

Rules of Procedures for Private Sector Engagement
Under the ASEAN Economic Community

I. Background

1. The objectives of Public-Private Sector Engagement are to (i) reduce the gap of understanding of the private sector on what government is doing towards AEC formation; (ii) explore how intra-regional trade and investment could be promoted; and (iii) reduce current and future trade impediments faced by business enterprises.
2. The private sector organizations/councils to be engaged with ASEAN Economic Ministers (AEM)/ASEAN sectoral bodies or ASEAN Leaders should be associated with ASEAN and listed in Annex 2 of the ASEAN Charter as Business Councils, Business Organizations, Industry Associations, and Other Stakeholders in ASEAN; or as suggested by ASEAN sectoral bodies.

II. Criteria for Engagement

3. The engagement between AEM, ASEAN sectoral bodies or ASEAN Leaders and the private sector entities concerned shall be guided by the following principles:
 - 1) Mutual respect, mutual tolerance, and mutual understanding of each others' roles, strength and constraints;
 - 2) Transparency, sincerity, and non-confrontational;
 - 3) Constructive dialogue, positive thinking, and goodwill in cooperation;
 - 4) Gradual incremental approach, rules-based, and proceeding at a pace comfortable to all parties concerned;
 - 5) Focusing on common issues of interest directly relevant to the aims and purposes of ASEAN;
 - 6) Working collaboratively towards the common interest of the ASEAN Community and its peoples.

III. Levels of Engagement

4. The private sector organizations/councils are to establish working links with the most relevant sectoral bodies.
5. The highest level of direct engagement between the private sector and ASEAN sectoral bodies is at the level of AEM. The private sector organizations/councils may engage at a higher level only with the endorsement of the AEM.

6. At the national level, meanwhile, ASEAN Member States (AMSs) are to continue to engage with private sector organizations/councils based on existing practices, procedures and mechanisms. In this connection, FTA-related issues shall be referred to the national AFTA.

IV. Types of Engagement

7. The AEM or ASEAN sectoral bodies and the private sector organizations/councils may engage through consultation, dialogues, meetings, joint events and activities, including regional conferences. The private sector organizations/councils may be invited to attend as observers at ASEAN meetings only upon the consent of all AMSs and only if they possess the necessary competence in the area. Engagement with private sector organizations/councils must, at all times, be towards the advancement of ASEAN interests.

V. Rules of Procedure

A. Administrative Procedure

8. The following are the rules of procedure on how the private sector organizations/councils are to engage with AEM/ ASEAN sectoral body:
 - 8.1. Write formally to the AEM Chair or to the Chair of the sectoral body concerned and copy the letter to the ASEAN Secretariat, i.e., the Secretary-General of ASEAN and the relevant division.
 - 8.2. The formal letter seeking engagement shall state, among others:
 - a. The purpose for the engagement and the issues on which they wish to engage on; and
 - b. The current members of their organization and the aims of their organization.
 - 8.3. AEM Chair/ each sectoral body shall write a formal reply and may determine its own internal procedures regarding collaboration. However, engagement with the private sector organizations/councils must have the consensus of AEM/all Members of the concerned sectoral body.
 - 8.4. If the matter is a cross-cutting issue, the sectoral body which receives the letter, may refer that letter to the other relevant sectoral bodies.

B. Private Sector Engagement Mechanism

- 8.5. The consultation/meeting/dialogue between AEM/ASEAN sectoral body with private sector organizations/councils in ASEAN shall be conducted within one session. The consultation/meeting/dialogue could be participated by a number of private sector organizations/councils from ASEAN and dialogue partner countries. As such, the allocation of specific number of business councils or industry associations allowed to participate in the consultation/meeting/dialogue will be determine upon the consent of AEM/ASEAN sectoral body.
- 8.6. However, the consultation/meeting/dialogue between AEM/ASEAN sectoral body with private sector organizations/ council from dialogue partner country may be conducted in a separate session, with the involvement by the policy makers from respective dialogue partner country.
- 8.7. Upon endorsement from AEM/ASEAN sectoral body, the private sector organizations/councils shall communicate with AEM Chair/the Chair of the sectoral body to have guidance in ensuring the focus of the policy recommendations.
- 8.8. The private sector organizations/councils shall submit a paper, at least 1 (one) month prior to the consultation/meeting/dialogue date. The paper shall contain such main elements as Issues, Recommendations and Proposed Solutions.
- 8.9. In organizing the consultation/meeting/dialogue, the respective representatives from private sector organizations/councils will in turn deliver their presentations followed by an interactive dialogue session.
- 8.10. Public-Private Sector Engagement at the sectoral working group level shall be conducted to follow up the inputs and recommendations from the private sector and to obtain the concrete solutions.
- 8.11. National AEC coordinating focal point or any other national focal points on economic or AEC matters shall serve as the national focal point in undertaking regular communications or consultations with private sector organizations/councils for outreach and advocacy activities related to ASEAN Economic Community at the national level.
- 8.12. A private sector entity invited to the meeting of an ASEAN body shall only present their views and interact during a dedicated session, and shall not sit through the whole meeting of ASEAN body, unless otherwise agreed by all ASEAN member states.

C. Response Mechanism to the Issues/ Problems Raised by the Private Sector

- 8.13. The ASEAN Secretariat shall prepare the responses to the issues raised by the private sector body/ies in the following manner/steps:
 - 8.13.1. The ASEAN Secretariat shall categorise issues in a matrix format and identify responsible sectoral bodies to address the issues;
 - 8.13.2. The matrix shall comprise the following columns; Issues/ Problems, Recommendations (if any, as proposed by the private sector body/ies), Private Sector Body/ies that raised the issues, Sectoral Body/ies identified to respond to the issues raised and ASEAN's Responses;
 - 8.13.3. The ASEAN Secretariat shall send the matrix to relevant sectoral bodies, through desk officers, seeking responses to those issues within 1 (one) month, noting that the sectoral body/ies may require longer time to deliberate on some of the issues raised; and
 - 8.13.4. The ASEAN Secretariat shall consolidate all responses to issues as provided by the responsible sectoral body/ies and submit for SEOM's consideration.
 - 8.14. SEOM shall consider and endorse the consolidated matrix of issues, recommendations raised by the private sector bodies and the responses from the sectoral body/ies for formal communication to AEM and respective private sector body/ies.
9. The Rules of Procedure shall apply prospectively and not retrospectively. This includes the existing engagement mechanism with the Leaders.