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## MEMORANDUM

FOR : The Directors  
Biodiversity Management Bureau  
Ecosystems Research and Development Bureau  
Environmental Management Bureau  
Forest Management Bureau  
Mines and Geoscience Bureau  
Climate Change Service

FROM : The OIC Director  
Policy and Planning Service

SUBJECT : **REQUEST FOR COMMENTS/INPUTS ON THE CONCEPT NOTES FOR THE PROPOSED PRIORITY ECONOMIC DELIVERABLES (PEDs) PREPARED BY INDONESIA**

DATE : 09 JAN 2023

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This refers to the letter dated 14 December 2022 of Assistant Secretary Allan B. Gepty of the Department of Trade and Industry (DTI), requesting for comments/inputs/recommendation on the Concept Notes for the Proposed Priority Economic Deliverables (PEDs) prepared by Indonesia.

Indonesia has now taken the role of the ASEAN Chair for 2023. Under the theme of "ASEAN Matters: Epicentrum of Growth", Indonesia has outlined sixteen (16) PEDs with three (3) strategic thrusts on 1.) Recovery and Rebuilding; 2.) Digital Economy; and 3.) Sustainability.

Moreover, the said concept notes are expected to be discussed during the First Meeting of the Senior Economic Officials for the 54<sup>th</sup> ASEAN Economic Ministers' Meeting (SEOM 1/54) which is scheduled on 16-18 January 2023, for the timely endorsement by the Ministers during the 29<sup>th</sup> AEM Retreat for 2023.

In this regard, we would like to seek your comments/inputs/recommendations on the attached concept notes, particularly on the following:

### **Strategic Thrust 1**

No. 4 - Signing of the 2nd Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area or AANZFTA (*attached*);

### **Strategic Thrust 3**

No. 12 - Roadmap of ASEAN Harmonised Standards to Support Sustainable Development Goals (SDGs) Implementation (*attached*);

No. 14 – Development of ASEAN Blue Economy Framework (*to follow*); and  
No. 16 – Declaration on Sustainable Energy Security through Interconnectivity and  
Market Integration (*to follow*)

We would appreciate receiving your feedback, send to: [psddivision@gmail.com](mailto:psddivision@gmail.com) and/or  
[policy@denr.gov.ph](mailto:policy@denr.gov.ph), **on or before 10 January 2023** in order to facilitate the submission of  
the Department's comments to the DTI.

For your information and appropriate action, please.

  
**MELINDA C. CAPISTRANO**

14 December 2022

(Please refer to the attached Distribution List)

**Subject : Status of Cambodia's 2022 Priority Economic Deliverables and Indonesia's 2023 Proposed Priority Economic Deliverables**

Dear Sirs/Mesdames,

First, we wish to thank your office for supporting the completion of Cambodia's Priority Economic Deliverables (PEDs) for its ASEAN 2022 Chairmanship.

Together, the member agencies of the Philippine Council for Regional Cooperation – Committee for the ASEAN Economic Community (PCRC-CAEC) and other relevant government offices assisted Cambodia to successfully complete nine (9) PEDs, with five (5) PEDs ongoing and to be completed for the remaining days of 2022. The remaining five (5) PEDs are to be carried over in 2023.

Following the conduct of the ASEAN Chairmanship handover ceremony during the 40<sup>th</sup>/41<sup>st</sup> ASEAN Summit in November 2022, Indonesia now takes on the role of ASEAN Chair for 2023. Under the theme of "ASEAN Matters: Epicentrum of Growth", Indonesia has outlined sixteen (16) PEDs with three (3) strategic thrusts as follows:

Thrust	Proposed PED
<b>Strategic Thrust 1.</b> Recovery and Rebuilding: <i>"Rebuilding Regional Growth through Connected Markets and New Competitiveness"</i>	1. ASEAN Services Facilitation Framework 2. Fostering Recovery and Ensuring Economic Financial Stability and Resilience 3. ASEAN Leaders' Declaration on Strengthening Food Security 4. Signing of the 2nd Protocol to Amend the Agreement Establishing the ASEAN– Australia–New Zealand Free Trade Area (AANZFTA) 5. Establishment of the RCEP Secretariat in the ASEAN Secretariat 6. ASEAN Framework on Industrial Project-Based Initiatives
<b>Strategic Thrust 2.</b> Digital Economy: <i>"Accelerating Inclusive Digital Economy Transformation And Participation"</i>	7. Full Implementation of e-Form D through the ASEAN Single Window 8. Advancing Payment Connectivity and Promoting Digital Financial Literacy and Inclusion to Support Inclusive Economic Growth 9. Leaders' Statement to Develop the ASEAN Digital Economy Framework (DEFA) 10. Regulatory Pilot Space (RPS) to Facilitate Cross-Border Digital Data Flows to Enabling Self-Driving Car in ASEAN 11. ASEAN Framework on Logistics for Digital Economy Supply Chain for Rural Area (Last-Mile Delivery)

OFFICE OF THE ASSISTANT SECRETARY FOR INDUSTRY DEVELOPMENT AND TRADE POLICY GROUP

<p><b>Strategic Thrust 3.</b> Sustainability:</p> <p><i>"Promoting Sustainable Growth For A Resilient Future"</i></p>	<p>12. Roadmap of ASEAN Harmonised Standards to Support Sustainable Development Goals (SDGs) Implementation</p> <p>13. Development of the Electric Vehicle Ecosystem</p> <p>14. Development of ASEAN Blue Economy Framework</p> <p>15. Framework for Transition Finance to Support Sustainable Finance and Green Economy</p> <p>16. Declaration on Sustainable Energy Security through Interconnectivity and Market Integration</p>
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The First Meeting of the Senior Economic Officials for the 54<sup>th</sup> ASEAN Economic Ministers' Meeting (SEOM 1/54) will be convening on 16-18 January 2022, and is expected to discuss these concept notes in time for its endorsement by the Ministers during the 29<sup>th</sup> AEM Retreat March 2022.

In line with this, we respectfully request agencies to provide comments/inputs/recommendations on the attached concept notes (**Annex A**) prepared by Indonesia by **03 January 2023 (Tuesday)**. For ease of reference, we have also enclosed the summary list of PEDs (**Annex B**).

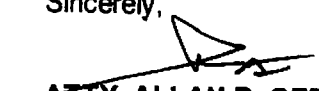
Further, we understand that select sectoral bodies may have already been provided these concept notes and your agency may have submitted inputs on these directly to the ASEAN Secretariat. For such cases, we request being furnished a copy of your inputs so that we may ensure that these are appropriately considered in the finalization of the PEDs.

Should you have any clarifications, you may coordinate directly with Ms. Kim Juliene O. Balfinos through [KimJulieneBalfinos@dti.gov.ph](mailto:KimJulieneBalfinos@dti.gov.ph), copy [SEOM-Philippines@dti.gov.ph](mailto:SEOM-Philippines@dti.gov.ph).

As the SEOM and ASEAN Economic Ministers finalize the PEDs for 2023, we will make sure to keep relevant agencies updated.

Again, we thank agencies for your support and cooperation, and we wish you a prosperous new year ahead.

Sincerely,

  
**ATTY. ALLAN B. GEPTY**  
Assistant Secretary

Enclosed: a/s

Copy: Director Angelo Salvador M. Benedictos  
Bureau of International Trade Relations



**Indicative List of Priority Economic Deliverables  
for the ASEAN Economic Community in 2023**

**Indonesia's Chairmanship of ASEAN in 2023**

#	Priority Economic Deliverables	Expected Output(s)	Objective(s)	Indicative Lead Sectoral Bodies	Remarks
<b>Strategic Thrust 1. Recovery and Rebuilding: Rebuilding Regional Growth through Connected Markets and New Competitiveness</b>					
1.	<b>ASEAN Services Facilitation Framework</b>	<b>Conclusion of the negotiation of the ASEAN Services Facilitation Framework (ASFF)</b>	<b>Improving policy and regulatory environment that enables the seamless provision of services within the regional market.</b>	<b>Coordinating Committee on Services (CCS)</b>  <b>PH Agencies Responsible</b> <i>Lead: DTI-BITR and NEDA</i> <i>Support: PH-WGS Agencies</i>	<b>To be presented at the SEOM Retreat.</b>
2.	<b>Fostering Recovery and Ensuring Economic Financial Stability and Resilience</b>	<ol style="list-style-type: none"> <li>1) A proposal to develop a platform of collaboration between finance and health authorities to enhance dialogue and regional cooperation on issues relating to strengthening regional health capacity</li> <li>2) A stocktake of financing approaches that leverage private participation in financing infrastructure in AMS, strengthening the ASEAN Infrastructure Fund, and organise a High-Level Dialogue on Innovative Infrastructure Financing.</li> <li>3) Building Two-Pillar Solution to address tax challenges.</li> <li>4) Initiating ASEAN Guideline on Cooperation between Customs Administrations and Tax Authorities and developing the Framework on the ASEAN</li> </ol>	<ul style="list-style-type: none"> <li>• Promoting collaboration between finance and health authorities to enhance regional health capacity.</li> <li>• Promoting innovative infrastructure financing.</li> <li>• Promoting regional tax cooperation.</li> <li>• Enhancing cooperation between customs and tax authorities and developing framework on the ASEAN customs integrity.</li> <li>• Addressing exit strategy spillovers and scarring effects.</li> <li>• Achieving common understanding of macroeconomic policy mix.</li> <li>• Promoting the operationalisation of local currency transactions to improve macroeconomic and financial stability in the region.</li> </ul>	<b>ASEAN Finance Ministers and Central Bank Governors' Meeting (AFMGM), ASEAN Finance and Central Bank Deputies Meeting (AFCDM), ASEAN Coordinating Council Working Group on Public Health Emergencies (ACSWG-PHE) and Senior Official Meeting on Health Development (SOM-HD), ASEAN Cross-Sectoral Coordination Committee on Disaster Risk Financing and Insurance (ACSCC-DRFI), Infrastructure Finance Working Group (IF-WG) of Working Committee on Capital Market Development (WC-CMD), ASEAN Infrastructure Fund (AIF), ASEAN Forum on Taxation (AFT), ASEAN Directors-General of Customs, ASEAN Coordinating Committee on Customs (CCC), ASEAN Customs Enforcement and</b>	<b>Consulted and awaiting feedback from Ministry of Finance [ID].</b>

		<p><b>Customs Integrity.</b></p> <p>5) High-Level Policy Dialogue on Exit Policies Spillovers and Scarring Effects.</p> <p>6) High-Level Policy Dialogue on Macroeconomic Policy Mix and Technical-Level Discussion on the Implementation of IPF/MFSF.</p> <p>7) Establishing ASEAN Local Currency Transaction (LCT) Task Force and ASEAN LCT Framework.</p>		<p><b>Compliance Working Group (CECWG), ASEAN Customs Capacity Building Working Group (CCBWG), ASEAN Senior-Level Committee (SLC) for Financial Integration, and ASEAN Working Group on Capital Account Liberalisation (WC-CAL).</b></p> <p><b>PH Agencies Responsible</b>  <i>Lead: DOF, BSP, SEC</i>  <i>Support: IAC-FSL</i></p>	
3.	<b>ASEAN Leaders' Declaration on Strengthening Food Security</b>	<b>The ASEAN Leaders' Declaration on Strengthening Food Security</b>	<ul style="list-style-type: none"> <li>• Provide policy recommendations to relevant sectors to promote food security in ASEAN.</li> <li>• Unify the roles of all relevant sectors in strengthening ASEAN food supply chains and logistical systems.</li> </ul>	<p><b>ASEAN Food Security Reserve Board (AFSRB) in collaboration with other relevant WGs under the SOM-AMAF, SEOM, and STOM.</b></p> <p><b>PH Agencies Responsible</b>  <i>Lead: DA</i>  <i>Support: DOH, DOST-FNRI</i></p>	<b>Approved by AMAF in October 2022.</b>
4.	<b>Signing of the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA)</b>	<b>Signed 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA</b>	<b>To sign the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA at the side-lines of the 43<sup>rd</sup> ASEAN Summit in 2023.</b>	<p><b>Working Group on Legal and Institutional Issues (WGLII) in cooperation with relevant FTA Joint Committee (FJC) Subsidiary Bodies.</b></p> <p><b>PH Agencies Responsible</b>  <i>Lead: DTI-BITR, DOJ, DFA</i>  <i>Support: CAEC Agencies</i></p>	<b>To be presented at the SEOM Retreat.</b>
5.	<b>Establishment of the RCEP Support Unit in the ASEAN Secretariat, Jakarta, Indonesia</b>	<b>RCEP Ministers' endorsement of the ToR, and subsequent establishment of the RCEP Support Unit in the ASEAN Secretariat.</b>	<b>To pave the way for the establishment of the RCEP Support Unit through the development of the TOR of the RCEP Support Unit within the ASEAN Secretariat</b>	<p><b>RCEP Joint Committee (RJC)</b></p> <p><b>PH Agencies Responsible</b>  <i>Lead: DTI-BITR</i>  <i>Support: CAEC agencies, particularly DFA</i></p>	<b>To be presented at the SEOM Retreat.</b>
6.	<b>ASEAN Framework on Industrial Project-Based Initiatives</b> [ Cross-Pillar Initiative]	<b>The ASEAN Framework on Industrial Project-based Initiatives and, where possible, a work plan on the implementation of this Framework.</b>	<b>Adoption of the ASEAN Framework on Industrial Project-Based Initiatives and a work plan on the implementation of the Framework by AMS.</b>	<b>Senior Economic Officials' Meeting (SEOM) and other related sectoral bodies, including ACCSQ, SOM-HD, SOME, STOM, ASEAN-BAC and JBC.</b>	<b>To be presented at the SEOM Retreat.</b>

				<b>PH Agencies Responsible</b> <i>Lead: DTI-BITR</i> <i>Support: CAEC Agencies, particularly BOI, DOST, DOE</i>	
<b>Strategic Thrust 2. Digital Economy: Accelerating Inclusive Digital Economy Transformation and Participation</b>					
7.	<b>Full Implementation of e-Form D through the ASEAN Single Window</b>	Full issuance and acceptance of e-Form D by 2023, Work Plan for the remaining AMS to fully issue and accept e-Form D by 31 December 2023 at the latest.	Full implementation of e-Form D in the region to support the BSBR goal to leverage digital transformation taking place in the region and contribute to the goal of ASEAN to accelerate the region's economic recovery and digital transformation integration	Sub-Committee on ATIGA Rules of Origin (SCAROO), Technical Working Group on ASEAN Single Window (TWG-ASW), and ASEAN Single Window Steering Committee (ASW-SC).  <b>PH Agencies Responsible</b> <i>Lead: DTI-BITR, DOF, BOC</i> <i>Support: TWGROO Agencies</i>	To be presented at the SEOM Retreat.
8.	<b>Advancing Payment Connectivity and Promoting Digital Financial Literacy and Inclusion to Support Inclusive Economic Growth</b>	Exchange platform of information and good practices in digital financial services to support MSMEs; MSMEs Upgrading Pathway; Digital Financial Inclusion Festival and High-Level Dialogue in Promoting Digital Financial Services and Literacy for MSMEs; Widening QR Interoperability and Interlinking Fast Payment; and Implementation Guidelines for Strengthening Digital Financial Literacy in ASEAN.	<ul style="list-style-type: none"> <li>• Advancing ASEAN payment connectivity, including cross-border payment linkage, especially through the use of QR and fast payment.</li> <li>• Promoting digital financial inclusion and literacy.</li> <li>• Improving access to financial services by providing digital financial services for MSMEs.</li> </ul>	Working Committee on Payment and Settlement System (WC-PSS), Working Committee on Financial Inclusion (WC-FINC), and ASEAN Coordinating Committee on MSMEs (ACCMSME).  <b>PH Agencies Responsible</b> <i>Lead: BSP</i> <i>Support: DOF, SEC</i>	Consulted and awaiting feedback from Ministry of Finance [ID].
9.	<b>Leaders' Statement to Develop the ASEAN Digital Economy Framework Agreement (DEFA)</b>	ASEAN Leaders' Statement to Develop the ASEAN Digital Economy Framework Agreement (DEFA) and commencement of the negotiation for the DEFA by 2023	Facilitate and expedite the process for the development of DEFA to enhance ASEAN's digital economy integration with global digital economy	ASEAN Coordinating Committee on Electronic Commerce and Digital Economy (ACCED)  <b>PH Agencies Responsible</b> <i>Lead: DTI-BITR</i> <i>Support: Ad-Hoc Committee on E-Commerce (ACEC) Agencies</i>	To be presented at the SEOM Retreat.
1	<b>Regulatory Pilot Space (RPS) to Facilitate Cross-Border Digital Data Flows to Enabling Self-Driving Car in ASEAN</b>	Regulatory alignment on data prerequisite to ensure autonomous vehicles (AV) technological safety operated within AMS, including the ASEAN Highway Network, under the ASEAN-Japan Integrity Fund	To support a sustainable, competitive market for digital services supply, including AV in ASEAN, AMS are required to serve adaptation-oriented regulation to enable AV.	ASEAN Digital Senior Officials' Meeting (ADGSOM)  <b>PH Agencies Responsible</b> <i>Lead: DICT</i> <i>Support: DOTr</i>	Presented at the 2 <sup>nd</sup> ADGSOM-ATRC Retreat in October 2022.

		cooperation framework.			
1	ASEAN Framework on Logistics for Digital Economy Supply Chain for Rural Area (Last-Mile Delivery)	An agreement on the “Framework on ASEAN Logistics for Digital Economy Value Chain for Rural Area” to support digital economy supply chain.	Identification of use cases and areas of AMS logistics ecosystem gathered by survey and shared as the report; and identification of digital solutions for AMS logistic problems to facilitate digital trade.	ASEAN Digital Senior Officials’ Meeting (ADGSOM) <u>PH Agencies Responsible</u> Lead: <i>DICT</i> Support: <i>BSP, DOF</i>	Presented at the 2 <sup>nd</sup> ADGSOM-ATRC Retreat in October 2022.
<b>Strategic Thrust 3. Sustainability: Promoting Sustainable Economic Growth for a Resilient Future</b>					
1	Roadmap of ASEAN Harmonised Standards to Support Sustainable Development Goals (SDGs) Implementation	Roadmap of ASEAN Harmonised Standard to Support SDGs	To ensure safety, health, and protection of the environment throughout ASEAN; and provide guidance to ACCSQ, its Working Groups, and Product Working Groups in reviewing the current harmonised international standards to contribute to the achievement of relevant UN SDGs 2030.	Senior Economic Officials’ Meeting (SEOM), ACCSQ and its Working Groups/Product Working Groups. <u>PH Agencies Responsible</u> Lead: <i>DTI-BITR, NEDA, BPS</i> Support: <i>CAEC Agencies</i>	To be presented at the SEOM Retreat.
1	Development of the Electric Vehicle Ecosystem	Policy Recommendations to Improve Electric Vehicle Infrastructure and Charging Stations in ASEAN	A scope of cooperation to develop EV ecosystem in the region may include, among others: policies and regulations on EV; infrastructure, financial, and technical supports for EV; battery production technology and waste management; financing mechanism; technological advancements; safety; and other areas mutually agreed.	ASEAN Senior Transport Officials’ Meeting (STOM) <u>PH Agencies Responsible</u> Lead: <i>DOTr</i> Support: <i>BOI</i>	Approved by the 54 <sup>th</sup> STOM in 14–15 October 2022.
1	Development of ASEAN Blue Economy Framework [ Cross-Pillar Initiative]	Leaders’ Endorsement of the ASEAN Blue Economy Framework by the ASEAN Summit	Agreed concept, scope, and development-staging of Blue Economy among the AMS, including the Blue Economy redefinition, underlining the importance of value creation, inclusiveness, and sustainability; as well as other collaborative pilot projects.	High-Level Task Force on ASEAN Economic Integration (HLTF-EI), under the supervision of the ASEAN Economic Community (AEC) Council <u>PH Agencies Responsible</u> Lead: <i>DTI-BITR</i> Support: <i>CAEC Agencies</i>	Still under consultation, Concept Note subject to further refinement.
1	Framework for Transition Finance to Support Sustainable Finance and Green Economy	Finalisation of the Version 2 of ASEAN Taxonomy for Sustainable Finance	The inclusion of transition mechanism framework, i.e., in the energy-focused sectors, for the Version 2 of the ASEAN Taxonomy for Sustainable Finance.	ASEAN Taxonomy Board (ATB), Working Committee on Capital Market Development (WC-CMD), ASEAN Insurance Regulators’ Meeting (AIRM), Senior-Level Committee (SLC) on Financial	Consulted and awaiting feedback from Ministry of Finance [ID].



				<p>Integration, and ASEAN Capital Market Forum (ACMF).</p> <p><b><u>PH Agencies Responsible</u></b>  <i>Lead: SEC, BSP</i>  <i>Support: DOF</i></p>	
1	<p><b>Declaration on Sustainable Energy Security through Interconnectivity and Market Integration</b></p>	<p>1) <b>ASEAN Joint Declaration on Sustainable Energy Security through Interconnectivity and Market Integration</b></p> <p>2) <b>Joint Statement of Brunei Darussalam, Indonesia, and Malaysia on “One Grid One Borneo” Power Exchange Project</b></p>	<p><b>Both to be the main policy documents to strengthen intra-ASEAN energy commodities and technological trade, establish a sustainable regional supply chain for new and renewable energy, and accelerate technology, knowledge, and expertise transfer between the AMS.</b></p>	<p><b>ASEAN Ministers on Energy Meeting (AMEM), Senior Officers’ Meeting on Energy (SOME), ASEAN Centre for Energy (ACE), Heads of ASEAN Power Utilities/Authorities (HAPUA) Secretariat.</b></p> <p><b><u>PH Agencies Responsible</u></b>  <i>Lead: DOE</i>  <i>Support: DENR</i></p>	<p><b>Still under consultation, Concept Note subject to further refinement.</b></p>

**STRATEGIC THRUST 1: RECOVERY-REBUILDING**  
**“REBUILDING REGIONAL GROWTH, CONNECTIVITY, AND NEW COMPETITIVENESS”**

**Signing of the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing  
the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)**

**Background**

ASEAN is expanding and deepening its ASEAN Plus One free trade agreements (FTA) as part of the Global ASEAN strategy in the ASEAN Economic Community Blueprint 2025 to increase the region's participation in the global economy and enhance the trade and investment opportunities for ASEAN and its Member States.

Since the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was signed on 27 February 2009 and entered into force since 1 January 2010, its upgrade was absolutely necessary to ensure that the agreement remains of high-quality, modern, takes into account modern trade practices, and responsive towards emerging challenges and continue to be relevant and highly beneficial to ASEAN businesses.

The upgraded AANZFTA will, among other benefits, accelerate supply chain integration and resilience; ensure the smooth flow of essential goods during periods of crises; deepen services and investment liberalisation; and support electronic commerce and digital transformation. With the inclusion of new Chapters on (i) Government Procurement; (ii) Micro, Small, and Medium-Enterprises (MSMEs); and (iii) Trade and Sustainable Development and additional value-add elements on several existing Chapter namely: Competition, Custom Procedures, Trade in Goods, Rules of Origin, Services, Investment, and E-Commerce, it will also facilitate growth and development of an inclusive and sustainable regional economy. Hence, the decision by the Parties in 2019 to upgrade the AANZFTA, following its general review, with the objective of completing/concluding the text of the Protocol to Amend the AANZFTA in an expeditious timeframe.

The Parties have completed substantial conclusion of the AANZFTA upgrade negotiations, by the announcement of the Joint Statement on Substantial Conclusion of the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Upgrade Negotiations by the Leaders at the sidelines of the 40<sup>th</sup> and 41<sup>st</sup> ASEAN Summit on 13 November 2022. Subsequent to the announcement, the Ministers have tasked the officials to resolve the remaining outstanding issues, including text based and market access negotiation by mid December 2022 and work towards the signing of the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area in 2023.

**Rationale/Purpose**

The 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA is aligned and contributes to the implementation of the strategic measures underlined in Characteristics E on Global ASEAN of the AEC Blueprint 2025, specifically in ensuring that *ASEAN FTAs and comprehensive economic partnership agreements (CEPs) remain modern, comprehensive, high-quality and more responsive to the needs of businesses operating the production*

networks in ASEAN. It also contributes to the broader strategy of the ASEAN Comprehensive Recovery Framework (ACRF) on Maximising the Potential of Intra-ASEAN Market and Broader Economic Integration, in which ASEAN will work towards maintaining ASEAN centrality in its external economic relations by upgrading its FTA commitments to further facilitate trade and investment and accelerate post-pandemic recovery effort.

Further, with the region still reeling from the effects of the COVID-19 pandemic, and the global economy showing signs of downturn as exacerbated by geo-political tensions in some parts of the world, it has become critical for ASEAN together with its major trading partners, particularly with FTA partners such as Australia and New Zealand to work in concerted efforts to accelerate post-pandemic economic recovery, by deepening and broadening economic integration and cooperation to bolster more robust and resilient supply chains, keep markets open for trade and investment, and catalyze longer-term growth by leveraging digital trade and sustainable development.

The current global situation calls for ASEAN and its FTA Partners, particularly Australia and New Zealand to act expeditiously and decisively for the immediate implementation of the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA. And this can only be realized with all Parties working to the early completion of the legal formalities for the Agreement to be signed by 2023.

#### Objective(s)

To sign the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA at the sidelines of the 43<sup>rd</sup> ASEAN Summit in 2023.

#### Planned Output(s)

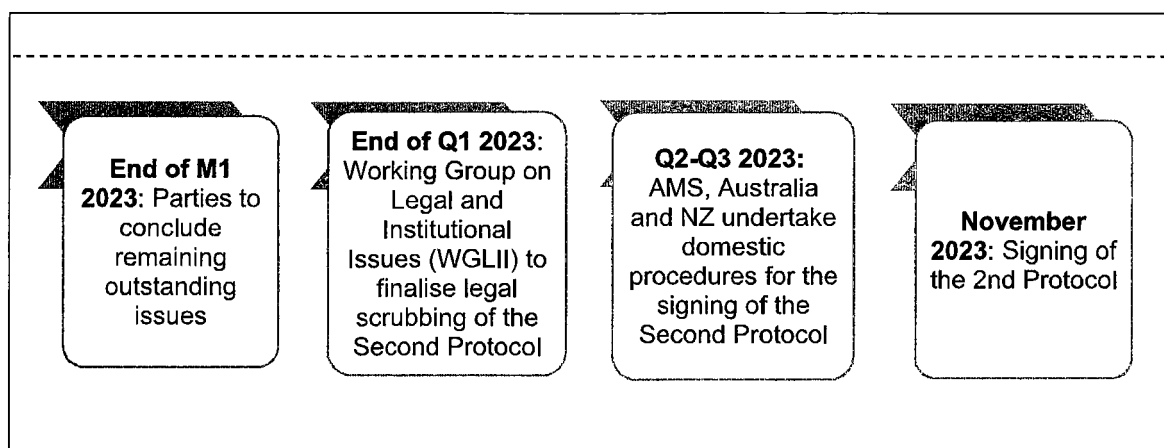
The signed 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA.

#### Expected Outcome(s)

*Immediate/ short-term outcomes:*

Timely ratification and entry into force of the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA.

#### Timeline and Process



1. AANZFTA Parties to finalise outstanding issues by January 2023.
2. AANZFTA WGLII to finalise legal scrubbing by April 2023.
3. ASEAN Member States, Australia and New Zealand to undertake domestic procedures and obtain the necessary instrument of full powers.
4. Signing of the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA by November 2023 at the sidelines of the 43<sup>rd</sup> ASEAN Summit.

#### Implementing Sectoral Body(ies)

The Working Group on Legal and Institutional Issues (WGLII), in cooperation with the relevant FJC Subsidiary Bodies and under close supervision of the FJC, will take the lead in legal scrubbing and in preparing the 2<sup>nd</sup> Protocol to Amend the Agreement Establishing the AANZFTA for signing.

#### Implementation Risk and Mitigation Measures

The potential risk that could affect the successful delivery of the PED outputs, includes:

1. **Risk:** Delay in the finalisation of text based and market access negotiation (low to medium risk)

Mitigation measures: ASEAN, Australia and New Zealand should to intensify the discussion in concluding the remaining pending issues expeditiously.

2. **Risk:** Delay in the finalisation of legal scrubbing (low to medium risk)

Mitigation measures: ASEAN, Australia and New Zealand should prioritize its resources towards finalizing the legal scrubbing process including having more physical or virtual meetings.

3. **Risk:** Lengthy domestic approval process for the finalisation and possible signing of the 2<sup>nd</sup> Protocol (medium to high)

Mitigation measures: Parties should allocate sufficient time for the approval process, at least, up to six months prior to the target date of signing.

4. **Risk:** Inability for Parties to sign the 2<sup>nd</sup> Protocol for political reasons (high to very high)

Mitigation measures: Seek, in advance, legal options for signing.

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## **STRATEGIC THRUST 3: SUSTAINABILITY** **“PROMOTING SUSTAINABLE GROWTH FOR A RESILIENT FUTURE”**

### **ROADMAP OF ASEAN HARMONISED STANDARDS TO SUPPORT SUSTAINABLE DEVELOPMENT GOALS (SDGs) IMPLEMENTATION**

#### **Background**

Sustainability has become an important issue in line with the global commitment to implement SDGs in 2030 (UN forum 2015). The SDGs are a universal call to end poverty, protect the planet, and improve the livelihood of the people. All ten ASEAN Member States (AMS) are signatories to the United Nations Sustainable Development Goals (SDGs), and draw on the language and ideas of international approaches to sustainable development. As a regional cooperation, ASEAN has explicitly committed to sustainability in the region.

In ASEAN, sustainability issues are cross-cutting among ASEAN Pillars. Within the scope of the ASEAN Consultative Committee on Standards and Quality (ACCSQ), various documents such as guidelines on this issue have not been specifically accommodated. In addition, the ACCSQ has identified the issue of sustainability as one of the future discussions together with other new areas, such as the 4<sup>th</sup> Industrial Revolution (4IR), Artificial Intelligence (AI), Additive Manufacturing, Environment and Climate Change, and Digital Transformation.

Standards support the achievement of SDGs 2030 as it enables all three dimensions of sustainability (social, economy, and environmental). Standard is essential for AMS to facilitate trade, as it helps manufacturers to reduce costs and increase productivity and efficiency. Typically, standards would define how a product is developed, used, and disposed of at the end of its life cycle, defining the products' environmental friendliness. ASEAN has endeavoured to harmonise international standards through the ACCSQ as one of the means to support the establishment of an integrated market.

In terms of ASEAN publications, the harmonisation of International Standards under ACCSQ WG1 has carried out Priority Integration Sectors, including electronic, agro-based, healthcare, and automotive products. Aligning with the goal, a number of technical guidelines have been developed as references to the Working Group (WG) / Product Working Group (PWG), in particular the identification of potential international standards to be harmonised.

#### **Rationale/Purpose**

The AEC blueprint has emphasised that standards, quality assurance, accreditation, and measurement are crucial to promote greater efficiency and enhance the cost-effectiveness of intra-regional imports/exports. The economic pillar has set up the general approach through the development of documents commonly referred to by relevant sectoral bodies. The ASEAN Guidelines for Harmonisation of Standards is intended to ensure that a common and consistent approach to harmonisation of standards is adopted under the ACCSQ. This document defines the roles of the parties involved in the harmonisation process, clarifies existing practices and arrangements, and is intended to serve as a reference to the ACCSQ

WG/PWG, and also for national standards bodies of AMS. Despite the effective mechanism set out under the Guideline, the provision on how harmonised standards in ASEAN addresses implementation of SDGs has yet to be defined.

Considering the current situation, Indonesia proposes to develop a supplementary document to cater to SDGs issues particularly under the ACCSQ. The document will be a **Roadmap of ASEAN Harmonised Standards to Support Sustainable Development Goals (SDGs) Implementation with aims to support full implementation of SDGs in ASEAN, particularly in the field of standardisation.** The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) are currently identifying the correlation between their standards and seventeen goals of the SDGs. The ISO and IEC reports will be beneficial for ACCSQ and its WG and PWG as a basis for determining potential standards to be harmonised.

With the aims of the best SDGs implementation practices among AMS, the roadmap would consist of prioritised goals aligned to AMS concerns. Given the time limitation of the PED finalisation and the update of the standard harmonisation progress among the product working group, the PED would be covering Goals number 3 (Good Health and Wellbeing); 6 (Clean Water and Sanitation); 7 (Affordable and Clean Energy); 9 (Industry, Innovation, and Infrastructure); and 11(Sustainable Cities and Communities). These particular goals are considered to be in line with and closely related to the ACCSQ priority sectors.

#### Objective(s)

The objectives of this PED are as follows:

- (i) To develop a roadmap to support the SDGs implementation which contributes to the complementary effort in the region to ensure safety, health, and protection of the environment throughout ASEAN.
- (ii) Provide guidance to ACCSQ as well as its WG and PWG in determining international standards to be harmonized among AMS or in reviewing the current harmonized international standards to contribute to the achievement of relevant UN SDGs 2030.

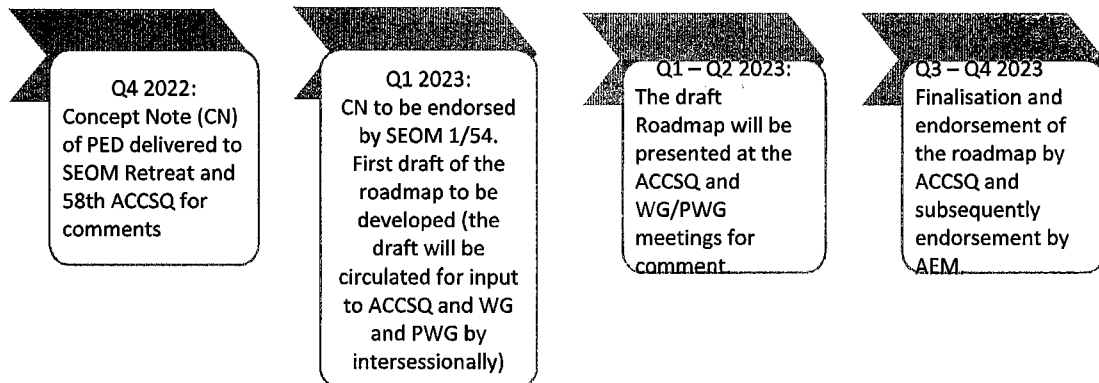
#### Output(s)

Roadmap of ASEAN Harmonised Standard to Support SDGs as a reference document for ACCSQ and its WG and PWG.

#### Outcome

- Immediate/short-term Outcome: WG and PWG consider and gradually adopt the recommendations.
- Medium-term Outcome: Implementation of recommendations and consider the roadmap in the development of post 2025 ACCSQ's strategic plan.

## Timeline/Process



## Implementing Sectoral Body(ies)

As this particular initiative would be cross-pillar and cross-sectoral, the following sectoral bodies may also need to be consulted in the process:

- Senior Economic Official Meeting (SEOM)
- ASEAN Consultative Committee for Standard and Quality (ACCSQ)
- ACCSQ Working Group (WG) /Product Working Group (PWG)

## Implementation Risk and Mitigation Measures

The potential risk that could affect the successful delivery of the PED outputs includes:

1. **Risk:** CN rejected by AMS at ACCSQ level (high risk).

**Mitigation measures:** Indonesia will provide detail description on CN and deliver CN as early as possible.

2. **Risk:** SEOM and/or AEM postpone the endorsement (low risk).

**Mitigation measures:** Indonesia will provide clear concept note and detail description.

3. **Risk:** ACCSQ WG/PWG will not adopt the recommendation due to low interest to support the PED (medium risk)

**Mitigation measures:** Discuss with WG and PWG to gather information and challenges that may rise in the implementation of the PED during the development stage of PED.

4. **Risk:** The PED cannot be completed in 2023 (medium risk).

**Mitigation measures:** Regularly coordinate with the WG/PWG through ASEAN Secretariat.

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