



ASSOCIATION OF SOUTHEAST ASIAN NATIONS

DECLARATION OF ASEAN CONCORD II (Bali Concord II)

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The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967.

The Member Countries of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

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Ten Nations One Community

Introduction

“An ASEAN Community shall be established comprising three pillars, namely political and security cooperation, economic cooperation, and socio-cultural cooperation that are closely intertwined and mutually reinforcing for the purpose of ensuring durable peace, stability and shared prosperity in the region.”

So declared the Leaders of the member countries of the Association of Southeast Asian Nations at their 9th Summit held in Bali on 7 October 2003.

It was in the same place where the first Declaration of ASEAN Concord (Bali Concord I) was adopted 27 years ago by the then five founding members of ASEAN.

The goals of Bali ConCORDs I and II are the same: peace, prosperity and regional identity building. But the circumstances are different. From its intra-regional preoccupation, ASEAN today actively interfaces with an increasingly globalizing world. Today's challenges and opportunities require a greater sense of urgency, dynamism and partnership.

The resolve to bring into being a regional community of Southeast Asian nations is ASEAN's response to the twofold challenges of broadening and deepening as a result of the expansion of ASEAN to ten member

countries on one hand and greater economic and security interdependence in the region and beyond on the other.

Therefore, the ASEAN member countries have reaffirmed their shared responsibility for achieving the said goals with a greater sense of community.

The Bali Concord II has called for the establishment of (a) the ASEAN Security Community to ensure that countries in the region live at peace with one another and with the world in a just, democratic and harmonious environment; (b) the ASEAN Economic Community to create a stable, prosperous and highly competitive economic region in which there is a free flow of goods, services, investment, capital, and greater mobility of professionals, talents and skilled labour; and (c) the ASEAN Socio-Cultural Community to promote a community of caring societies and foster regional identity.

To this end, the Leaders have adopted specific long-term plans of action for the ASEAN Security Community, ASEAN Economic Community (contained in *Recommendations of the High-Level Task Force on ASEAN Economic Integration*) and the ASEAN Socio-Cultural Community. These three plans of action are annexes to the Bali Concord II.

Declaration of ASEAN Concord II (Bali Concord II)

Bali, Indonesia, 7 October 2003

The Sultan of Brunei Darussalam, the Prime Minister of the Kingdom of Cambodia, the President of the Republic of Indonesia, the Prime Minister of the Lao People's Democratic Republic, the Prime Minister of Malaysia, the Prime Minister of the Union of Myanmar, the President of the Republic of the Philippines, the Prime Minister of the Republic of Singapore, the Prime Minister of the Kingdom of Thailand and the Prime Minister of the Socialist Republic of Viet Nam;

RECALLING the Declaration of ASEAN Concord adopted in this historic place of Bali, Indonesia in 1976, the Leaders of the Association of Southeast Asian Nations (ASEAN) expressed satisfaction with the overall progress made in the region;

NOTING in particular the expansion of ASEAN to ten countries in Southeast Asia, the deepening of regional economic integration and the impending accession to the Treaty of Amity and Cooperation (TAC) by States outside Southeast Asia;

CONSCIOUS of the need to further consolidate and enhance the achievements of ASEAN as a dynamic, resilient, and cohesive regional association for the well

being of its member states and people as well as the need to further strengthen the Association's guidelines in achieving a more coherent and clearer path for cooperation between and among them;

REAFFIRMING their commitment to the principles enshrined in the ASEAN Declaration (Bangkok, 1967), the Declaration on Zone of Peace, Freedom, and Neutrality (Kuala Lumpur, 1971), the Treaty of Amity and Cooperation in Southeast Asia (Bali, 1976), the Declaration of ASEAN Concord (Bali, 1976), and the Treaty on the Southeast Asia Nuclear Weapons Free Zone (Bangkok, 1995);

COGNIZANT that the future of ASEAN cooperation is guided by the ASEAN Vision 2020, the Hanoi Plan of Action (1999-2004), and its succeeding Plans of Action, the Initiative for ASEAN Integration (IAI), and the Roadmap for the Integration of ASEAN (RIA);

CONFIRMING further that ASEAN Member Countries share primary responsibility for strengthening the economic and social stability in the region and ensuring their peaceful and progressive national development, and that they are determined to ensure their stability and security from external interference in any form or manner in order to preserve their national interest in accordance with the ideals and aspirations of their peoples;

REAFFIRMING the fundamental importance of adhering to the principle of non-interference and consensus in ASEAN cooperation;

REITERATING that the Treaty of Amity and Cooperation in Southeast Asia (TAC) is an effective code of conduct for relations among governments and peoples;

RECOGNIZING that sustainable economic development requires a secure political environment based on a strong foundation of mutual interests generated by economic cooperation and political solidarity;

COGNIZANT of the interdependence of the ASEAN economies and the need for ASEAN member countries to adopt “Prosper Thy Neighbour” policies in order to ensure the long-term vibrancy and prosperity of the ASEAN region;

REITERATING the importance of rules-based multilateral trading system that is equitable and that contributes towards the pursuit of development;

REAFFIRMING that ASEAN is a concert of Southeast Asian nations, bonded together in partnership in dynamic development and in a community of caring societies, committed to upholding cultural diversity and social harmony;

DO HEREBY DECLARE THAT:

1. An ASEAN Community shall be established comprising three pillars, namely political and security cooperation, economic cooperation, and socio-cultural cooperation that are closely intertwined and mutually reinforcing for the purpose of ensuring durable peace, stability and shared prosperity in the region;

2. ASEAN shall continue its efforts to ensure closer and mutually beneficial integration among its member states and among their peoples, and to promote regional peace and stability, security, development and prosperity with a view to realizing an ASEAN Community that is open, dynamic and resilient;

3. ASEAN shall respond to the new dynamics within the respective ASEAN Member Countries and shall urgently and effectively address the challenge of translating ASEAN cultural diversities and different economic levels into equitable development opportunity and prosperity, in an environment of solidarity, regional resilience and harmony;

4. ASEAN shall nurture common values, such as habit of consultation to discuss political issues and the willingness to share information on matters of common concern, such as environmental degradation, maritime security cooperation, the enhancement of defense cooperation among ASEAN countries, develop a set of socio-political values and principles, and resolve to settle long-standing disputes through peaceful means;

5. The Treaty of Amity and Cooperation in Southeast Asia (TAC) is the key code of conduct governing relations between states and a diplomatic instrument for the promotion of peace and stability in the region;

6. The ASEAN Regional Forum (ARF) shall remain the primary forum in enhancing political and security cooperation in the Asia Pacific region, as well as the pivot in building peace and stability in the region. ASEAN

shall enhance its role in further advancing the stages of cooperation within the ARF to ensure the security of the Asia Pacific region;

7. ASEAN is committed to deepening and broadening its internal economic integration and linkages with the world economy to realize an ASEAN Economic Community through a bold, pragmatic and unified strategy;

8. ASEAN shall further build on the momentum already gained in the ASEAN+3 process so as to further draw synergies through broader and deeper cooperation in various areas;

9. ASEAN shall build upon opportunities for mutually beneficial regional integration arising from its existing initiatives and those with partners, through enhanced trade and investment links as well as through IAI process and the RIA;

10. ASEAN shall continue to foster a community of caring societies and promote a common regional identity;

DO HEREBY ADOPT:

The framework to achieve a dynamic, cohesive, resilient and integrated ASEAN Community:

A. ASEAN SECURITY COMMUNITY (ASC)

1. The ASEAN Security Community is envisaged to bring ASEAN's political and security cooperation to a higher plane to ensure that countries in the region live at peace

with one another and with the world at large in a just, democratic and harmonious environment. The ASEAN Security Community members shall rely exclusively on peaceful processes in the settlement of intra-regional differences and regard their security as fundamentally linked to one another and bound by geographic location, common vision and objectives.

2. The ASEAN Security Community, recognizing the sovereign right of the member countries to pursue their individual foreign policies and defense arrangements and taking into account the strong interconnections among political, economic and social realities, subscribes to the principle of comprehensive security as having broad political, economic, social and cultural aspects in consonance with the ASEAN Vision 2020 rather than to a defense pact, military alliance or a joint foreign policy.

3. ASEAN shall continue to promote regional solidarity and cooperation. Member Countries shall exercise their rights to lead their national existence free from outside interference in their internal affairs.

4. The ASEAN Security Community shall abide by the UN Charter and other principles of international law and uphold ASEAN's principles of non-interference, consensus-based decision-making, national and regional resilience, respect for national sovereignty, the renunciation of the threat or the use of force, and peaceful settlement of differences and disputes.

5. Maritime issues and concerns are transboundary in nature, and therefore shall be addressed regionally in holistic, integrated and comprehensive manner. Maritime

cooperation between and among ASEAN member countries shall contribute to the evolution of the ASEAN Security Community.

6. Existing ASEAN political instruments such as the Declaration on ZOPFAN, the TAC, and the SEANWFZ Treaty shall continue to play a pivotal role in the area of confidence building measures, preventive diplomacy and the approaches to conflict resolution.

7. The High Council of the TAC shall be the important component in the ASEAN Security Community since it reflects ASEAN's commitment to resolve all differences, disputes and conflicts peacefully.

8. The ASEAN Security Community shall contribute to further promoting peace and security in the wider Asia Pacific region and reflect ASEAN's determination to move forward at a pace comfortable to all. In this regard, the ARF shall remain the main forum for regional security dialogue, with ASEAN as the primary driving force.

9. The ASEAN Security Community is open and outward looking in respect of actively engaging ASEAN's friends and Dialogue Partners to promote peace and stability in the region, and shall build on the ARF to facilitate consultation and cooperation between ASEAN and its friends and Partners on regional security matters.

10. The ASEAN Security Community shall fully utilize the existing institutions and mechanisms within ASEAN with a view to strengthening national and regional capacities to counter terrorism, drug trafficking, trafficking in persons and other transnational crimes; and shall work

to ensure that the Southeast Asian Region remains free of all weapons of mass destruction. It shall enable ASEAN to demonstrate a greater capacity and responsibility of being the primary driving force of the ARF.

11. The ASEAN Security Community shall explore enhanced cooperation with the United Nations as well as other international and regional bodies for the maintenance of international peace and security.

12. ASEAN shall explore innovative ways to increase its security and establish modalities for the ASEAN Security Community, which include, *inter alia*, the following elements: norms-setting, conflict prevention, approaches to conflict resolution, and post-conflict peace building.

B. ASEAN ECONOMIC COMMUNITY (AEC)

1. The ASEAN Economic Community is the realisation of the end-goal of economic integration as outlined in the ASEAN Vision 2020, to create a stable, prosperous and highly competitive ASEAN economic region in which there is a free flow of goods, services, investment and a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities in year 2020.

2. The ASEAN Economic Community is based on a convergence of interests among ASEAN members to deepen and broaden economic integration efforts through existing and new initiatives with clear timelines.

3. The ASEAN Economic Community shall establish ASEAN as a single market and production base, turning the diversity that characterises the region into

opportunities for business complementation making the ASEAN a more dynamic and stronger segment of the global supply chain. ASEAN's strategy shall consist of the integration of ASEAN and enhancing ASEAN's economic competitiveness. In moving towards the ASEAN Economic Community, ASEAN shall, *inter alia*, institute new mechanisms and measures to strengthen the implementation of its existing economic initiatives including the ASEAN Free Trade Area (AFTA), ASEAN Framework Agreement on Services (AFAS) and ASEAN Investment Area (AIA); accelerate regional integration in the priority sectors; facilitate movement of business persons, skilled labour and talents; and strengthen the institutional mechanisms of ASEAN, including the improvement of the existing ASEAN Dispute Settlement Mechanism to ensure expeditious and legally binding resolution of any economic disputes. As a first step towards the realization of the ASEAN Economic Community, ASEAN shall implement the recommendations of the High Level Task Force on ASEAN Economic Integration as annexed.

4. The ASEAN Economic Community shall ensure that deepening and broadening integration of ASEAN shall be accompanied by technical and development cooperation in order to address the development divide and accelerate the economic integration of Cambodia, Lao PDR, Myanmar and Viet Nam through IAI and RIA so that the benefits of ASEAN integration are shared and enable all ASEAN Member Countries to move forward in a unified manner.

5. The realization of a fully integrated economic community requires implementation of both liberalization and cooperation measures. There is a need to enhance

cooperation and integration activities in other areas. These will involve, among others, human resources development and capacity building; recognition of educational qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement.

C. ASEAN SOCIO-CULTURAL COMMUNITY (ASCC)

1. The ASEAN Socio-cultural Community, in consonance with the goal set by ASEAN Vision 2020, envisages a Southeast Asia bonded together in partnership as a community of caring societies.

2. In line with the programme of action set by the 1976 Declaration of ASEAN Concord, the Community shall foster cooperation in social development aimed at raising the standard of living of disadvantaged groups and the rural population, and shall seek the active involvement of all sectors of society, in particular women, youth, and local communities.

3. ASEAN shall ensure that its work force shall be prepared for, and benefit from, economic integration by investing more resources for basic and higher education, training, science and technology development, job creation, and social protection. The development and enhancement of human resources is a key strategy for employment generation, alleviating poverty and socio-

economic disparities, and ensuring economic growth with equity. ASEAN shall continue existing efforts to promote regional mobility and mutual recognition of professional credentials, talents, and skills development.

4. ASEAN shall further intensify cooperation in the area of public health, including in the prevention and control of infectious diseases, such as HIV/AIDS and SARS, and support joint regional actions to increase access to affordable medicines. The security of the Community is enhanced when poverty and diseases are held in check, and the peoples of ASEAN are assured of adequate health care.

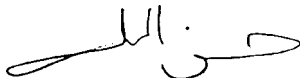
5. The Community shall nurture talent and promote interaction among ASEAN scholars, writers, artists and media practitioners to help preserve and promote ASEAN's diverse cultural heritage while fostering regional identity as well as cultivating people's awareness of ASEAN.

6. The Community shall intensify cooperation in addressing problems associated with population growth, unemployment, environmental degradation and transboundary pollution as well as disaster management in the region to enable individual members to fully realize their development potentials and to enhance the mutual ASEAN spirit.

We hereby pledge to our peoples our resolve and commitment to bring the ASEAN Community into reality and, for this purpose, task the concerned Ministers to implement this Declaration.

Done in Bali, Indonesia, on the Seventh Day of October
in the Year Two Thousand and Three.

For Brunei Darussalam



HAJI HASSANAL BOLKIAH
Sultan of Brunei Darussalam

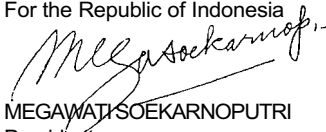
For the Kingdom of Cambodia



SAMDECH HUN SEN
Prime Minister


14

For the Republic of Indonesia



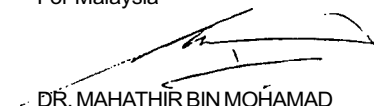
MEGAWATI SOEKARNOPUTRI
President

For the Lao People's Democratic Republic



BOUNNHANG VORACHITH
Prime Minister

For Malaysia



DR. MAHATHIR BIN MOHAMAD
Prime Minister

For the Union of Myanmar



GENERAL KEIR NYUNT
Prime Minister

For the Republic of the Philippines



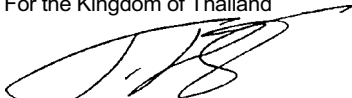
GLORIA MACAPAGAL ARROYO
President

For the Republic of Singapore



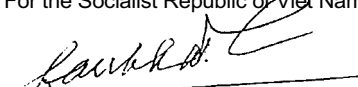
GOH CHOK TONG
Prime Minister

For the Kingdom of Thailand



DR. THAKSIN SHINAWATRA
Prime Minister

For the Socialist Republic of Viet Nam



PHAN VAN KHAI
Prime Minister

Recommendations of the High-Level Task Force on ASEAN Economic Integration

INTRODUCTION

1. The realization of a fully integrated economic community requires implementation of both liberalization and cooperation measures. The Task Force while focusing its recommendations relating to liberalization and facilitation measures in the area of trade in good, services and investment, acknowledges on the need to enhance cooperation and integration activities in other areas. These will involve among others, human resource development and capacity building; recognition of educational qualifications; closer consultations on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement.

ASEAN ECONOMIC COMMUNITY

2. As a step towards the realization of ASEAN Economic Community for trade in goods, services and investment, the HLTF took into account the experience of other Regional Trading Arrangements (RTAs),

ASEAN's own experience, the development perspective in ASEAN and also the views contained in the following documents:

- (i) ASEAN Vision 2020, the Hanoi Plan of Action (HPA), and RIA;
- (ii) ASEAN Competitiveness Study;
- (iii) ASEAN Economic Community: Concept Paper by ISEAS; and
- (iv) ASEAN ISIS: Towards an ASEAN Economic Community.

3. The HLTF is of the view that the elements of the AEC in the area of goods, services and investment have been elaborated in ASEAN Vision 2020, HPA and RIA, and recommends that the AEC should be:

- (i) The end-goal of economic integration as outlined in the ASEAN Vision 2020;
- (ii) Characterized as a single market and production base, with free flow of goods, services, investment and skilled labour, and freer flow of capital by 2020; and
- (iii) Approached on a progressive basis with clear timelines by strengthening existing initiatives and building new initiatives to enhance economic integration.

RECOMMENDATIONS

4. Recognizing that not all ASEAN member countries can meet the recommended deadlines, the HLTF recommends that flexibility be allowed in its implementation

to enable those member countries that are ready to proceed first.

I. Current Economic Cooperation Initiatives

5. The HLTF recommends that cooperation under the current economic initiatives be further strengthened in the following areas:

A. Trade in Goods

- (i) By end-2004, finalize the improvement to the CEPT Scheme Rules of Origin (ROO) by:
 - Making it more transparent, predictable and standardized and taking into account the best practices of other RTAs including the WTO ROO; and
 - Adopting substantial transformation as alternative criteria for conferring origin status.
- (ii) Ensure transparency on Non-Tariff Measures (NTMs) and eliminate those that are barriers to trade:
 - Establish ASEAN Database of NTMs by mid-2004;
 - Set clear criteria to identify measures that are classified as barriers to trade by mid-2005;
 - Set a clear and definitive work programme for the removal of the barriers by 2005; and
 - Adopt the WTO agreements on Technical Barriers to Trade; Sanitary and Phyto-Sanitary and Import Licensing Procedures and develop implementation guidelines appropriate for ASEAN by end-2004.

Customs

- (i) Ensure full implementation of the Green Lane system for CEPT products at entry points of all Member Countries by 2004;
- (ii) Adopt WTO agreement on Customs Valuation and develop implementation guidelines appropriate for ASEAN by end-2004;
- (iii) Adopt service commitment (client charter) by ASEAN customs authorities; and
- (iv) Adopt the Single Window approach including the electronic processing of trade documents at national and regional level.

Standards

- (i) Accelerate the completion and implementation of the Mutual Recognition Arrangements (MRAs) for the five identified priority sectors (electrical and electronic equipment, cosmetics, pharmaceuticals, telecommunications equipment and prepared foodstuff) within 2004/2005; and other sectors with significant potential for trade;
- (ii) Set specific targets for the harmonization of standards and technical regulations to trade focusing on sectors with significant trade value and those with potential for trade in the future; and
- (iii) Develop ASEAN technical regulations, where possible, for national applications.

B. Trade in Services

- (i) Set clear targets and schedules of services liberalization for each sector and each round towards

achieving free flow of trade in services; and AEM to provide specific mandate in every round of services negotiations. The end date to achieve free flow of trade in services earlier than 2020;

- (ii) Accelerate services liberalization in specific sectors earlier than end-date by countries which are ready, through the application of the ASEAN-X formula;
- (iii) Complete MRAs for qualifications in major professional services by 2008 to facilitate free movement of professional/skilled labor/talents in ASEAN;
- (iv) Promote the use of ASEAN professional services through the establishment of a "Professional Exchange" by 2008;
- (v) Recognise the AEM as the coordinator for services liberalization across all sectors; and
- (vi) Each country to be represented by senior officials who are authorized to negotiate on behalf of the government.

C. Investment

- (i) Speed up the opening of sectors currently in the sensitive list to TEL, using the ASEAN-X formula, beginning 2004;
- (ii) Encourage and promote companies to relocate within ASEAN and where appropriate, special incentives should be given;
- (iii) Institute a mechanism to monitor the specific activities and timelines undertaken by each country vis-à-vis their submitted planned actions/activities on annual basis;

- (iv) Establish a network of ASEAN free trade zones (FTZs) so that companies could structure their manufacturing processes across different ASEAN countries to take advantage of their comparative strengths; and in the process increase intra-ASEAN trade and investment. Special marketing efforts should be undertaken for ASEAN-based companies; and
- (v) Undertake more effective joint ASEAN facilitation and promotion measures and develop new sources of inward FDI, particularly from potential countries such as China, India and ROK.

D. Intellectual Property Rights (IPRs)

6. ASEAN IPR cooperation beyond trademarks and patents by including cooperation in copyrights information exchange and enforcement by 2004.

E. Capital Mobility

7. To facilitate trade and investment flows, expedite the implementation of the Roadmap for Integration of ASEAN in Finance.

II. NEW INITIATIVES AND MEASURES

Priority Integration Sectors

8. The Special Informal AEM agreed to accelerate 11 priority sectors for integration to be coordinated by the following countries:

- (i) Indonesia: Wood-Based Products and Automotives;

- (ii) Malaysia: Rubber-Based Products; Textiles and Apparels;
- (iii) Myanmar: Agro-Based Products and Fisheries;
- (iv) Philippines: Electronics;
- (v) Singapore: e-ASEAN and Healthcare; and
- (vi) Thailand: Air Travel and Tourism

9. The approach recommended for the integration of these priority sectors be premised on:

- (i) Combine the economic strengths of ASEAN Member Countries for regional advantage;
- (ii) Facilitate and promote intra-ASEAN investments;
- (iii) Improve the condition to attract and retain manufacturing and other economic activities within the region;
- (iv) Promote out-sourcing programme within ASEAN; and
- (v) Promote the development of “Made in ASEAN” products and services.

10. Roadmap should be developed for each of the priority sectors and be implemented with the active involvement of the private sector, beginning 2004.

11. Possible measures proposed for the goods sector:

- (i) Zero internal tariffs;
- (ii) Immediate removal of barriers to trade;
- (ii) Faster customs clearance and simplified customs procedures; and

- (iii) Accelerated development of MRAs and harmonization of products standards and technical regulations.

12. Integration of services sectors be implemented through:

- (i) Accelerated liberalization of these priority sectors by 2010;
- (ii) Accelerated development of MRAs; and
- (iii) Promote joint ventures and cooperation, including in third country markets.

13. Facilitate mobility of business people and tourists through:

- (i) Visa exemption for intra-ASEAN travel by ASEAN nationals by 2005
- (ii) Harmonizing the procedures for issuing visas to international travelers in ASEAN by 2004; and
- (iii) Developing ASEAN agreement to facilitate movement of business persons and skilled labour and talents by 2005.

III. INSTITUTIONAL STRENGTHENING

14. To streamline the decision-making process and ensure effective implementation of all ASEAN economic initiatives, the following measures are recommended:

- (i) Re-affirm the AEM as the coordinator of all ASEAN economic integration and cooperation issues;

- (ii) Issues of policy in nature to be resolved by AEM/ AFTA Council/AIA Council;
- (iii) Technical/operational issues to be resolved by SEOM and the various committees/working groups;
- (iv) Decision-making process by economic bodies to be made by consensus, and where there is no consensus, ASEAN to consider other options with the objective of expediting the decision-making process.
- (v) By end-2004, establish an effective system to ensure proper implementation of all economic agreements and expeditious resolution of any disputes. The new system should provide for advisory, consultative, and adjudicatory mechanisms as follows:
 - Establish a legal unit within the ASEAN Secretariat;
(Advisory - the legal unit will provide legal advice on trade disputes)
 - Establish the ASEAN Consultation to Solve Trade and Investment Issues (ACT);
(Consultative - the ACT is the ASEAN equivalent of the EU SOLVIT mechanism to provide quick resolution to operational problems)
 - Establish the ASEAN Compliance Body (ACB); and
(Adjudication - modeled after the WTO Textile Monitoring Body and make use of peer pressure)
 - Enhanced ASEAN DSM to make it more practical.
(Adjudication – amend the ASEAN DSM to ensure expeditious and legally binding decision in resolving trade disputes)

The proposed concept, elements and flow chart of the new system appear as **ANNEX 1**.

- (vi) Enhance the capability of the ASEAN Secretariat to conduct research and analytical studies related to trade, investment and finance.

IV. OUTREACH

15. To promote better appreciation and understanding of ASEAN economic issues among business/investor community and public sector agencies, the HLTF recommends the following:

- (i) Conduct out-reach programmes annually at both national and regional level; and
- (ii) Consult regularly with private sector representatives at national and regional level to address issues of concern/interest relating to the implementation of ASEAN economic initiatives.

V. DEVELOPMENT AND TECHNICAL COOPERATION

16. The recommendations to address the development divide and accelerate economic integration of CLMV:

- (i) Expand the coverage of the AISP products; and
- (ii) Implement IAI projects through mobilization of resources from within ASEAN.

CONCLUSION

17. The HLTF recommends that a review be made after one year of its implementation and the Secretary General of ASEAN to submit an annual progress report of its implementation to the AEM.

Annex 1

MECHANISM OF THE DISPUTE SETTLEMENT SYSTEM

ADVISORY MECHANISM

ASEAN Consultation to Solve Trade and Investment Issues (ACT)

- (i) The ACT is adapted from the EU SOLVIT mechanism. It is a network of government agencies (one from each country) to allow the private sector to cut through red tape and achieve speedy resolution of operational problems encountered, thus helping to create a pro-business environment in ASEAN.
- (ii) Private individuals and businesses faced with operational problems related to countries' ASEAN commitments, either at home or in other ASEAN countries, can highlight these problems to the ACT in their country (Host ACT). For problems encountered within the home country, the Host ACT will direct the problem to the appropriate government agencies, and ensure that a proposed solution is sent to the individuals/businesses within 30 calendar days.
- (iii) For problems encountered in other ASEAN countries, the Host ACT will forward the problem to the other countries' ACT (Lead ACT). The Lead ACT will be responsible for directing the problem to the appropriate government agencies in its country, and

ensuring that a proposed solution is sent to the individuals/businesses via the Host ACT within 30 calendar days. To minimise delays, communication between Host and Lead ACTs should be via electronic means, for instance an online database accessible to all member countries.

- (iv) If the proposed solution does not resolve the problem highlighted, the private individuals/businesses can request that their government raise this issue to the other dispute settlement mechanisms described below.

ASEAN Legal Unit

- (i) The ASEAN Legal Unit will be staffed by qualified lawyers specialising in trade laws employed by the ASEAN Secretariat. The unit will offer legal interpretation/ advice on potential trade dispute issues upon request from countries. The advice is purely advisory and non-binding in nature.
- (ii) The ASEAN Legal Unit would play a useful role in screening out issues that are operational/technical in nature which could be resolved through bilateral consultations, rather than being surfaced to the ASEAN Compliance Monitoring Body or the Enhanced ASEAN Dispute Settlement Mechanism. The ASEAN Legal Unit will also be responsible for providing legal advice and secretariat support to the ASEAN Compliance Monitoring Body and enhanced ASEAN Dispute Settlement Mechanism.

CONSULTATIVE MECHANISM

ASEAN Compliance Monitoring Body (ACMB)

- (i) The ACMB is modelled after the Textile Monitoring Body of the WTO, and makes use of peer adjudication, which is less legalistic and offers a speedier channel, to help countries resolve their disputes.
- (ii) In cases of non-compliance by one or more ASEAN Member Country/Countries in any ASEAN economic integration agreement, ACMB members from countries not involved in the dispute will upon request, review and issue findings on the case within a stipulated timeframe. The case findings of the ACMB are not legally-binding. However, any opinion pointing to non-compliance should lead to the offending ASEAN Member Country/Countries to seriously consider measures to rectify the non-compliance. Moreover the ACMB's findings would be tabled as inputs to the DSM should the case be raised to the DSM.
- (iii) Subject to agreement by both Parties, Member Countries who do not wish to avail of the ACMB after going through the ACT can go directly to the ASEAN DSM panel.
- (iv) AEM had earlier directed SEOM to work out a Terms of Reference for this monitoring body.

Conciliation and mediation processes

- (i) Upon mutual voluntary agreement, member countries can at any time, engage in conciliation and mediation

procedures to resolve their dispute before it is surfaced for adjudication at the enhanced ASEAN Dispute Settlement Mechanism.

- (ii) Proceedings under these conciliation and mediation procedures, including respective positions taken by parties to the dispute during the proceedings, shall be confidential.
- (iii) The ASEAN Secretary General may, acting in an ex officio capacity, offer good offices, conciliation and mediation procedures.

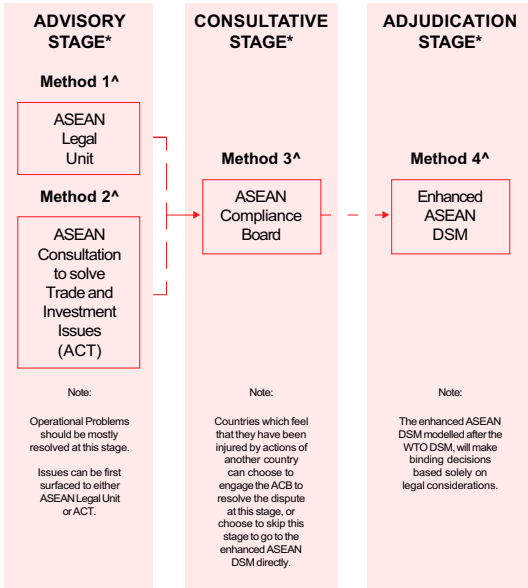
ENFORCEMENT MECHANISM

Enhanced ASEAN Dispute Settlement Mechanism (DSM)

- (i) To ensure that binding decisions can be made based solely on legal considerations, changes should be made to the procedures of the existing ASEAN DSM to depoliticise the entire process.
- (ii) The enhanced ASEAN DSM would be modeled after the WTO DSM, which have already established a proven track record in resolving trade disputes. It would include the following key features: (i) having panels of three independent professionals from countries not involved in the disputes (including non-ASEAN countries) to rule on the disputes and administer the appellate process. To ensure depoliticisation of the processes, ASEAN should replace the AEM with an appellate body comprising of well-qualified, independent and experienced professionals as the appeal body for the panels' decisions, and

adopt the existing WTO DSM panel selection procedures, including the listing of qualified individuals who can serve as panelists and members of the appellate body (maintained by the WTO Secretariat); (ii) strict and detailed procedures and timeline governing each stage of the dispute settlement process (adopted from the WTO DSM procedure) to ensure speedy progress towards a fair outcome, and (iii) effective mechanisms, including the possibility of imposing sanctions on non-compliant countries, to ensure full implementation of the DSM rulings.

Flowchart of Mechanisms and Processes of the ASEAN Dispute Settlement System



NOTE:

* While resolution of disputes should generally advance from the advisory stage to the consultative stage, and finally the adjudication stage as shown in the flowchart, this is not mandatory. Countries may choose to make use of the appropriate mechanisms as they wish.

[^] Countries do not need to go through the four methods sequentially. After surfacing the issue at either the ASEAN Legal Unit or ACT, they can either go to the ACB or proceed directly to the enhanced ASEAN DSM.

- Upon mutual agreement, involved countries should engage in consultations or avail themselves of the good offices of the ASEAN Secretary-General to engage in concurrent conciliation and mediation processes at any stage.

ASEAN Security Community Plan of Action

Vientiane, Lao PDR, 29 November 2004

INTRODUCTION

Leaders at the Ninth ASEAN Summit in Bali adopted the Declaration of ASEAN Concord II (Bali Concord II), which stipulated the establishment of an ASEAN Community resting on three pillars: an ASEAN Security Community, an ASEAN Economic Community and an ASEAN Socio-Cultural Community.

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These three pillars shall be developed and implemented in a parallel and balanced manner.

Recognising the strong interconnections among political, economic and social realities, the ASEAN Security Community acknowledges the principle of comprehensive security, and commits to address the broad political, economic, social and cultural aspects of building an ASEAN Community. It is also acknowledged that political and social stability, economic prosperity, narrowed development gap, poverty alleviation and reduction of social disparity would constitute strong foundation for a sustained ASC given its subscription to the principle of comprehensive security.

The realisation of an ASEAN Security Community would ensure that countries in the region live at peace with one

another and with the world at large in a just, democratic and harmonious environment. The ASC would be based on shared norms and rules of good conduct in interstate relations; effective conflict prevention and resolution mechanisms; and post-conflict peace building activities.

The ASC promotes an ASEAN-wide political and security cooperation in consonance with the ASEAN Vision 2020 rather than a defence pact, military alliance or a joint foreign policy. The ASC Plan of Action is mutually-reinforcing with bilateral cooperation between ASEAN Member Countries while recognising the sovereign rights of the Member Countries to pursue their individual foreign policies and defence arrangements. In addressing future security challenges, ASEAN Member Countries share the responsibility for strengthening peace, stability and security of the region free from foreign military interference in any form or manifestation.

The ASC shall contribute to the further promotion of peace and security in the wider Asia Pacific region. In this regard, the ASC is open and outward looking, engaging ASEAN's friends and Dialogue Partners to promote peace and stability in the region. The ASC will reflect ASEAN's determination to move forward the stages of ASEAN Regional Forum (ARF) at a pace comfortable to all. In this regard, the ASC will strengthen ASEAN's role as the driving force in the ARF.

Since its inception in 1967, ASEAN has developed confidence and maturity to address issues of common concern as one ASEAN family. The ASC process shall therefore be progressive. This process shall be guided by well-established principles of non-interference,

consensus based decision-making, national and regional resilience, respect for the national sovereignty, the renunciation of the threat or the use of force, and peaceful settlement of differences and disputes which have served as the foundation of ASEAN cooperation. ASEAN shall strengthen existing initiatives, launch new ones and set appropriate implementation frameworks.

The ASC upholds the existing ASEAN political instruments such as the Declaration on ZOPFAN, the TAC and the SEANWFZ Treaty, which shall play a pivotal role in the area of confidence building measures, preventive diplomacy and the approaches to conflict resolution. It shall abide by the UN Charter and other principles of international law.

ASEAN shall explore innovative ways to implement the Plan of Action which comprises six components, but not limited to, as follows: political development, shaping and sharing of norms, conflict prevention, conflict resolution, post-conflict peace building, and implementing mechanisms. A list of areas of activities, which is non-exhaustive, is provided to ensure a coordinated process of cooperation towards an ASEAN Security Community.

I. POLITICAL DEVELOPMENT

One of the main objectives of the ASEAN Security Community as envisaged in the Bali Concord II is to bring ASEAN's political and security cooperation to a higher plane.

In working towards this objective, ASEAN Member Countries shall promote political development in support of ASEAN Leaders' shared vision and common values to achieve peace, stability, democracy and prosperity in the region. This is the highest political commitment that would serve as the basis for ASEAN political cooperation. In order to better respond to the new dynamics within the respective ASEAN Member Countries, ASEAN shall nurture such common socio-political values and principles. In this context, ASEAN Member Countries shall not condone unconstitutional and undemocratic changes of government or the use of their territory for any actions undermining peace, security and stability of other ASEAN Member Countries.

A conducive political environment will ensure continued peace, security and stability in the region, in which Member Countries shall rely exclusively on peaceful processes in settling intra-regional differences and disputes and consider their individual security as fundamentally linked together and bound by geographic location, common vision and objectives.

II. SHAPING AND SHARING OF NORMS

Shaping and sharing of norms aim at achieving a standard of common adherence to norms of good conduct among members of the ASEAN Community; consolidating and strengthening ASEAN's solidarity, cohesiveness and harmony (the "we feeling"); and contributing to the building of a democratic, tolerant, participatory and transparent community in Southeast Asia.

These norms setting activities shall adhere to the following fundamental principles:

1. Non-alignment;
2. Fostering of peace-oriented attitudes of ASEAN Member Countries;
3. Conflict resolution through non-violent means;
4. Renunciation of nuclear weapons and other weapons of mass destruction and avoidance of arms race in Southeast Asia; and
5. Renunciation of the threat or the use of force.

ASEAN Member Countries shall therefore engage in such activities as strengthening the ASEAN Declaration of 1967, the ZOPFAN, the TAC and the SEANWFZ regimes, developing regional legal frameworks, and establishing a Code of Conduct in the South China Sea.

III. CONFLICT PREVENTION

Based on the principles contained in the TAC, which is the key code of conduct governing relations between states and diplomatic instrument for the promotion of peace, security and stability in the region, the objectives of conflict prevention shall be:

1. To strengthen confidence and trust within the Community;
2. To mitigate tensions and prevent disputes from arising between or among member countries as well as between Member Countries and non-ASEAN countries; and
3. To prevent the escalation of existing disputes.

ASEAN Member Countries shall enhance security cooperation by strengthening confidence building measures; carrying out preventive diplomacy; resolving outstanding regional issues; as well as enhancing cooperation on non-traditional security issues.

IV. CONFLICT RESOLUTION

It is essential that any disputes and conflicts involving ASEAN Member Countries be resolved in a peaceful way and in the spirit of promoting peace, security and stability in the region. While continuing to use national, bilateral and international mechanisms, ASEAN Member Countries shall endeavour to use the existing regional dispute settlement mechanisms and processes in the political and security areas and work towards innovative modalities including arrangements to maintain regional peace and security so as to better serve theirs as well as collective interests of all members for peace and security.

V. POST-CONFLICT PEACE BUILDING

Post-conflict peace building seeks to create the conditions necessary for a sustainable peace in conflict-torn areas and to prevent the resurgence of conflict. It is a process involving broad-based inter-agency cooperation and coordination across a wide range of issues. ASEAN activities related to post-conflict peace building shall include the establishment of appropriate mechanisms and mobilisation of resources. As an ASEAN family, members should assist each other in post-conflict peace building efforts, such as humanitarian relief assistance, reconstruction and rehabilitation.

VI. IMPLEMENTING MECHANISMS

To ensure the effective implementation of this Plan of Action, the following measures will be undertaken:

1. The AMM shall take necessary follow-up measures to implement this Plan of Action including consultation and coordination with other relevant ASEAN ministerial bodies; to set up ad-hoc groups as appropriate; and to report annually the progress of implementation to the ASEAN Summit; as well as to introduce new measures and activities to strengthen the ASEAN Security Community as appropriate;
2. The AMM shall undertake overall review of progress of this Plan of Action. The AMM shall inscribe permanently an agenda item entitled "Implementation of the ASC Plan of Action" in the agenda of its meetings; and
3. The Secretary-General of ASEAN shall assist the ASEAN Chair in monitoring and reviewing the progress of implementation of this Plan of Action.

VII. AREAS OF ACTIVITIES

To realise the ASEAN Security Community by 2020, ASEAN shall endeavour to work towards the implementation of the areas of activities in the following **Annex**. It is acknowledged that some of these activities are already ongoing and at various stages of implementation. Additional activities could also be implemented in the future. ASEAN will make every effort to promptly carry out activities which gain consensus support.

Annex

ASEAN SECURITY COMMUNITY

SPECIFIC ACTIVITIES

I. Political Development

1. Promotion of a just, democratic and harmonious environment :
 - a. Strengthening democratic institutions and popular participation;
 - b. Promoting understanding and appreciation of political system, culture and history of ASEAN Member Countries;
 - c. Strengthening the rule of law and judiciary systems, legal infrastructure and capacity building;
 - d. Promoting free flow of information among and within ASEAN Member Countries;
 - e. Enhancing good governance in public and private sectors;
 - f. Strengthening effective and efficient civil services; and
 - g. Preventing and combating corruption.

2. Promotion of human rights and obligations:
 - a. Establishing a network among existing human rights mechanisms;

- b. Protecting vulnerable groups including women, children, people with disabilities, and migrant workers; and
 - c. Promoting education and public awareness on human rights.
3. Promotion of people-to-people contacts:
- a. Encouraging the role of ASEAN Inter-Parliamentary Organisation (AIPO) in political and security cooperation;
 - b. Promoting public participation and the contribution of the ASEAN People's Assembly (APA) to the ASEAN community building;
 - c. Strengthening the role of the ASEAN Foundation;
 - d. Encouraging the contribution of ASEAN-ISIS to political development;
 - e. Strengthening the role of the ASEAN Business Advisory Council (ABAC); and
 - f. Supporting the activities of the ASEAN University Network.

II. Shaping and Sharing of Norms

1. Strengthening the TAC regime:
- a. Accession to the TAC by non-ASEAN countries; and
 - b. Periodic assessment of the implementation of the TAC and exploration of ways and means for its effective implementation.

2. Working towards development of an ASEAN Charter which will *inter alia* reaffirm ASEAN's goals and principles in inter-state relations, in particular the collective responsibilities of all ASEAN Member Countries in ensuring non-aggression and respect for each other's sovereignty and territorial integrity; the promotion and protection of human rights; the maintenance of political stability, regional peace and economic progress; and the establishment of effective and efficient institutional framework for ASEAN.
3. Resolving all outstanding issues to ensure early signing of the Nuclear Weapon States to the Protocol to the SEANWFZ Treaty.
4. ASEAN Treaty on Mutual Legal Assistance (MLA) Agreement:
 - a. Compilation of existing bilateral MLA Agreements among ASEAN Member Countries and between ASEAN and other countries;
 - b. Identification of issues relating to the establishment of an ASEAN MLA Agreement; and
 - c. Conclusion of ASEAN MLA Agreement.
5. ASEAN Extradition Treaty as envisaged by the 1976 Declaration of ASEAN Concord:
 - a. Identification of ASEAN political decisions to establish Extradition Treaty and bilateral Extradition Treaties between ASEAN Member Countries; and

- b. Establishment of a working group on ASEAN Extradition Treaty under the purview of ASEAN Senior Law Officials Meeting (ASLOM).
6. Ensuring the implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC) through, *inter alia*:
 - a. Establishing an ASEAN–China Working Group on the Implementation of the DOC;
 - b. Establishing a review mechanism on the implementation of the DOC; and
 - c. Working towards the adoption of the Code of Conduct in South China Sea (COC).
7. ASEAN Convention on Counter Terrorism:
 - a. Identification and analysis or assessment of documents and relevant instruments related to counter terrorism;
 - b. Working towards accession to and ratification of the relevant UN conventions on counter terrorism; and
 - c. Preparation, negotiation and conclusion of an ASEAN convention on counter terrorism.

III. Conflict Prevention

1. Strengthening Confidence Building Measures:
 - a. Organising and conducting regional military exchanges among high-ranking officials, military academies, and staff colleges of ASEAN Member

Countries, apart from increasing bilateral visits and exchanges;

- b. Periodic publication of strategic assessments on the security environment, defence policies, and other security issues, such as Defence White Papers and equivalent documents;
 - c. Working towards convening of an annual ASEAN Defence Ministers Meeting (ADMM);
 - d. Promoting exchange of observers at military exercises;
 - e. Establishment of an ASEAN Arms Register to be administered by the ASEAN Secretariat, in line with a similar activity being conducted in the ARF;
 - f. Utilising military and civilian personnel in disaster relief operation;
 - g. Promotion of civil-military relations; and
 - h. Exploring joint development and sharing of resources.
2. Strengthening Preventive Measures:
- a. Publishing an ASEAN Members Annual Security Outlook;
 - b. Voluntary briefing by ASEAN Member Countries on national security issues; and
 - c. Developing an ASEAN early warning system based on existing mechanisms to prevent occurrence/escalation of conflicts.

3. Strengthening the ARF process in support of the ASEAN Security Community:
 - a. ARF Unit within the ASEAN Secretariat;
 - b. Enhanced role of the ARF Chair;
 - c. Strengthening ASEAN's role in addressing the four overlapping issues of CBMs and Preventive Diplomacy (Enhanced role of the ARF Chair, Annual Security Outlook, Register of Experts/Eminent Persons, Voluntary Briefing on Regional Issues); and
 - d. Moving the ARF to the preventive diplomacy stage and beyond (implementation of the Concept Paper on Preventive Diplomacy, establishment of an Intersessional Support Group on Preventive Diplomacy).
4. Enhancing cooperation on non-traditional security issues:
 - a. Combating transnational crimes and other trans-boundary problems, including money laundering, illegal migration, smuggling and illegal trade of natural resources, trafficking in persons, drugs and precursors, as well as communicable diseases;
 - b. Promoting ASEAN maritime security cooperation;
 - c. Strengthening law enforcement cooperation; and
 - d. Promoting cooperation on environmental issues including haze, pollution and floods.
5. Strengthening efforts in maintaining respect for territorial integrity, sovereignty and unity of Member

Countries as stipulated in the Declaration on Principles of International Law Concerning Friendly Relations and Cooperation among States in Accordance with the Charter of the United Nations:

- a. Strengthening cooperation on the state's obligation not to intervene in the affairs of other neighbouring states, including refraining from the use of military, political, economic or other form of coercion aimed against the political independence or territorial integrity of other neighbouring states;
 - b. Enhancing cooperation among ASEAN Member Countries to prevent the organisation, instigation, assistance and participation in terrorist acts in other neighbouring ASEAN Member Countries;
 - c. Preventing the use of territory of any ASEAN Member Country as base for any activities against security and stability of neighbouring ASEAN Member Countries; and
 - d. Strengthening cooperation to address subversive and insurgency activities aimed at neighbouring ASEAN Member Countries.
6. Strengthening cooperation to address threats and challenges posed by separatism.

IV. Conflict Resolution

1. Strengthening Dispute Settlement Mechanisms:
 - a. The use of existing modes of pacific settlement of disputes such as negotiations and consultations, good offices, conciliation and

mediation by all ASEAN Member Countries, or use of the High Council of the TAC as a preferred option; and

- b. If the High Council so requires, it may establish on an *ad hoc* basis an Experts Advisory Committee (EAC) or an Eminent Persons Group (EPG), which may extend assistance to the High Council to provide advice or counsel on the settlement of disputes upon request, in accordance with the Rules of Procedure of the High Council of TAC.
2. Developing regional cooperation for maintenance of peace and stability:
 - a. Promoting technical cooperation with the UN and relevant regional organisations in order to benefit from their expertise and experiences;
 - b. Establishing/assigning national focal points for regional cooperation for maintenance of peace and stability;
 - c. Utilisation of national peace keeping centres which currently exist, or are being planned, in some ASEAN Member Countries to establish regional arrangement for the maintenance of peace and stability; and
 - d. Establishing a network among existing ASEAN Member Countries' peace keeping centres to conduct joint planning, training, and sharing of experiences, with a view to establishing an ASEAN arrangement for the maintenance of peace and stability.

3. Developing Supporting Initiatives:
 - a. Promoting exchange and cooperation among ASEAN centres of excellence on peace, and conflict management and resolution studies; and
 - b. Considering the establishment of an ASEAN Institute for Peace and Reconciliation.

V. Post-conflict Peace Building

1. Strengthening ASEAN humanitarian assistance:
 - a. Providing safe havens in conflict areas;
 - b. Ensuring the delivery of basic services or assistance to victims of conflict;
 - c. Orderly repatriation of refugees/displaced persons and resettlement of internally displaced persons;
 - d. Ensuring safety of humanitarian relief assistance workers;
 - e. Promoting the role of humanitarian relief assistance organisations;
 - f. Considering the establishment of an ASEAN Humanitarian Assistance Centre; and
 - g. Intensifying cooperation with the United Nations and other organisations/donor countries.
2. Developing cooperation in post-conflict reconstruction and rehabilitation in affected areas by:
 - a. Undertaking human resources development and capacity building;

- b. Assisting in institutional building and promoting popular participation;
 - c. Reducing inter-communal tensions through educational exchanges and curriculum reform; and
 - d. Increasing cooperation in reconciliation and promotion of a culture of peace.
3. Establishing a mechanism to mobilise necessary resources to facilitate post-conflict peace building (e.g. a Stability Fund), including through cooperation with donor countries and international institutions.

The ASEAN Socio-Cultural Community (ASCC) Plan of Action

Vientiane, Lao PDR, 29 November 2004

INTRODUCTION

The Vision of an ASEAN Socio-Cultural Community

1. Embedded in ASEAN Vision 2020, Declaration of ASEAN Concord I (1976), Declaration of ASEAN Concord II (2003) and the Hanoi Plan of Action (HPA) is ASEAN's goal of a community of cohesive, equitable and harmonious societies, bound together in solidarity for deeper understanding and cooperation. Its key features are:

- Equitable access to opportunities will be universal — rising above the barriers of religion, race, language, gender and social and cultural background;
- Human potentials are nurtured to the fullest, so that all individuals can participate meaningfully in a competitive world in a manner that gives paramount importance to their welfare and dignity;
- Norms of social and distributive justice are upheld by addressing issues of poverty and equity, and special care is given to vulnerable groups — children, youth, women, the elderly, and persons with

disabilities — who could be the subject of abuse, neglect and discrimination;

- The environment and natural resources are protected and managed to sustain development and as a legacy for future generations;
- Civil society is engaged in providing inputs for policy choices;
- People are healthy in mind and body and living in harmony in safe environments; and
- ASEAN citizens interact in a community conscious of its ties of history, aware of its cultural heritage and bound by a common regional identity.

The Imperatives of the ASEAN Socio-Cultural Community

2. The ASCC reflects ASEAN's social agenda that is focused on poverty eradication and human development. It is linked inextricably with the economic and security pillars of the ASEAN Community. Social inequities can threaten economic development and in turn undermine political regimes. Economic instability can exacerbate poverty, unemployment, hunger, illness and disease. Social instability can emerge from environmental scarcity or the inequitable distribution among stakeholders of the use of environmental assets. Failure to address these critical and persistent social issues can further cause both economic and political dislocations.

3. The ASCC will evolve amidst profound changes that are taking place in ASEAN's social landscape. These include: (i) the rise of consumerism and lifestyle changes

resulting from rapid economic growth; (ii) increased personal mobility resulting from advances in infrastructure and more open regimes; (iii) transformation of the family roles and structures, with implications on the care of children and the elderly; (iv) the potential of information technology to enhance the speed and quality of learning and development of human skills, thus narrowing the digital divide; (v) the rapid pace of urbanisation and its impact on employment and the delivery of basic services; (vi) shifts in the labour market resulting from economic integration; and (vii) unsustainable exploitation of natural resources in the process of meeting developmental needs.

The ASEAN Socio-Cultural Community Plan of Action

4. This ASCC Plan of Action (PoA) will have four core elements:

- **Building a community of caring societies** to address issues of poverty, equity and human development;
- **Managing the social impact of economic integration** by building a competitive human resource base and adequate systems of social protection;
- **Enhancing environmental sustainability** and sound environmental governance; and
- **Strengthening the foundations of regional social cohesion** towards an ASEAN Community in 2020.

Building a Community of Caring Societies

5. Poverty alleviation, equity and human development lie at the very core of a strong and resilient ASEAN Socio-Cultural Community. Poverty reduction is fundamental to the development of the human potential, allowing people to participate fully in the mainstream of economic life and contribute to society. A community of caring societies in ASEAN can enhance the potential for production, consumption and wealth creation, thus ensuring the benefits from economic integration. ASEAN Member Countries will therefore strive, individually and collectively, to build caring societies concerned with, committed to, and capable of addressing fundamental issues of poverty, equity and human development. Governments, private sector and civil society will work in partnership to address these concerns.

6. Under the ASCC PoA, the goal of building an ASEAN community of caring societies will address the following concerns:

- Accelerating the goal of poverty reduction within the framework of the Millennium Development Goals (MDGs);
- Facilitating universal access to education for increased employability, good citizenship, and as a means of empowerment and life-long learning;
- Promoting the welfare of children by safeguarding their rights, ensuring their survival and full development, and protecting them from abuse, neglect and violence;

- Promoting improved standards and access to education through networking and institutional collaboration, using existing regional bodies;
- Enabling youth to have a better future by developing their leadership skills, entrepreneurship, and technical and vocational abilities;
- Promoting equitable participation of women in the development process by eliminating all forms of discrimination against them;
- Ensuring that the elderly are adequately cared for by promoting community-based support systems to supplement the role of the family as primary caregiver;
- Augmenting and supporting the efforts of sectoral bodies to prevent and combat human trafficking, particularly in women and children, through comprehensive policies and measures;
- Strengthening the system of social welfare through the enhancement of national capacities in responding to emerging social issues;
- Promoting health and nutrition, including through advocacy on health-related issues and healthy lifestyles;
- Preventing the spread of HIV/AIDS and other infectious diseases (including SARS and Avian influenza) through, among others, sharing of experiences and best practices and systems of surveillance;
- Ensuring access to safe, quality and affordable medicines by building ASEAN capacity and competitiveness in pharmaceutical as well as

traditional medicines and complementary and alternative medicines;

- Enhancing food security and safety as a fundamental requirement of human security;
- Ensuring a drug-free ASEAN by 2015 through community-based drug prevention, treatment and control of drug abuse in parallel with eliminating drug-trafficking and illicit drug supply through law enforcement and alternative development for the sustainability of drug control; and
- Promoting a culture of science and technology and enhancing cooperation in the utilisation of appropriate applied science and technology in socio-economic activities to improve social well-being;
- Establishing efficient and well-functioning regional mechanisms for disaster prevention and relief that are fully compatible with global disaster management systems.

Managing the Social Impact of Economic Integration

7. ASEAN Member Countries, as a community of caring societies, are committed individually and collectively, to address the impact of economic integration to minimise its social costs and ensure its benefits. Domestic policy adjustments and emerging regional production arrangements from economic integration will have profound social impact that will be felt mostly in the labour market.

8. To manage the social impact, the following key goals will be pursued under the ASCC PoA:

- Promoting human resource development to build a competitive labour force, through, among others, closer cooperation among existing regional centres in the area of education;
- Promoting an efficient labour market through mutual skills recognition arrangements to enhance regional mobility so that ASEAN's workforce are prepared for and benefit from economic integration; such efforts would enable labour markets to operate efficiently with appropriate matching of jobs and skills;
- Strengthening systems of social protection at the national level and working towards adoption of appropriate measures at the regional level to provide a minimum uniform coverage for skilled workers in the region;
- Addressing the impact of liberalisation in the health sector to meet the needs of ASEAN; and
- Promoting joint certification and accreditation of science and technology at the regional level to improve science and technology competence of ASEAN's human resources.

Enhancing Environmental Sustainability

9. A clean and green ASEAN, with fully developed mechanisms for environmental governance, is both a shared goal and responsibility of ASEAN Member Countries. ASEAN commitments to the Johannesburg

Plan of Implementation of the World Summit for Sustainable Development (WSSD) have provided the framework for ASEAN cooperation on the environment which currently focuses on ten priority areas: (i) global environmental issues; (ii) land and forest fires and transboundary haze pollution; (iii) coastal and marine environment; (iv) sustainable forest management; (v) sustainable management of natural parks and protected areas; (vi) freshwater resources; (vii) public awareness and environmental education; (viii) promotion of environmentally sound technologies and cleaner production; (ix) urban environmental management and governance; and (x) sustainable monitoring and reporting, and database harmonisation.

10. Under the ASCC PoA, the following goals for promoting environmental sustainability will be pursued:

- Building national capacities to address issues and commitments to multilateral environmental agreements through awareness raising and informed policy choices;
- Effectively managing transboundary haze in accordance with the ASEAN Agreement on Transboundary Haze Pollution;
- Promoting the sustainable use of ASEAN's coastal and marine environment as a source of food supply and natural heritage;
- Conserving ASEAN's rich biological diversity and the fair and equitable sharing of the benefits from these biological and genetic resources;
- Promoting the sustainable management of forest resources and conserving critical ecosystems

through the eradication of unsustainable practices and related activities, as well as strengthening preservation and management of ASEAN Heritage Parks;

- Promoting the sustainability of water resources to ensure adequate and quality water supply to meet ASEAN health and food needs;
- Promoting environmental education with the view to developing ASEAN citizens who are environmentally conscious;
- Promoting environmentally-sound technologies in partnership with the private sector;
- Ensuring quality living standards in ASEAN cities and urban areas;
- Augmenting and supporting the efforts of the ASEAN Economic Community through the energy sector in developing alternative fuels in order to prevent environmental devastation and resource exhaustion; and
- Promoting environmentally sound and socially responsible mineral development practices in the sustainable management and optimum utilisation of mineral resources.

Strengthening the Foundations of Regional Social Cohesion

11. With globalisation, many of the region's traditional societies, with their cherished cultural norms and practices, are facing new challenges. As ASEAN continues in its community-building efforts, the concern

is how to fulfill its aspirations for progress and prosperity while at the same time preserving its rich cultural heritage. Thus, the ASEAN Community envisaged to emerge from regional integration by 2020 is where people, amidst the diversity of their historical and cultural experience, are conscious of a common regional identity. This sense of regional identity and solidarity will have been built on years of cumulative interaction in all facets of social and economic life and at all levels – communities, governments and civil society.

12. Under the ASCC PoA, the goal of creating an ASEAN identity involves:

- Mainstreaming the promotion of ASEAN awareness, regional identity and values in national communications plans, educational curricula, people-to-people contact mainly through culture, arts and sports, especially among the youth, and the promotion of ASEAN languages learning through scholarships and exchanges of linguists;
- Preserving and promoting ASEAN cultural heritage and living traditions, as a vehicle to better understand the link between culture and development, and as a source of inspiration for future endeavours;
- Fostering dialogues among civilisations, cultures and religions as a means to foster better understanding, build confidence, and address threats to peace and security; and
- Promoting ASEAN's standing in the international community.

Implementation Modalities

13. Specific measures envisaged under each of the four elements of the ASCC PoA are in **Appendix A**. These measures will be translated into more concrete projects and activities in the Vientiane Action Programme (VAP) covering the medium-term period 2004-2010. In general, ASCC activities fall into three categories: (i) nationally-driven initiatives; (ii) regional activities that enhance or complement national initiatives through sharing of experiences, information and knowledge; establishment of regional networks; and joint regional approaches (e.g. the development of regional work programmes); and (iii) regional activities that involved setting up of regional mechanisms or standards.

14. For nationally-driven initiatives, ASEAN Member Countries shall prepare individual action plans for the period 2005-2010 consistent with their respective national policies and development priorities, and taking into account implementation capacity, including the availability of budgetary resources. Peer review and monitoring of these individual action plans will be done at the level of the relevant ASEAN body, consolidated by the ASEAN Secretariat, and reflected in the Secretary-General's report card to the ASEAN Summit.

15. The AMM shall take necessary follow-up measures to implement this Plan of Action including consultation and coordination with other relevant ASEAN Ministerial bodies; setting up ad-hoc groups as appropriate; reporting annually the progress of implementation to the ASEAN Summit; as well as introducing new measures

and activities to strengthen the ASEAN Socio-Cultural Community as appropriate.

16. Self-reliance, shared responsibility and ownership are the principles that will guide the implementation of ASCC projects. The discipline of mainstreaming regional goals and commitments into the national plans and priorities will be of paramount importance in order to secure the resources required for implementation. Regional advocacy can provide the leverage to help drive national level actions and secure the necessary budget resources.

17. For regional level activities, particular attention will be given to activities that are best achieved through regional cooperation because of resulting economies of scale, value-added, or strategic interests. These activities will be implemented primarily through the relevant ASEAN bodies or through the ASEAN Secretariat.

18. Implementing the ASCC PoA will require intensive and sustained capacity building at the national and regional levels in a wide range of areas. Active participation of various stakeholders in ASCC activities will also be encouraged to draw from their wealth of expertise and experience and to promote a strong sense of commitment and ownership of projects and activities. Building region-wide networks of NGOs, training centres, academic institutions and other ASEAN organisations will gradually weave into the fabric of the ASEAN Community and help to strengthen social cohesion.

19. Mobilisation of resources will remain to be a key challenge for implementing various activities under the

ASCC PoA. Resource mobilisation, however, should increasingly be viewed as a process of mobilising national, regional and external resources — intellectual, technical and financial — in support of ASEAN priorities.

20. Finally, the ASEAN Foundation, with the full support of the Member Countries, should play a more active role in supporting the implementation of the ASCC PoA. Activities where the ASEAN Foundation could play an active role include: promoting access to ICT resources of differently advantaged groups (youth, women, persons with disabilities, and rural communities); promoting ASEAN awareness through language training and mass media; and youth exchange activities (such as through volunteer programmes and youth camps) with the view to facilitating greater awareness among ASEAN youth of the region's vision of a cohesive community of caring societies.

21. To realise the ASEAN Socio-Cultural Community by 2020, ASEAN shall endeavour to work towards the implementation of the areas of activities in the following Appendix. It is acknowledged that some of these activities are already ongoing and at various stages of implementation. Additional activities could also be implemented in the future. ASEAN will make every effort to promptly carry out activities, which gain consensus support.

Appendix A

ASEAN SOCIO-CULTURAL COMMUNITY

SPECIFIC MEASURES

I. Building a Community of Caring Societies

- a) Implement an “MDG Plus” initiative to accelerate poverty reduction in ASEAN;
- b) Facilitate universal access to education for vulnerable groups (youth, women, persons with disabilities) to obtain the skills and knowledge necessary for gainful employment and meaningful participation in society;
- c) Strengthen educational networks and institutional collaboration to improve standards of, and access to, education;
- d) Ensure a better future for children by safeguarding their rights, ensuring their survival and development, and protecting them from abuse, neglect and violence;
- e) Create enabling environments to prepare the youth for their future role as ASEAN citizens equipped with the necessary skills in leadership, entrepreneurship, and technical and vocational abilities;
- f) Promote the equitable and effective participation of women in all fields both as agents and beneficiaries of development;
- g) Promote community-based support systems for the elderly to supplement the role of families as primary

- caregiver and to build the capacity of health care professionals to address the needs of the elderly;
- h) Ensure access of persons with disabilities to opportunities and protection against all forms of discrimination;
 - i) Strengthen social welfare mechanisms to make them more responsive to emerging social issues resulting from globalisation as well as demographic shifts;
 - j) Strengthen regional mechanisms and networks for combating human trafficking;
 - k) Ensure a healthy ASEAN Community living in harmony and safe environments;
 - l) Promote an enabling environment for the prevention of HIV/AIDS and for the comprehensive treatment, care and support for people living with HIV/AIDS in ASEAN;
 - m) Enhance the effectiveness of regional surveillance, preparedness, early warning, and response to emerging and resurging infectious diseases;
 - n) Ensure access to safe, quality and affordable medicines by building ASEAN capacity and competitiveness in pharmaceuticals as well as traditional medicines/complementary and alternative medicines;
 - o) Promote an enabling environment that allows ASEAN citizens to make healthy lifestyle choices accessible, affordable and sustainable and consistent with their views, beliefs, and culture in supportive environments;

- p) Strengthen food security by enhancing stability in food production and supply and protect the region against fluctuations in production of basic commodities;
- q) Strengthen food safety systems to ensure the protection of consumers' health by increasing the level of credibility and competency of regulatory authorities, and enhancing industry and consumer awareness and participation in food safety;
- r) Promote activities related to community-based drug prevention aimed at families, schools and youth through publications, campaigns and training;
- s) Strengthen cooperation with the private sector, in creating a science and technology community in the region;
- t) Promote applied science and technology in socio-economic activities to improve social well-being; and
- u) Establish efficient and well-functioning regional mechanisms for disaster prevention and management, including a coordinated response action plan in ASEAN and a network of training institutes.

II. Managing the Social Impact of Economic Integration

- a) Support the efforts of the ASEAN Economic Community to facilitate the movement of professional and skilled persons, including mutual skills recognition arrangements for qualification in professional services to realise regional economic integration in ASEAN;

- b) Develop a well-prepared labour force in ASEAN that would benefit from and cope with the challenges of regional economic integration;
- c) Establish a technologically competitive ASEAN, competent in strategic and enabling technologies, with an adequate pool of technically trained manpower, strong networks of scientific and technical institutions and centres of excellence;
- d) Strengthen systems of social protection at the national level and work towards adoption of appropriate measures at the regional level to provide a minimum uniform coverage for skilled workers in the region;
- e) Promote sound industrial relations, industrial harmony, high productivity and social practice through tripartite cooperation;
- f) Secure the benefits of trade liberalisation in healthcare services in terms of increased availability and better accessibility to quality and affordable health-related products and services;
- g) Enhance the competitiveness of ASEAN health and related industries;
- h) Strengthen regional training on management of innovation and technology, and establish a mechanism for its regional certification and accreditation; and
- i) Consider the establishment of centres for training and research to support the development of human resources and institutional capacity in regional as well as international cooperation.

III. Enhancing Environmental Sustainability

- a) Effectively address global environmental concerns by building national capacities to address issues and commitments to multilateral environmental agreements through awareness-raising and informed policy choices;
- b) Effectively manage transboundary haze pollution resulting from land and/or forest fires through concerted national efforts and intensified regional action and international cooperation in accordance with the provisions of the ASEAN Agreement on Transboundary Haze Pollution (the Haze Agreement), including the operationalisation of the ASEAN Centre for Transboundary Haze Pollution Control and the ASEAN Haze Fund;
- c) Promote the sustainable use of ASEAN's coastal and marine environment through the implementation of the ASEAN criteria for marine waters, and marine heritage and protected areas;
- d) Ensure the conservation of ASEAN's rich biological diversity through the implementation of the ASEAN Framework Agreement on Access to, and Equitable Sharing of Genetic and Biological Resources (expected to be concluded in 2004);
- e) Promote the sustainable management of forest resources, which include protection of forests in an ecologically sound and integrated manner by developing and adopting common criteria for sustainable forest management in ASEAN, and eradicating unsustainable practices and related activities;

- f) Promote the preservation of ASEAN Heritage Parks through coordinated systems of management;
- g) Promote sustainability of water resources to ensure sufficient water quantity of acceptable quality to meet the needs of ASEAN in terms of health, food security and environmental sustainability through among others, the promotion of integrated river basin management and awareness promotion;
- h) Promote environmental education through formal and non-formal education systems, capacity building and networking;
- i) Promote environmentally-sound technologies in active partnership with the business sector through innovative financial mechanisms and labelling schemes;
- j) Promote quality living standards in ASEAN cities/ urban areas by achieving standards for environmental pollution reduction, including ensuring good ambient air and water quality, and minimum solid waste disposal;
- k) Establish parameters for harmonising environmental policies, legislation, regulations, standards and databases, and preparing regular state of the environment reports; and
- l) Pursue joint research in developing alternative fuels in order to prevent environmental devastation and resource exhaustion.

IV. Strengthening the Foundations of Regional Social Cohesion

- a) Promote ASEAN awareness with the ultimate goal of fostering an ASEAN regional identity by promoting interactions and exchanges among artists, writers, media practitioners, scholars, students, cultural entrepreneurs, professionals, experts in culture and sports and others;
- b) Promote people-to-people contact, especially among the youth through youth volunteer programmes and youth camps;
- c) Promote ASEAN languages learning through scholarships and exchange of linguists;
- d) Coordinate efforts for the documentation, preservation and safeguarding of national and regional treasures and other properties, antiquities, and works of historic, archaeological, anthropological and scientific significance;
- e) Enhance ASEAN cooperation in culture and information to formulate and implement effective and efficient programmes in a concerted manner in order to promote the rich and vast cultures of ASEAN;
- f) Promote confidence-building at the national and regional levels by promoting the learning of core values, customs and traditions and integrating multiple perspectives on civilisations through regular dialogue mechanisms; and
- g) Promote an image of unity, stability and dynamism of ASEAN by strengthening contacts with mass media,

the international fora and other channels of communication.



