

AGENDA 4.1
**Report of the Eminent Persons
Group**

**The IMT-GT Business Process Review
HIGHLIGHTS**

IMT-GT remains relevant

- Progress is slow, but potential is good;
- Success requires clear leadership and support, proper strategic direction, and effective implementation;
- IMT-GT projects are positive-sum activities;
- IMT-GT projects are important precursors for future multi-country economic cooperation.

IMT-GT projects cover a wide range

- ❑ Infrastructure development, aimed at enhancing access and facilitating development and economic activity;
- ❑ Projects derived from small-scale subregional activity, aimed at expanding markets and/or resources base in order to improve economic viability and reach;
- ❑ Large strategic projects aimed at better resource utilisation or supply-chain management over national boundaries;
- ❑ Projects can have a national reach, not constrained to border localities.

Institutional Framework

- IMT-GT's institutional framework is modeled on “classic” ASEAN structures (summit > ministers > SOM > working groups > national secretariats);
- Additional features include the Forum of Governors & Chief Ministers together with supporting officials-level meetings, the Joint Business Council, and the CIMT;

IMT-GT projects have an added level of complexity

- Projects are often driven by a “central-ministry” ethos but need to be implemented by joint activity at local level;
- The structures and modalities for multi-country interaction between the private sector and public sector at local levels are still developing;
- Inter-country projects involve a large number of agencies some of which may not have direct involvement in the IMT-GT process.

The Role of the Private Sector

- The success of IMT-GT projects hinges on an effective Public-Private Sector Partnership (PPP);
- Local business communities appear to be generally ready and predisposed to expanding through IMT-GT cooperation;
- Availability of capital is not seen as a significant constraining factor for most proposed projects.

The Private Sector should enhance its role

- Work to ensure effective multi-country PPP;
- Acknowledge the long-term strategic objectives of IMT-GT cooperation;
- JBC should ensure broad representation of the private sector;
- Build effective networks with information flow on IMT-GT projects and opportunities.

The IMT-GT Business Forum

- CIMT must have effective links with private sector from both within and outside the subregion;
- An IMT-GT Business Forum can be created to develop PPP for IMT-GT opportunities and projects;
- The IMT-GT Business Forum can be self-financing through subscription and fee-based services.

The Public Sector

- The institutional framework is large and sometimes cumbersome;
- Several standing committees and groups without clear delineation of roles and responsibilities;
- The demarcation of sector strategy, programme design, project analysis, implementation and monitoring and feedback has not been well defined.

MM & SOM

- MM and SOM perform critical functions in setting direction and ensuring smooth progress;
- SOM needs to be supported by a strong subregional secretariat with good analytical capabilities and the authority to monitor progress;
- MM and SOM should meet annually, with occasional ad-hoc retreats for brainstorming sessions.

National Secretariats

- In all cases, national secretariats are located close to central planning and coordination;
- Clarity in the role of national secretariats is desirable:
 - Technical advice and support,
 - Identifying programmes of strategic national importance,
 - Screening project ideas,
 - Providing inputs to SOM at national level.
- Resources and capacity must be provided to undertake these functions.

Working Groups

- Current roles are rather broad and not clearly defined;
- Progress is uncertain between meetings;
- Working Groups can be improved by:
 - Separating project identification & formulation from project implementation,
 - Creating project-based rather than sector-based implementation units.

Proposed revised structure

- A Sector Forum (once in two years) to discuss sector strategies and identify key programme areas;
- Project Formulation Groups (PFGs) to formulate detailed proposals;
- Project Implementation Teams (PITs) responsible for implementation;
- PFGs & PITs are disbanded when their work is done.

CIMT

- CIMT plays a central role. It requires a clear mandate, structure, and work flow;
- It must provide technical inputs to Sector Forums, SOM, PFGs and PITs;
- It must also have a clear and effective interface with the private sector, including the JBC;
- CIMT must be provided with resources to undertake this work.

Structure of CIMT

- Executive Board: two representatives from each country, one each from the public and private sector
- Board meets every six months to formulate an operational business plan based on direction from MM & SOM,
- CEO to be selected based on open recruitment and appointed by the Board,
- Staff to have strong analytical and administrative capabilities.

Mandate of CIMT

- Technical advisory arm to support informed policy decisions by SOM and MM;
- Focal point for subregional PPP;
- Information hub for programme activities and business opportunities;
- Focal point and clearing house for project proposals;
- Focal point for project implementation.

Operations of CIMT

- To be run as a professional business organization with open and competitive recruitment;
- Financed by pro-rata contributions from members countries, augmented by donor contributions and business support services;
- Reports to SOM through national secretariats and coordinates with provincial/state authorities and the private sector.