

## **ASEAN AGREEMENT FOR THE ESTABLISHMENT OF A FUND FOR THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS**

Reference: This Agreement is also published in 10 YEARS ASEAN, p. 252.

THE GOVERNMENTS OF THE REPUBLIC OF INDONESIA, MALAYSIA, THE REPUBLIC OF THE PHILIPPINES, THE REPUBLIC OF SINGAPORE AND THE KINGDOM OF THAILAND,

BEING members of the Association of Southeast Asian Nations (hereinafter referred to as "ASEAN"),

DESIRING to accelerate and intensify the implementation of the aims and purposes of ASEAN as embodied in the ASEAN Declaration, AND RECOGNIZING the desirability of and the necessity for a fund to finance joint projects approved by the Foreign Ministers of ASEAN,

DO HEREBY AGREE AS FOLLOWS:

### **ARTICLE 1**

#### **Establishment and Membership**

1. The Contracting Parties shall establish a Fund for ASEAN (hereinafter called "the Fund").
2. Members of ASEAN shall be entitled to membership in the Fund and shall become members upon signature of this Agreement or in the case of new members upon deposit of this instrument of accession to this Agreement.

### **ARTICLE II**

#### **THE FUND**

1. The Fund shall be made up of the ASEAN National Fund of each of the member countries (hereinafter referred to as "the national fund"). Contributions made by each member country to the Fund shall be paid into the national fund of each member country and shall be held in the custody of that member country.

2. (a) Each member country shall initially contribute to the Fund an amount equivalent to US\$ 1 million to be paid in not more than three annual installments. The contribution in national currency shall be convertible into United States dollars. The Fund may be increased from time to time as agreed upon by the ASEAN foreign Ministers (hereinafter referred to as "the Foreign Ministers").

(b) Contributions to the Fund shall be determined in United States dollars. Each member country may make contributions of equivalent amount in its national currency or in United States dollars or in both.

3. (a) The national Fund shall be replenished by each member country to the required level as decided by the Foreign Ministers in paragraph 2(a) taking into account any outstanding claim for reimbursement by member countries.

(b) At the end of every quarter, or in the event of a member country changing the value of its national currency, it shall make such adjustments in its own contribution as well restore the balance of its national fund to its equivalent value in United States dollars at the close of business on the day prior to the adjustments.

(c) For the purpose of calculating the amount of national currency contribution, replenishment, adjustment or reimbursement to the national fund, the rate of conversion shall be the par value of the currency of each member country as declared with the International Monetary Fund.

(d) In cases where the national currency of a member country does not have a par value declared with the International Monetary Fund, the rate conversion of the national currency of that country shall be based on such rate of exchange at the close of business on the day prior to the date when the contribution, replenishment, adjustment or reimbursement is to be made as determined by the ASEAN Standing Committee upon consultation, if necessary, with the International Monetary Fund.

### **ARTICLE III**

#### **CONTROL DISBURSEMENT AND ACCOUNTING**

The control, disbursement and accounting of the Fund shall be in accordance with the rules contained in the annex hereto.

### **ARTICLE IV**

#### **AMENDMENTS**

Any member country may propose an amendment to the provisions of this Agreement or to the rules contained in the Annex hereto. Such amendment shall only come into force after it has been accepted by all the other member countries.

### **ARTICLE V**

#### **ENTRY INTO FORCE AND TERMINATION**

This Agreement shall enter into force on the date of signature by all the member countries and shall remain in force until it is terminated by the decision of all the Foreign Ministers.

### **ARTICLE VI**

#### **ACCESSION**

Accession to this Agreement shall take effect from the date on which the instrument of accession is deposited in the Ministry of Foreign Affairs, Malaysia, by the new member of ASEAN.

## ARTICLE VII

### WITHDRAWAL

A Contracting Party may at any time give formal notice of its intention to withdraw from this Agreement and such withdrawal shall take effect one year from the date of the notification to the Ministry of Foreign Affairs, Malaysia, which shall as soon as possible notify all the other member countries.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective governments, have signed this Agreement.

DONE at Cameron Highlands, in a single copy in the English Language this Seventeenth day of December, 1969.

For the Government of the  
Republic of Indonesia

.....  
TUN ADAM MALIK

For the Government of  
Malaysia

.....  
TUN ABDUL RAZAK

For the Government of the  
Republic of the Philippines

.....  
(Signed) CARLOS P. ROMULO

For the Government of the  
Republic of Singapore

.....  
S. RAJARATNAM

For the Government of the  
Kingdom of Thailand

.....  
THANAT KHOMAN

ANNEX

### **RULES GOVERNING THE CONTROL, DISBURSEMENT AND ACCOUNTING OF THE FUND FOR THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS PURPOSE OF THE FUND**

1. The Fund shall only be used for the purpose of implementing projects which have been approved by the Foreign Ministers of ASEAN (hereinafter referred to as "Approved Projects").

2. The Fund shall not be used for the following purposes unless otherwise provided for by the Foreign Ministers:

- (a) Travelling, accommodation and other expenses of delegations attending meetings and conferences of ASEAN;
- (b) Routine expenditures for work undertaken by the Standing Committee of ASEAN, Heads, of ASEAN National Secretariats and Committee Meetings of ASEAN;
- (c) Exchange of and provision for experts;
- (d) Exchange of trainees; and
- (e) Study tours.

#### APPROVED PROJECTS

3. A member country may propose projects to be financed from the Fund, through the Heads of ASEAN National Secretariats, to the ASEAN Standing Committee, for consideration by the Foreign Ministers.

4. The Budget of Approved Projects shall be divided as follows:

#### (a) Administrative and Capital Costs

These costs will include all administrative costs such as rents, utilities, office requisites, salaries of the locally engaged general service personnel and insurance and will include certain expenditures of a capital nature such as expenditures on lands and building.

#### (b) Operational Costs

These costs comprise all other costs of the Approved Projects including programme costs, recruitment costs, salaries and allowances of the professional staff engaged in the Approved Projects.

5. The host Governments shall be responsible for the Administrative and Capital Costs of the Approved Projects.

6. The Operational Costs of an Approved Project shall be shared equally by member countries. However, in cases where certain countries derive a greater share.

7. The ownership of any property, movable or immovable, acquired as a result of expenditure incurred under rule 5 shall vest in the host Government.