

Concept Paper “ACD – The Way Forward”

I. Introduction

Thailand, as one of the ACD Founding Members and the current Chair of ACD, is of the view that the Dialogue should revisit the prime objective of ACD Founders which is to focus on 3 fundamentals: **Asia**, a strategic Asian location where various countries could interact and cooperate in a peaceful and amicable manner. With the accession of Nepal as the 34th member of the ACD, we should aim to create the most favorable environment for its members to utilize their complementarities to their common advantage; **Cooperation**, a web of Pan-Asian Cooperation which Thailand proposes to regroup/ streamline new common areas of cooperation in accordance with the present international agenda, particularly the 2030 Agenda for Sustainable Development (SDGs); and **Dialogue** that emphasizes participation and consensus-building at the highest level, informality in its arrangement with a view to simplify and lessen the formal structures for Member States to collaborate or initiate new projects.

In the year 2002, 17 Ministers from Asian countries gathered in Cha-Am, Thailand to launch the process of Asia Cooperation Dialogue (ACD), envisioning a top-down, continuously evolving forum wherein high-level policy-makers can informally exchange ideas and experiences to create Asian strategic linkages. Key areas of cooperation such as poverty alleviation, human resource development, science and technology etc., were identified to prepare the ACD forum for future cooperation. Over a decade has passed and the ACD forum has grown into a larger and more structured platform, currently comprising 33 Member States from every sub-region of Asia. Thus far, 13 ACD Meetings at Ministerial level and one at Summit level were hosted in which ACD Ministers and Leaders discussed various regional issues for the lasting benefit and prosperity of Asian peoples.

Recognizing that ACD has yet to realize its potential as a Pan-Asian cooperation forum, Thailand’s hosting of the 14th ACD Ministerial Meeting in Bangkok during 8 – 10 March 2016, aims to build upon the founding directives of ACD Leaders and Ministers and focus on the reinforcement of four interrelated core elements of the ACD which are: **(1) Asian community building; (2) Regional economic integration and multidimensional connectivity; (3) Inclusive and sustainable development; and, (4) ACD mechanism enhancement.** These core elements are vital agenda items for forward-looking cooperation in the ACD. Therefore, they should be discussed by ACD Member States with a view to formulating concrete outcomes and set directions for the 2nd ACD Summit and beyond.

II. Reinforcing ACD Core Elements

1. Moving towards Asian community building

The ACD should explore key components for building an Asian community as a region of peace, progress, stability and shared prosperity, underpinned by inclusive and sustainable development. Bound by mutual trust, harmony of nations, a commitment to open regionalism,

and a lasting spirit of friendship, the Asian community would be an active, relevant and responsible member of the global community. The goal of building such a community has been expressed in the concept paper on ACD Vision for Asia Cooperation 2030 proposed by Thailand, a document that reaffirms our commitment to the ACD and Pan-Asian partnership by addressing overarching issues particularly, our economic and social aspirations, shared Asian identity, core values, and other principles. It is important that the document be supported by a medium-term Blueprint that will serve as a detailed plan of action, outlining necessary steps to be taken to advance ACD cooperation during 2016 – 2020. The drafting of the Blueprint may commence upon the finalization of the ACD Vision.

Thailand proposes that the concept paper on ACD Vision for Asia Cooperation 2030 (**Annex I**) be used as a basis for the discussion of Ministers at the 14th ACD Ministerial Meeting. Views and inputs from the Ministerial Meeting will be gathered by Thailand, as the Chairman and the ACD Coordinator, with a view to develop and proposing the first draft ACD Vision 2030 to be circulated to Member States for comments after the Ministerial Meeting. This is with a view to having the final draft ACD Vision 2030 adopted at the 2nd ACD Summit to be hosted by Thailand in the last quarter of 2016.

2. Fostering regional economic integration and multidimensional connectivity

Asia has become an integral and dynamic part of the global value chain. As the “Factory of the World,” Asia is a growing hub of global manufacturing and services, yielding benefits for Asian firms and people through their ever expanding international networks. This should take into account the importance of micro, small and medium enterprises (MSMEs), as well as the emerging importance of public-private partnership in successfully driving Asian economies. Looking ahead, integration is vital to building Asia’s economic competitiveness and dynamism. Asia must continue to strengthen regional trade and production networks to sustain its growth momentum while enhancing its connectivity both in terms of physical and institutional infrastructures.

In advancing the ACD connectivity agenda, ACD Member States shall consider the draft Road Map for ACD Regional Connectivity (**Annex II**), proposed at the High Level Forum on ACD Regional Connectivity in Bangkok in September 2014, as a visionary way forward that calls for future collaboration among ACD Member States. Enhancing the connectivity of Asia will provide the ACD with easy access to new markets and economic opportunities in the region. Therefore, the draft Road Map will be used as a tool to guide and facilitate Member States’ collective efforts in identifying new projects that can be jointly implemented to reap the benefits of connectivity in the evolving architecture of the Asian economy.

In this connection, ACD members are urged to utilize the full potential of the connectivity network that is being materialized among ACD member States, such as the ten ASEAN Member States and Dialogue Partners, as well as the One Belt One Road initiative by China.

3. Promoting inclusive and sustainable development

As a forum that spans across all of Asia's subregions, the ACD is well positioned to ensure that the opportunities brought about by economic growth and integration, are available to all their citizens and beyond. The ACD should therefore integrate an inclusive and sustainable development approach into its whole array of cooperative endeavors. One important measure/means to achieve this goal is to promote the sharing of knowledge, science, technology and innovation that are in line with the 2030 Agenda for Sustainable Development Goals (SDGs). Furthermore, enhancing capacity building and skills development of MSMEs and workers will ensure that benefits are equitably distributed to all, particularly those at the lower income levels.

In line with global practices for sustainable development, ACD Member States are encouraged to explore and share alternative home grown approaches towards sustainable development. One prominent approach championed/ pioneered by Thailand is the Sufficiency Economy Philosophy (SEP) of His Majesty the King of Thailand, a model for sustainable development that focuses on transforming the economics of exploitation into the economics of moderation and resilience. SEP seeks to harmonize the economic, social and environmental aspects of development so that our growth will not be at the cost of the future generations, thus highly relevant to the realization of the 2030 SDGs.

4. Enhancing ACD Mechanisms

Despite its current unique international standing, ACD should focus on the nature of complementarity with a view to eliminate duplicative work already being implemented in other regional forums. True to our founders' goal, ACD should review its administrative arrangements and capacity to support its activities, while ensuring that the "ACD delivers". To achieve this, the following ACD instruments ought to be properly addressed and reformed:

- **Review and consolidation of areas of cooperation.** The existing 20 areas of cooperation should be reviewed and consolidated as necessary in order to facilitate the holding of more regular ACD activities and tangible outcomes. The 20 areas of cooperation should be streamlined in line with the 2030 SDGs to promote inclusive and sustainable development in the region. The following pillars of cooperation should be prioritized:
 - **Connectivity;**
 - **Science, Technology and Innovation;**
 - **Education and Human Resource Development;**
 - **Food, Energy and Water Security Nexus;**
 - **Tourism and Culture; and**
 - **Alternative Approaches to Inclusive and Sustainable Development.**

To encourage continuous cooperation in the consolidated ACD pillars, prime movers/ co-prime movers and working groups shall be assigned, as appropriate, on a voluntary basis to oversee and promote projects that have clearly defined objectives and are consistent with the overall ACD Vision 2030 and ACD Regional Connectivity.

- **Appropriate arrangements for the ACD Secretariat.** The ACD Provisional Secretariat has been operating under full financial support from Kuwait, as a temporary administrative body of ACD for more than 2 years. Nevertheless, the Secretariat still lacks legal status and the capacity to function independently which inevitably affects the quality of the Secretariat's performance. Therefore, ACD Member States should consider launching a Permanent ACD Secretariat to support and facilitate the work of ACD by the 2nd ACD Summit. To lessen financial burden of ACD Member States, the ACD Secretariat should be a small to medium-sized secretariat and partially operate on the basis of personnel secondment, similar to the modality of the Asia Pacific Economic Cooperation (APEC) Secretariat in Singapore. The sending member countries will be responsible for the expenses of their personnel while the central budget will be shared among all ACD Member States to cover the operational cost of the administrative body (**Annex III**). It is recommended that the ACD Provisional Secretariat be tasked to study appropriate arrangements for a permanent ACD Secretariat.
- **As for the engagement of the private sector and academics, ACD is urged to revisit the concept adopted by our founders which was the promotion of the role of the private sector and academics in ACD cooperation (Annex III).** ACD activities such as ACD Forum on "One Belt and One Road" Cooperation and Asia Business Conference, the Growth Net, and other SME related forums should be continuously conducted as they will provide inputs and recommendations to ACD's decision-making bodies. ACD may also organize an international symposium as an annual flagship event, where Asia's government officials, business leaders and academics exchange views on selected regional issues of common interest. Such initiatives will promote closer dialogue and more constructive partnership among governments, business and academics in ACD.

III. Proposed next steps and proposed time frame

March 2016	14th ACD Ministerial Meeting in Bangkok <ul style="list-style-type: none">- To discuss and exchange views on overarching issues and core elements of the ACD Vision 2030 based on the Concept Paper on ACD Vision (Annex I)- To discuss ways to foster regional economic integration and multidimensional connectivity based on the draft Road Map for ACD Regional Connectivity (Annex II)- To exchange views on ways to enhance ACD mechanisms, in particular, reviewing and consolidating the existing 20 areas of cooperation to be in line with the 2030 Agenda for Sustainable Development Goals, taking into account different priorities, best practices and capacities of Member States- To agree in principle on the establishment of a permanent ACD Secretariat and task the ACD Provisional Secretariat to establish a Study Group to propose the modalities for its establishment
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April 2016	<ul style="list-style-type: none">- Thailand to circulate the first draft of the ACD Vision 2030- ACD Provisional Secretariat starts work on the modalities of an ACD Permanent Secretariat
June 2016	Thailand to circulate the finalized/amended ACD Vision 2030
September 2016	ACD Foreign Ministers' Breakfast Meeting on the sidelines of UNGA71 <ul style="list-style-type: none">- To pass on Chairmanship from Thailand to the new Chair- To agree on the draft ACD Vision 2030 proposed by Thailand- To agree on the proposal of the Study Group on the establishment of a Permanent ACD Secretariat- To agree on the ACD's new priority pillars of cooperation
October 2016	2nd ACD Summit and related meetings in Bangkok <ul style="list-style-type: none">- To endorse the ACD Vision and the Road Map for ACD Regional Connectivity- To adopt the ACD pillars of cooperation and identify possible projects to be promoted under the new ACD pillars- To launch the permanent ACD Secretariat