

**MEMORANDUM OF UNDERSTANDING
BETWEEN
SECRETARIAT OF ECONOMIC COOPERATION
ORGANISATION (ECO)
AND
SECRETARIAT OF ASSOCIATION OF SOUTHEAST
ASIAN NATIONS (ASEAN)**

The Secretariat of the Economic Cooperation Organisation and the Secretariat of the Association of Southeast Asian Nations, hereinafter referred to as “the Parties”,

HAVING IN MIND the 1990 Treaty of Izmir and the Bangkok Declaration of 1967 which sets out the objectives of ECO and the aims and purposes of ASEAN respectively;

NOTING the role that the Parties have been assigned and the responsibilities of their respective Secretaries-General by the 1990 Treaty of Izmir, and the 1976 Agreement on the Establishment of the ASEAN Secretariat;

DESIRING to strengthen cooperation and collaboration between the two Parties for the benefit of their Member Countries;

Have reached the following understanding:

Article 1
Areas of Cooperation

The Parties shall cooperate in the following areas through exchange of information, best practices and experiences;

a) Trade and Investment

- i) Implementation of Economic Cooperation Organisation Trade Agreement (ECOTA) and ASEAN Free Trade Area (AFTA);
- ii) Exchange of information on the rules and practices pertaining to trade and investment in ECO and ASEAN;
- iii) Investment policies and investment agreements in ECO and ASEAN;
- iv) Trade and investment promotional activities in ECO and ASEAN;
- v) Development of customs reforms and procedures;
- vi) Development in standards and conformity assessment and Mutual Recognition Arrangements (MRAs);
- vii) Other trade facilitation activities; and
- viii) Implementation of dispute settlement mechanism (DSM) and exchange of information on the Rules of Origins (ROO) in Free Trade Area in ECO and ASEAN.

b) Narcotics Control

- i) Compile/exchange of information on national laws, regulations and practical matters between ECO and ASEAN to suppress illicit drug trafficking and promote projects/activities on drug matters;

- ii) Promotion of civic awareness on the danger of drugs, development of community-based drug prevention and drug abuse control programmes in ECO and ASEAN;
 - iii) Development of drug demand reduction programmes in both regions;
 - iv) Promoting law enforcement cooperation in ECO and ASEAN;
 - v) Formulating alternative development programmes/illicit crop replacement; and
 - vi) Consider the possibilities of organising joint workshops, training courses, study visits for drug law enforcement officers and other authorities in charge of drug matters in relevant fields.
- c) **Development of Small and Medium Sized Enterprises (SMEs)**
- i) Devising regional and intra-regional strategies and programmes for the competitive development and internationalisation of SMEs and business creation for SMEs;
 - ii) Supply-side capacity building in critical areas of production and management, especially among the first and second tier SME sub-contractors to export buyers or merchandisers and to transnational corporations;
 - iii) Providing business development services for SMEs, especially those relating to export marketing (including e-commerce), technology upgrading, venture and other business financing, and inter-firm networking and linkages; and

- iv) Sharing data concerning the business environment and requirements in the two regions, including the development of business registries and database for inter-firm networking purposes, and the facilitation of networking trade missions involving SME entrepreneurs from the two regions.
- d) **Tourism**
 - i) Development of tourism infrastructure and facilities in ECO and ASEAN;
 - ii) Encouraging the involvement of private sector and tour operators associations in fostering regional cooperation in tourism;
 - iii) Consider organising tourism fairs to familiarise travel agents, tour operators, travel writers with the tourism potential of regions; and
 - iv) Identifying investment opportunities in tourism in ECO and ASEAN.

Article 2 **Modes of Cooperation**

Both Parties shall draft a working programme to implement the above-mentioned areas of cooperation.

Any further specific technical and sectoral cooperation shall be accommodated by supplementary Exchange of Letters between the two Parties as mutually agreed upon.

To enable a more effective and mutually beneficial cooperation, both Parties agree to undertake yearly consultations, or as and when necessary, preferably on the sidelines of or back-to-back with existing meetings.

Article 3
Provisions

This Memorandum of Understanding shall be regarded as an administrative arrangement between the two Parties. The two Parties shall implement this Memorandum of Understanding in conformity with their respective regulations, rules and administrative practices.

Article 4
Amendment, Entry into Force,
Duration and Termination

This Memorandum of Understanding may be amended in writing by mutual consent of both Parties.

This Memorandum of Understanding shall enter into force on 18 January 2006. It shall be valid for 5 years and shall subsequently continue to be in force thereafter, unless terminated by either side at any time, by written notification.

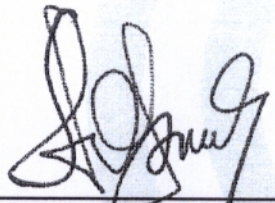
Article 5
Settlement of Disputes

Any dispute or difference between the parties arising from this Memorandum of Understanding shall be settled amicably through consultations or negotiations.

In **WITNESS WHEREOF**, the undersigned, authorised representatives, have signed the present Agreement.

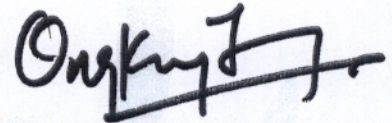
DONE on this 18 day of January 2006, in two original copies
in the English language, all texts being equally authentic.

For the Secretariat of the
Economic Cooperation Organisation:



ASKHAT ORAZBAY
Secretary-General of ECO

For the Secretariat of the
Association of Southeast Asian Nations



ONG KENG YONG
Secretary-General of ASEAN