-development.html>

⁹⁶ International Organization for Migration. (2023). Migration Profile in Timor-Leste. Retrieved from: <https://www.iom.int/sites/g/files/tmzbd1486/files/documents/2023-07/timor-leste-executive-summary-mp-v3.pdf>

This aligns with the ASEAN Master Plan on Rural Development 2022–2026, which prioritises people-centred approaches to development.

5.9 Strategic Area F: Inclusive Growth and Sustainable Economic Development

Sustainable economic development is increasingly recognised as central to ASEAN’s resilience and competitiveness.⁹⁷ Emerging models such as the circular economy, green economy, and blue economy offer pathways to reduce waste, protect natural resources, and generate new sources of growth and employment. These models also offer potential to drive inclusive growth by expanding economic opportunities for the disadvantaged such as women and rural communities. CLMV-TL have begun to integrate these concepts to support the advancement of sustainable consumption and production, marine and coastal resource management, and energy efficient practices.^{98,99} As a result, private sector green investments in Southeast Asia rose by 43% in 2024 compared to the previous year, reaching USD 8 billion.¹⁰⁰

ASEAN has taken steps to advance sustainability, including the AEC Strategic Plan 2026–2030, the ASEAN Blue Economy Framework (2021), the ASEAN Strategy on Carbon Neutrality, and the ASEAN Framework on Sustainable Consumption and Production, which together provide guidance on sustainable marine and coastal management, mainstreaming circular production and consumption patterns, and enabling enterprises to compete in low-carbon, resource-efficient markets.

Nonetheless, progress in CLMV-TL remains uneven due to heavy reliance on natural resources,¹⁰¹ lack of support for social enterprises and community organisations, weak financing options for sustainable practices, and low awareness of inclusive circular, green, and blue economy practices.¹⁰² These gaps leave countries vulnerable to climate risks, resource depletion, and exclusion from ASEAN’s broader sustainability transition. The costs are already evident – for instance, Illegal, Unreported, and Unregulated (IUU) fishing across

⁹⁷ Association of Southeast Asian Nations. (2025). AEC Strategic Plan 2026–2030. Retrieved from: <https://ASEAN.org/ASEAN-economic-community-strategic-plan-2026–2030/>

⁹⁸ Ministry of National Development Planning/National Development Planning Agency (BAPPENAS) of the Republic of Indonesia. (2023). Indonesia Blue Economy Roadmap 2023-2045. Retrieved from: https://aipalync.org/storage/documents/main/eng-indonesia-blue-economy-roadmap-ebook-1714456651_1723718648.pdf

⁹⁹ Thailand Government. (2023). Bio-Circular-Green Economic Model. Retrieved from: <https://washingtondc.thaiembassy.org/en/page/bio-circular-green-economic-mode-bcg?menu=641d814bb2a0ec60c758d0a3>

¹⁰⁰ Singapore Economic Development Board. (2025). Southeast Asia Green Economy 2025. Retrieved from: <https://www.edb.gov.sg/en/business-insights/market-and-industry-reports/southeast-asia-green-economy-2025-report-unlocking-systems-for-growth-and-impact.html>

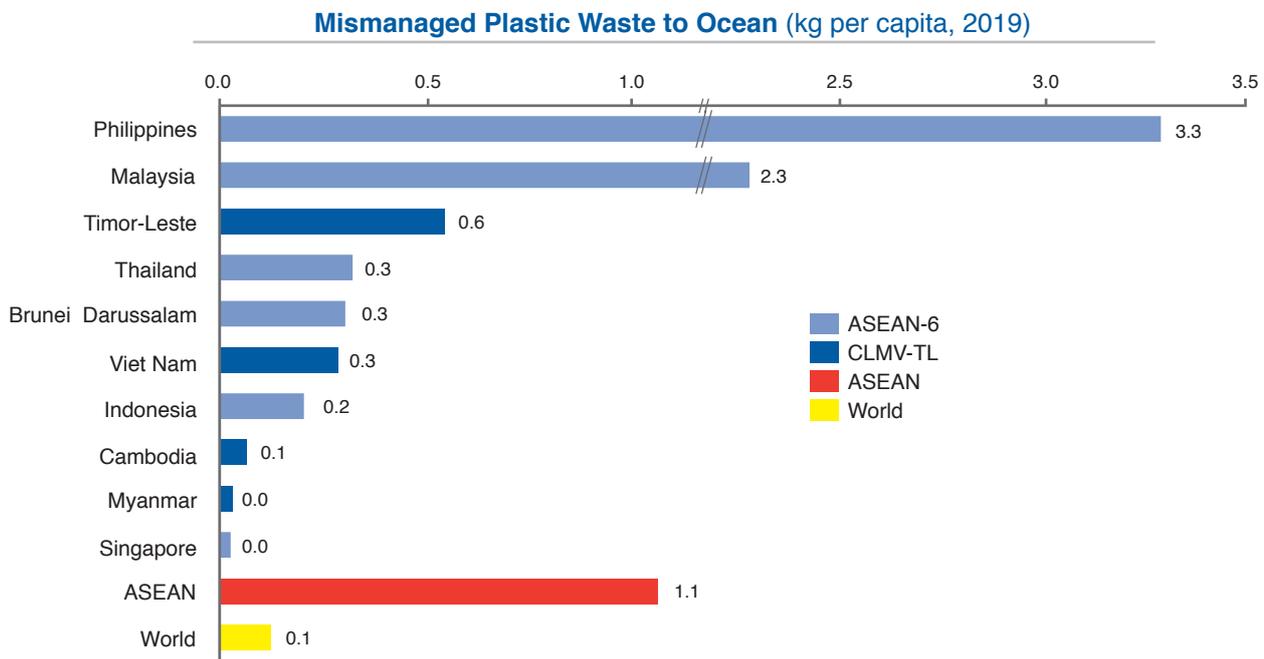
¹⁰¹ Association of Southeast Asian Nations. (2025). Study on MSME Participation in the Circular Economy. Retrieved from: https://ASEAN.org/wp-content/uploads/2025/04/Study-on-the-MSME-Participation-in-Circular-Economy_5May2025.pdf

¹⁰² United Nations Framework Convention on Climate Change. (2024). Climate Finance Access and Mobilization Strategy for the Member States of the Association of Southeast Asian Nations (2024–2031). Retrieved from: https://unfccc.int/sites/default/files/resource/ASEAN_CF%20Strategy_Dec%202024.pdf

selected AMS has amounted to approximately USD 6 billion,¹⁰³ while marine plastic pollution has caused an estimated USD 2.1 billion in direct damages to ASEAN’s blue economy sectors (Exhibit 19).¹⁰⁴ Looking ahead, climate change and natural disasters could cost the region over 35% of its GDP by 2025 if left unaddressed.¹⁰⁵ Without inclusive growth strategies, these impacts will disproportionately affect certain groups, such as climate vulnerable and low-income communities.

Exhibit 19

MISMANAGED PLASTIC WASTE TO OCEAN ACROSS AMS



1. Data not available for Lao PDR.

Source: Our World in Data. (2025). Plastic waste emitted to the ocean per capita, 2019.

To respond, Work Plan V will explicitly integrate circular, green, and blue economy practices into its initiatives. Exhibit 20 summarises the Objectives and Strategic Measures under this Strategic Area.

¹⁰³ Association of Southeast Asian Nations. (2025). A Harvest of Plenty: Safe, Nourishing Food for All. Retrieved from: https://ASEAN.org/wp-content/uploads/2025/05/The-ASEAN-Issue-43-A-harvest-of-Plenty_-Safe-Nourishing-Food-for-All.pdf

¹⁰⁴ World Bank. (2022). Southeast Asia Regional Program on Combating Marine Plastics. Retrieved from: <https://documents1.worldbank.org/curated/en/804401655916317611/pdf/South-East-Asia-Region-Southeast-Asia-Regional-Program-on-Combating-Marine-Plastics-SEA-MaP-Project.pdf>

¹⁰⁵ Nanyang Technological University. (2021). Adaptation and Resilience in ASEAN: Managing Disaster Risks from Natural Hazards. Retrieved from: <https://www.gov.uk/government/publications/uk-singapore-cop26-universities-network-policy-reports/adaptation-and-resilience-in-ASEAN-managing-disaster-risks-from-natural-hazards>

Exhibit 20

OBJECTIVES AND STRATEGIC MEASURES FOR STRATEGIC AREA F: INCLUSIVE GROWTH AND SUSTAINABLE ECONOMIC DEVELOPMENT



Strategic Area F: Inclusive Growth and Sustainable Economic Development

Objectives	Strategic Measures
F.1: Enhance understanding of circular, green, and blue economy models to accelerate inclusive adoption	F.1.1: Facilitate knowledge exchange and technical assistance on circular economy practices including but not limited to recycling, reuse, reduce and regeneration, ensuring accessibility for micro, small, and community-based enterprises, especially those led by women, youth, and disadvantaged groups
	F.1.2: Facilitate sharing of good regulatory practices and regional cooperation to promote sustainable aquaculture industries and inclusive blue economy value chains that engage small-scale producers, women, youth, persons with disabilities and other marginalised and disadvantaged stakeholders
	F.1.3: Support knowledge sharing and training on green economy practices, including energy efficiency, sustainable sourcing, and low-carbon production, with a focus on rural or remote and disadvantaged communities
	F.1.4: Empower and provide technical support to local social enterprises and community organisations, including those led by women, youth, and ethnic groups, to lead awareness campaigns to promote circular, green, and blue economy principles and practices
F.2: Strengthen institutional and enterprise capacity to adopt and scale sustainable economic development practices	F.2.1: Provide capacity-building and research support on sustainable development concepts such as the circular, green, and blue economy practices, with particular attention to freshwater and inland aquatic systems, including rivers, lakes, and wetlands
	F.2.2: Support the implementation of ASEAN frameworks related to circular, green, and blue economy practices, ensuring engagement of smallholders, women, youth, and vulnerable communities
	F.2.3: Provide capacity-building and advisory support to help local enterprises, particularly micro and community-based ones led by women and youth, design viable circular, green, and blue economy business models and access relevant value chains including those related to digital trade
F.3: Promoting inclusive growth through enhanced access to sustainable development opportunities	F.3.1: Leverage subregional platforms to foster cross-border collaboration, knowledge exchange, and resource-efficient models for inclusive and sustainable development
	F.3.2: Empower broader stakeholders, including local Non-Governmental Organisations (NGOs), philanthropies, and private sector entities, to co-create and support inclusive development initiatives through greater awareness, access to government ecosystems, and more interconnected regional development agendas

5.9.1 Objective F.1: Enhance understanding of circular, green, and blue economy models to accelerate inclusive adoption

This Objective focuses on deepening knowledge and awareness of sustainable economic models across stakeholders in CLMV-TL, enabling inclusive and practical adoption. While ASEAN has developed frameworks to guide the transition, awareness and application remain

limited, particularly among micro, small, and community-based enterprises.¹⁰⁶ By building understanding and promoting knowledge exchange, countries can address foundational barriers, foster behavioural changes and create opportunities to participate in sustainable value chains. Over time, this will strengthen climate resilience, reduce environmental degradation, and embed CLMV-TL economies into ASEAN's broader sustainability agenda.

Strategic Measures under Objective F.1:

F.1.1 Facilitate knowledge exchange and technical assistance on circular economy practices, including but not limited to recycling, reuse, reduce and regeneration, ensuring accessibility for micro, small, and community-based enterprises, especially those led by women, youth, and disadvantaged groups

This Strategic Measure facilitates Objective F.1 by making circular economy principles tangible for small-scale enterprises in CLMV-TL. Many of these enterprises lack the awareness, lessons-learned, capacity, and technical support to integrate resource efficiency, waste reduction and reuse into their operations. Practical guidance and regional exchange will help such enterprises improve competitiveness while lowering their environmental impacts.

This aligns with the AEC Strategic Plan 2026–2030 and the ASEAN Framework on Sustainable Consumption and Production, both of which highlight sustainable resource use and waste reduction.

F.1.2 Facilitate sharing of good regulatory practices and regional cooperation to promote sustainable aquaculture industries and inclusive blue economy value chains that engage small-scale producers, women, youth, persons with disabilities and other marginalised and disadvantaged stakeholders

This Strategic Measure supports Objective F.1 by operationalising the ASEAN Blue Economy Framework through practical initiatives and peer learning. Sustainable aquaculture, coastal resource management, and inclusive marine value chains can improve food security, create new sources of income, and reduce harmful practices such as overfishing. By engaging marginalised groups, CLMV-TL can build resilient blue economy sectors that support the growth of local communities and facilitate regional trade.

This aligns with the AEC Strategic Plan 2026–2030 and the ASEAN Blue Economy Framework, which emphasise sustainable and inclusive economic integration.

¹⁰⁶ Stockholm Environment Institute. (2021). Barriers and Drivers for Enterprises to Adopt Circular Economy Practices in Southeast Asia. Retrieved from: <https://www.sei.org/wp-content/uploads/2021/11/barriers-drivers-enterprises-circular-economy-sei-brief.pdf>

F.1.3 Support knowledge sharing and training on green economy practices, including energy efficiency, sustainable sourcing, and low-carbon production, with a focus on rural or remote and disadvantaged communities

This Strategic Measure advances Objective F.1 by equipping communities and enterprises with practical skills to reduce energy use, adopt sustainable sourcing, and improve competitiveness in low-carbon markets. In CLMV-TL, many production processes remain resource-intensive and vulnerable to climate shocks. By providing training on energy efficiency, sustainable sourcing, and low-carbon production, rural and disadvantaged communities will reduce production costs, lower emissions and gain more access to green investment opportunities.

This aligns with the AEC Strategic Plan 2026–2030 and CLMV-TL green growth strategies, such as Cambodia’s Green Growth Plan and Viet Nam’s Sustainable Consumption and Production Action Plan.

F.1.4 Empower and provide technical support to local social enterprises and community organisations, including those led by women, youth, and ethnic groups, to lead awareness campaigns to promote circular, green, and blue economy principles and practices

This Strategic Measure supports Objective F.1 by supporting grassroots actors as champions of change. Local enterprises and community organisations are often best placed to reach rural and marginalised populations but require more resources and technical support to scale their efforts. By empowering them to lead campaigns and peer-learning initiatives, Work Plan V can broaden awareness and normalise sustainable practices for local enterprises and communities across AMS.

This aligns with the commitment to inclusive development under the AEC Strategic Plan 2026–2030.

5.9.2 Objective F.2: Strengthen institutional and enterprise capacity to adopt and scale sustainable economic development practices

This Objective focuses on equipping institutions and enterprises in CLMV-TL with the capabilities to translate circular, green, and blue economy concepts into practical and scalable solutions. Strengthening institutional competence, improving the quality of policy execution, and supporting enterprises to adopt sustainable practices will enable countries to capture new growth opportunities. Special attention will also be placed on freshwater and inland aquatic systems – rivers, lakes, and wetlands – which are vital to livelihoods yet often underemphasised in sustainable economy initiatives.¹⁰⁷ By strengthening institutional and

¹⁰⁷ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). (2022). ASEAN AgriTrade: Promotion of Sustainable Agricultural Value Chains in ASEAN. Retrieved from: https://www.ASEAN-agrifood.org/wp-content/uploads/2022/10/EN_Factsheet_ASEAN-AgriTrade_May-2022_final.pdf

enterprise capacity, CLMV-TL can accelerate adoption of inclusive and sustainable growth models, unlock value of underutilised natural assets, and ensure that rural and vulnerable communities are active participants in ASEAN's green transition.

Strategic Measures under Objective F.2:

F.2.1 Provide capacity-building and research support on sustainable development concepts such as the circular, green, and blue economy practices, with particular attention to freshwater and inland aquatic systems, including rivers, lakes, and wetlands

This Strategic Measure supports Objective F.2 by enhancing institutional knowledge and evidence-based policymaking. Many CLMV-TL institutions lack the technical capacity and data to implement sustainable development practices effectively. Strengthening research and training will enable governments and communities to safeguard inland fisheries freshwater ecosystems, which are central to rural livelihoods and food security.

This aligns with the ASEAN Blue Economy Framework and the AEC Strategic Plan 2026–2030, both of which emphasise resilience and inclusivity in natural resource management.

F.2.2 Support the implementation of ASEAN frameworks related to circular, green, and blue economy practices, ensuring engagement of smallholders, women, youth, and vulnerable communities

This Strategic Measure facilitates Objective F.2 by helping CLMV-TL embed ASEAN sustainability frameworks into national policies and programmes. Uptake of these frameworks – such as ASEAN guidelines for the Blue Economy, Sustainable Consumption and Production, and broader green economy transitions¹⁰⁸ – has been gradual, reflecting challenges such as limited institutional capacity and coordination gaps. By providing technical assistance and harmonising policy support, countries can more effectively access funding, participate in regional initiatives, and benefit from ASEAN's broader sustainability agenda.

It is aligned with the AEC Strategic Plan 2026–2030, ASEAN Blue Economy Framework, the ASEAN Framework on Sustainable Consumption and Production.

¹⁰⁸ Association of Southeast Asian Nations. (2023). ASEAN Blue Economy Framework. Retrieved from: <https://ASEAN.org/wp-content/uploads/2023/09/ASEAN-Blue-Economy-Framework.pdf>

F.2.3 Provide capacity-building and advisory support to help local enterprises, particularly micro and community-based ones led by women and youth, design viable circular, green, and blue economy business models and access relevant value chains, including those related to digital trade

This Strategic Measure advances Objective F.2 by enabling enterprises to develop market-ready business models through advisory services, training, and access to networks and business development tools. Many micro and community-based enterprises in CLMV-TL lack deep technical knowledge and networks to apply sustainability principles commercially.¹⁰⁹ Advisory services, training, and business development support will allow them to embed sustainability into their product design, production, and distribution strategies in commercially viable ways.

This aligns with ASEAN's Sustainable Consumption and Production frameworks and national green growth strategies across CLMV-TL, which support mainstreaming of sustainability into economic planning, promote resource efficiency, and encourage inclusive, low-carbon development.

5.9.3 Objective F.3: Promoting inclusive growth through enhanced access to sustainable development opportunities

This Objective seeks to enable broader groups of CLMV-TL stakeholders to participate meaningfully in the sustainable growth of their countries as well as the region by expanding their access to development opportunities, networks, and services. Strengthening cooperation with subregional frameworks, enhancing cross-border partnerships, and enabling the involvement of more stakeholders will facilitate the pursuit of more inclusive and sustainable economic activities in the region. These efforts will contribute to greater rural and urban enterprise development, poverty reduction, increased participation of local providers in regional value changes, and stronger institutional and people-to-people linkages across borders. Over time, this should help increase cross-border trade and investments between CLMV-TL and ASEAN-6 countries, improve access to regional supply chains, and ensure that sustainability initiatives are shaped by a broader range of voices in the region.

Strategic Measures under Objective F.3:

F.3.1 Leverage subregional platforms to foster cross-border collaboration, knowledge exchange, and resource-efficient models for inclusive and sustainable development

This Strategic Measure advances Objective F.3 by promoting deeper collaboration with subregional platforms such as the Brunei Darussalam-Indonesia-Malaysia-Philippines East

¹⁰⁹ Stockholm Environment Institute. (2021). Barriers and Drivers for Enterprises to Adopt Circular Economy Practices in Southeast Asia. Retrieved from: <https://www.sei.org/wp-content/uploads/2021/11/barriers-drivers-enterprises-circular-economy-sei-brief.pdf>

ASEAN Growth Area (BIMP-EAGA), which offer mechanisms for more targeted and context-sensitive interventions to address key development gaps and regional integration. For CLMV-TL, subregional platforms offer practical avenues for coordinated action, resource pooling, and context-specific solutions that reflect their shared geographic, cultural, and economic characteristics. This will enable them to jointly develop standards and implement shared initiatives in areas of sustainable development such as climate resilience, ecotourism, and green logistics. Over time, this should strengthen regional competitiveness while ensuring that the benefits of development are more evenly distributed.

This aligns with the AEC Strategic Plan 2026–2030, which emphasises the promotion of inclusive growth through regional integration and cooperation.

F.3.2 Empower broader stakeholders, including local Non-Governmental Organisations (NGOs), philanthropies, and private sector entities, to co-create and support inclusive development initiatives through greater awareness, access to government ecosystems, and more interconnected regional development agendas

This Strategic Measure supports Objective F.3 by enabling a wider range of stakeholder to participate more deeply in sustainable development efforts in the region. By raising awareness of the potential roles that they can play, and facilitating access to relevant government and cross-border platforms, these stakeholders can contribute to more inclusive, locally grounded, and scalable development initiatives. Strengthening linkages between stakeholder-led programmes and regional development agendas will help ensure that efforts are better connected, complementary, and facilitates broader sustainable development goals across ASEAN.

This aligns with the AEC Strategic Plan 2026–2030 and ASCC Strategic Plan, both of which highlight inclusive access to opportunities, deeper stakeholder engagement, and enhanced cross-pillar collaboration to support sustainable development across the region.

5.10 Cross-Cutting Mechanisms

To complement the Strategic Areas, Work Plan V identifies three Cross-Cutting Mechanisms designed to strengthen implementation and amplify outcomes. These mechanisms address persistent institutional and structural challenges, build long-term capacity, and create enabling conditions for more effective delivery of project across CLMV-TL. Together, they will ensure that the Work Plan is not only ambitious in vision but also practical in execution (Exhibit 21).

Exhibit 21

IAI WORK PLAN V CROSS-CUTTING MECHANISMS AND PURPOSES

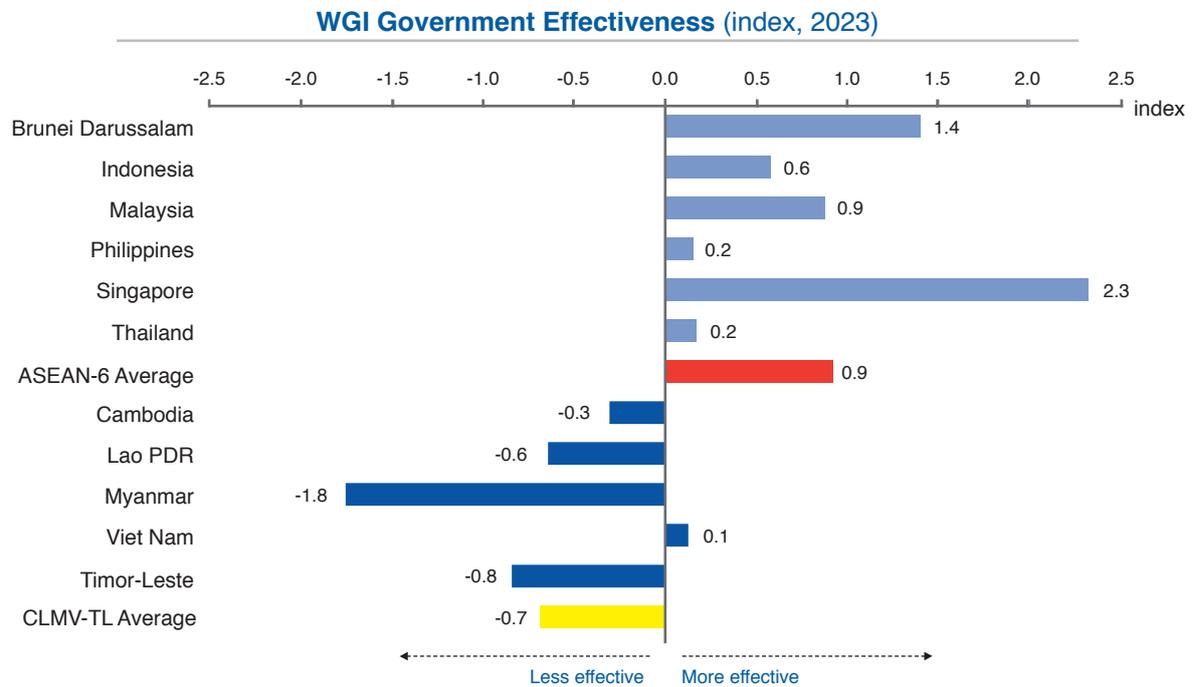
Cross-Cutting Mechanisms	Purposes
I) Building capable civil services	<ul style="list-style-type: none"> I. Mainstreaming climate resilience, gender equality, and social inclusion in policymaking; II. Improving accountability and transparency in public sector operations; III. Strengthening capacity for administration of regional initiatives; IV. Improving intra-and inter-governmental coordination, including across administrative levels, ministries, agencies and among AMS.
II) Expanding access to finance	<ul style="list-style-type: none"> I. Increasing and diversifying channels of financial resources to address fiscal gaps; II. Enhancing the integration of private and philanthropic funding and expertise in socioeconomic development.
III) Leveraging multi-stakeholders partnerships	<ul style="list-style-type: none"> I. Promoting synergies and complementarities between various sub-regional cooperation frameworks and ASEAN's goals; II. Leveraging expertise and support from a broader range of stakeholders; III. Supporting coordinated implementation of initiatives through structured and consistent information sharing.

- I. **Building capable civil services.** This Mechanism focuses on enhancing the knowledge, skills, and institutional capabilities of public sector personnel across CLMV-TL. Strengthening the civil service is critical, as governments continue to face institutional and human resource gaps that limit their ability to formulate policies, implement programmes, and deliver services effectively. According to the World Bank's Government Effectiveness Index, CLMV-TL consistently lag behind other AMS in public services delivery, policy implementation, and government credibility (Exhibit 22).¹¹⁰

¹¹⁰ World Bank (Accessed in 2025). Worldwide Governance Indicators. Retrieved from: <https://www.worldbank.org/en/publication/worldwide-governance-indicators/interactive-data-access>

Exhibit 22

WGI GOVERNMENT EFFECTIVENESS ACROSS AMS



Source: World Bank. (2025). Government Effectiveness: Estimate.

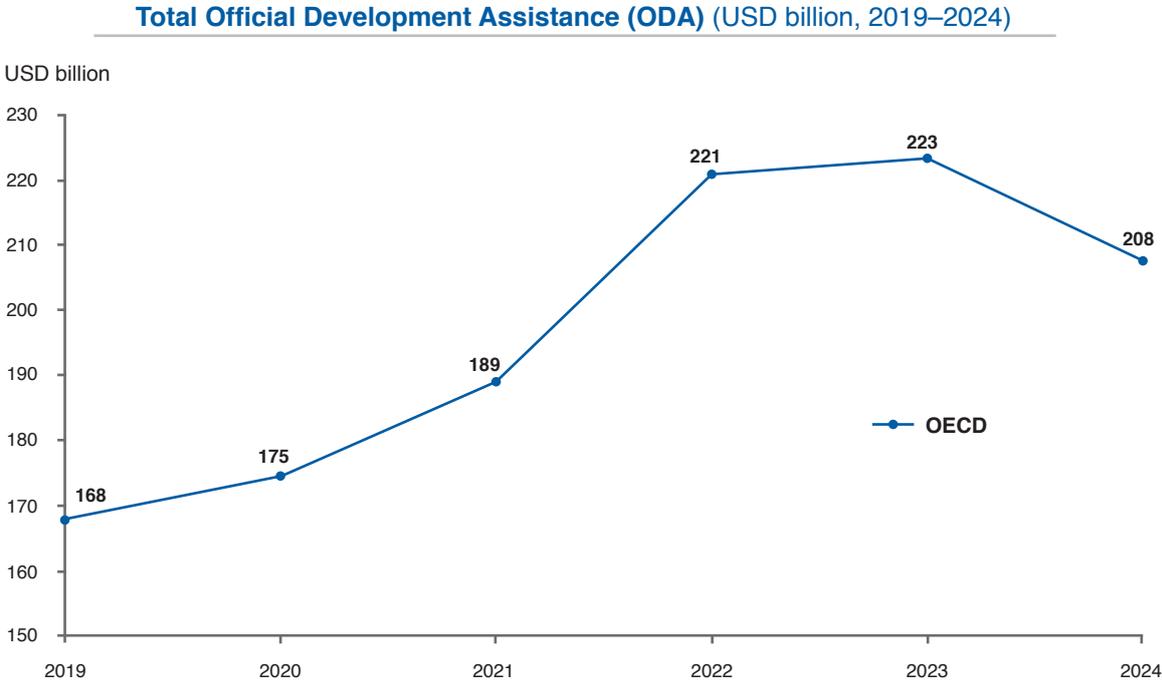
If left unaddressed, these deficits risk undermining economic progress, deterring investment, and eroding public trust. By investing in targeted capacity building programmes, Work Plan V will support CLMV-TL to lead and sustain national development initiatives more effectively. This Mechanism will be operationalised through four specific purposes:

- i. **Mainstreaming climate resilience, gender equality, and social inclusion in policymaking.** This will ensure development outcomes are equitable and sustainable.
- ii. **Improving accountability and transparency in public sector operations.** This will build public trust and improve governance outcomes.
- iii. **Strengthening capacity for administration of regional initiatives.** This will improve the delivery of regional initiatives by civil servants.
- iv. **Improving intra- and inter-governmental coordination, including across administrative levels, ministries, agencies and among AMS.** This will facilitate collaboration and ensure coherent and efficient policy implementation.

II. Expanding access to finance. This Mechanism aims to expand the financial base available to CLMV-TL by mobilising innovative, sustainable, and forward-looking sources of financing. Shifts in the global aid landscape including declining Official Development Assistance (ODA) (Exhibit 23),¹¹¹ changing donor priorities underscore the need to reduce reliance on traditional aid. At the same time, new financing instruments such as blended financing, social bonds, and philanthropic capital¹¹² are emerging as viable alternatives.

Exhibit 23

TOTAL ODA FROM OECD DEVELOPMENT ASSISTANCE COMMITTEE



Source: Organisation for Economic Cooperation and Development. (2025). Official Development Assistance (ODA).

Given these shifts, it is imperative for countries to move beyond their reliance on traditional aid and instead deepen and diversify their resource base for development initiatives. Doing so will enhance the scale, impact, and sustainability of development efforts, while safeguarding long-term fiscal health, economic resilience, and inclusive growth.

¹¹¹ Organisation for Economic Co-operation and Development. (2025). Official Development Assistance (ODA). Retrieved from: <https://www.oecd.org/en/topics/official-development-assistance-oda.html>

¹¹² Institute for Economics & Peace (2025). Official Development Assistance. Retrieved from: <https://www.visionofhumanity.org/wp-content/uploads/2025/03/Official-Development-Assistance.pdf>

Hence, CLMV-TL will be supported to explore, mobilise, and integrate alternative financing options under Work Plan V. This mechanism will be operationalised through two purposes:

- i. **Increasing and diversifying channels of financial resources**, to address fiscal gaps and unlock opportunities in underfunded areas.
 - ii. **Integrating private and philanthropic funding and expertise into socioeconomic development** to catalyse innovation, scale impact, and strengthen long-term sustainability.
- III. **Leveraging multi-stakeholder partnerships.** This Mechanism aims to strengthen collaboration with subregional economic cooperation platforms, private sector entities, and other stakeholders to enhance the scale, coordination, and sustainability of IAI implementation. It aligns with the AEC Strategic Plan 2026–2030, which emphasises strengthening synergies between ASEAN and subregional groups to advance regional economic integration and NDG. Key subregional platforms include the BIMP-EAGA, Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT), Greater Mekong Subregion (GMS), and Ayeyawady–Chao Phraya–Mekong Economic Cooperation Strategy (ACMECS) (Exhibit 24).

The IAI will also seek to engage community-based organisations, civil society organisations, and international NGOs active in rural and disadvantaged areas, building on their existing networks and service delivery capacities. In line with the original intent of the IAI, engagement with ASEAN-6 will be strengthened to facilitate knowledge transfer, peer learning, and technical cooperation, including through triangular cooperation arrangements, where ASEAN-6 members share expertise with CLMV-TL to leverage their experience while addressing emerging gaps across the region. Expanding collaboration with these partners improve outreach, implementation capacity, and the overall effectiveness of IAI initiatives in promoting inclusive growth and sustainable development.

Exhibit 24

EXAMPLES OF KEY SUBREGIONAL ECONOMIC COOPERATION INITIATIVES IN SOUTHEAST ASIA



Collaborations with these entities can unlock synergies across sectors such as trade, infrastructure, and human capital development, while optimising resource use and aligning efforts with ASEAN’s broader goals. By leveraging on their respective strengths—ranging from financial resources and technical expertise to policy experience and innovation—, these partnerships can ultimately uplift communities, reduce disparities, and accelerate progress towards common development objectives. Thus, countries will be encouraged to actively engage with these platforms and organisations to foster cooperation, share expertise, and mobilise joint initiatives that can advance shared development goals under Work Plan V. This mechanism will be operationalised through three purposes:

- i. **Promoting synergies and complementarities between various ASEAN-approved sub-regional cooperation frameworks and ASEAN’s NDG goals.** This will enhance effectiveness of regional development plans and reduce duplication of efforts.
- ii. **Leveraging expertise and support from a broad range of stakeholders.** This will enhance innovation, scale, and sustainability of development initiatives.
- iii. **Supporting coordinated implementation of initiatives through structured and consistent information sharing.** This will strengthen coordination and ensure alignment at the sub-regional level.

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