



## AGREEMENT ON THE AUGMENTATION OF THE ASEAN SCIENCE FUND

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The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam:

**BEING** members of the Association of South East Asian Nations (hereinafter referred to as "ASEAN");

**DESIRING** to achieve the aims and purposes of ASEAN as embodied in the ASEAN Declaration and the Declaration of ASEAN Concord;

**REAFFIRMING** the goals of science and technology cooperation in ASEAN as stated in the Manila Declaration of 1987 and in the Singapore Declaration of 1992;

**HAVING ESTABLISHED** the ASEAN Trust Fund for Science and Technology (hereinafter referred to as "ASEAN Science Fund") in 1989 to promote regional cooperation in science and technology with initial contributions;

**RECOGNISING** the challenges that lie ahead for regional cooperation in science and technology to boost the region's global competitiveness and the concomitant need for stronger funding support to seed regional cooperation programs in science and technology;

**DO HEREBY AGREE AS FOLLOWS:**

### Article 1 Establishment

1. The ASEAN Member Countries shall augment the ASEAN Science Fund to reach a target contribution of US \$1million each.

**Article 2**  
**Contributions and Administration**

1. The ASEAN Member Countries shall complete their contributions to the ASEAN Science Fund in annual installments according to the schedule of payment annexed as Annex I, and considered an integral part of this Agreement.
2. All contributions shall be made in US dollars, payable to the ASEAN Science Fund.
3. In addition to the contributions of the ASEAN Member Countries, the ASEAN Science Fund shall also be open for contributions from third countries, international bodies and other sources. Contributions paid into the ASEAN Science Fund shall belong to ASEAN and shall be held in the custody of the ASEAN Secretariat.
4. The ASEAN Science Fund shall be administered solely by ASEAN.

**Article 3**  
**Control, Disbursement and Accounting**

1. The control, disbursement and accounting of the ASEAN Science Fund shall be in accordance with the Guidelines and General Principles for the Operation of the ASEAN Science Fund (hereinafter referred to as the "Guidelines") and the Terms of Reference for the Advisory Body of the ASEAN Science Fund (hereinafter referred to as "Terms of Reference") as agreed upon by the 21<sup>st</sup> Meeting of the ASEAN Committee on Science and Technology (hereinafter referred to as "COST") in Jogjakarta, Indonesia on 4-8 September 1989, and as subsequently amended by the 30<sup>th</sup> Meeting of COST in Chiang Mai, Thailand on 14-16 March 1994. The Guidelines and Terms of Reference shall be annexed as Annexes II and III respectively and considered an integral part of this Agreement.
2. Projects to be financed by the ASEAN Science Fund shall meet the requirements contained in the Guidelines.

**Article 4**  
**Amendments**

1. Any ASEAN Member Country may propose an amendment to the provisions of this Agreement or to the Guidelines or Terms of Reference



annexed to this Agreement. Such amendment shall come into force only after it has been accepted by all other ASEAN Member Countries.

**Article 5**  
**Accession of New Members**

1. Any new ASEAN Member Country(ies) shall accede to this Agreement which shall enter into force from the date on which the Instrument of Accession is deposited with the ASEAN Secretariat.

**Article 6**  
**Entry into Force and Termination**

1. The ASEAN Member Countries shall deposit their Instrument of Ratification or Acceptance with the Secretary-General of ASEAN who shall promptly inform the ASEAN Member Countries of such deposit. This Agreement shall enter into force on the date of the last deposit of the Instrument of Ratification or Acceptance and shall remain in force until it is terminated by agreement of all the ASEAN Member Countries. This Agreement shall be deposited with the Secretary-General of ASEAN, who shall promptly furnish a certified copy thereof to each ASEAN Member Country.
2. Termination shall be conducted in such manner as not to prejudice the respective interests of the ASEAN Member Countries in this matter. Upon termination of this Agreement, the ASEAN Science Fund shall stand dissolved.
3. Upon dissolution of the ASEAN Science Fund, the total contribution and share of proceeds of the ASEAN Science Fund less the costs attendant to its closure and/or any unpaid obligations shall be returned to each contributing ASEAN Member Country. The disposition of contributions from other sources shall be decided by COST in a fair and equitable manner.

**Article 7**  
**Settlement of Dispute**

1. Any dispute concerning the interpretation or implementation of this Agreement shall be settled amicably through consultations or negotiations among the ASEAN Member Countries.

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

DONE in Genting Highlands, Malaysia this 8<sup>th</sup> day of April 2000, in a single copy in the English language.

## ANNEX I

### Proposed Schedule of Payment for the Augmentation of the ASF (US\$)

Country	Year										
	Seed contribution	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Brunei Darussalam	50,000		50,000	80,000	100,000	120,000	120,000	120,000	120,000	120,000	120,000
Cambodia			100,000*	77,500	87,500	97,500	107,500	117,500	127,500	137,500	147,500
Indonesia	50,000		30,000	50,000	70,000	90,000	120,000	140,000	150,000	150,000	150,000
Lao PDR	50,000		60,000	70,000	80,000	90,000	100,000	110,000	120,000	130,000	190,000
Malaysia	50,000	20,000	30,000	50,000	70,000	90,000	110,000	130,000	150,000	150,000	150,000
Myanmar	50,000		30,000	50,000	80,000	100,000	110,000	130,000	150,000	150,000	150,000
Philippines	50,000	30,000	65,000	75,000	85,000	95,000	100,000	110,000	120,000	130,000	140,000
Singapore	50,000	50,000	60,000	70,000	80,000	90,000	100,000	110,000	120,000	130,000	140,000
Thailand	50,000		100,000	100,000	100,000	100,000	100,000	100,000	100,000	120,000	130,000
Vietnam	50,000		50,000	50,000	70,000	90,000	110,000	130,000	150,000	150,000	150,000
<b>Total</b>	<b>450,000</b>	<b>100,000</b>	<b>575,000</b>	<b>672,500</b>	<b>822,500</b>	<b>962,500</b>	<b>1,077,500</b>	<b>1,197,500</b>	<b>1,307,500</b>	<b>1,367,500</b>	<b>1,467,500</b>

Note (\*) The figure includes the seed contribution of US \$50,000



**ANNEX II**  
**Guidelines and General Principles for the**  
**Operation of the ASEAN Science Fund**

1. There is hereby established a Trust Fund to be known as the "ASEAN TRUST FUND FOR SCIENCE AND TECHNOLOGY" hereinafter referred to as "The ASEAN Science Fund".
2. These guidelines shall be deemed to have effect from the 21<sup>st</sup> Meeting of ASEAN Committee on Science and Technology (COST) held in Jogjakarta, Indonesia on 4-8 September 1989, as amended during its 30<sup>th</sup> Meeting held in Chiang Mai, Thailand on 14-16 March 1994. It is understood that contributions previously given by ASEAN member states as reflected in Annex I shall be compensated against their mandatory contributions as set forth under the Agreement on the Augmentation of the ASEAN Science Fund.
3. The ASEAN Science Fund is established for the purpose of financing the various activities relating to science and technology as identified and approved by the ASEAN COST subject to the direction and approval of the ASEAN Standing Committee (ASC) (hereinafter referred to as "Approved Projects").
4. As far as possible, utilization of the ASEAN Science Fund for Approved Projects shall be done on an economical basis with maximum benefits.
5. In addition to the contributions from ASEAN Member Countries, the ASEAN Science Fund shall be credited with:
  - Contributions from Third Countries;
  - Contributions from United Nations Agencies and other international organizations or bodies;
  - Contributions from other sources.
6. The ASEAN Science Fund shall be sought from those parties, referred to in paragraph 5, by the ASEAN member countries through the present contact points.
7. Contribution paid into the ASEAN Science Fund shall belong to ASEAN and shall be held in the custody of the ASEAN Secretariat.
8. An Advisory Body shall be established to advise COST on matters relating to management of the ASEAN Science Fund in accordance with its Terms of Reference which is annexed as Annex III and considered an integral part of the Agreement on the Augmentation of the ASEAN Science Fund.



9. The ASEAN Science Fund shall be administered solely by ASEAN.
10. As agreed upon at the 30<sup>th</sup> Meeting of COST in Chiang Mai, Thailand on 14-16 March 1994, payments from the ASEAN Science Fund may only be made for the following purposes, and in line with prevailing COST programs and priorities:
  - Science and technology policy studies, including convening and hiring experts for this purpose;
  - Support for S&T information exchange and dissemination.
11. The ASEAN Science Fund shall only be used for the purposes stated in paragraph 10 above. It shall not be used for the following purposes unless otherwise provided for by the Advisory Body:
  - Travelling, accommodation and other expenses of delegation attending meetings and conferences of ASEAN;
  - Routine expenditure for work undertaken by the ASEAN Secretariat, National COST Secretariat and Committee Meetings of ASEAN.
12. An Approved Project shall include a budget showing full and detailed itemization of expenditures, as well as schedule of payments, if applicable. 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, equipment, office requisites, salaries of the locally engaged general service personnel and insurance and will include certain expenditures of a capital nature such as expenditure on lands and buildings.
  - (B) Operational cost

These costs comprise all other costs of the approved projects including program costs, recruitment costs, salaries and allowances of the professional staff engaged in the Approved Projects.
13. The ASEAN Science Fund shall be used to fund the operational costs of Approved Projects.
14. For Approved Projects of one-time nature, the amounts equivalent to the approved budgets shall be remitted to the ASEAN COST National Secretariat of the host government concerned sixty (60) days before the date of commencement of implementation.



15. For Approved Projects other than those mentioned in paragraph 14 above, remittance shall be made in accordance with the schedule of payments. Each remittance shall be made sixty (60) days before the date of commencement of implementation of a particular phase. In the event that the fund for the projects is not fully utilized, it shall be the responsibility of the ASEAN COST National Secretariat concerned to inform the ASEAN Secretariat to withhold the whole or part of subsequent remittances.
16. The ASEAN COST National Secretariat concerned shall send to the ASEAN Secretariat a letter of acknowledgement of the remittances.
17. All remittances from the ASEAN Science Fund shall be on a certification duly certified by the Secretary-General, or by an officer or officers duly appointed by him in writing for this purpose. Such certification shall be supported by all relevant documents.
18. (A) The unexpended balance of funds from any Approved Project shall be reverted to the ASEAN Secretariat by the ASEAN COST National Secretariat concerned within ninety (90) days after the completion of the project.  
  
(B) The ASEAN Secretariat shall revert to the ASEAN Science Fund the unexpended balance of funds mentioned in paragraph 18(A) above, as soon as possible.
19. The ASEAN Science Fund shall at all times be kept in credit and not be overdrawn.
20. (A) The ASEAN Science Fund shall have two accounts, namely the Capital Account and the Operational Account. These two accounts shall be expressed in United States dollars and shall be operated and accounted for in accordance with the agreed financial regulation and accounting system of the ASEAN Secretariat.  
  
(B) The Capital Account would be used to generate income. The Operational Account would be replenished by earnings from the Capital Account.  
  
(C) Replenishment of the Operational Account shall be at the rate of 80% of the earnings of the Capital Account. The remaining 20% of earnings shall be retained in the Capital Account.  
  
(D) The ASEAN Science Fund shall be deposited in a bank or banks to be determined by the ASEAN Secretariat with the approval of COST.



- (E) The financial year for the ASEAN Science Fund shall commence on the 1<sup>st</sup> of June each year and shall end on the 31<sup>st</sup> of May of the following year.
  - (F) Disbursements for Approved Projects shall be taken only from the Operational Account.
21. The ASEAN COST National Secretariat concerned shall forward to the ASEAN Secretariat a statement of accounts of the funds disbursed, not later than sixty (60) days from the date of completion of the Approved Projects or at the end of the financial year for on-going Approved Projects.
  22. The ASEAN COST National Secretariat of each member country shall submit an Annual Report of the account of fund disbursed to the ASEAN COST through the Advisory Body, as soon as possible, but in any case not later than one hundred and eighty (180) days after the end of the financial year referred to in Paragraph 20(E). The Annual Report shall include the Annual Financial Statement which shall be audited by the Auditor of the Government concerned.
  23. The ASEAN Secretariat shall submit to the ASEAN Audit Committee an Annual Financial Statement summarizing the financial transaction of the ASEAN Science Fund within ninety (90) days after the end of the financial year.
  24. Any proceeds accruing from the Approved Project shall be credited back to the ASEAN Science Fund. Where applicable and with the approval of COST through the Advisory Body, the proceeds may be retained in the ASEAN COST National Secretariat concerned, to be offset against subsequent remittances by the ASEAN Secretariat.
  25. The account of the ASEAN Science Fund shall be audited by the Audit Committee of ASEAN.

**ANNEX III**  
**Terms of Reference (TOR) for the**  
**Advisory Body on ASEAN Science Fund**



The Terms of Reference of the Advisory Body on ASEAN Science Fund, as adopted by the 21<sup>st</sup> Meeting of COST in Jogjakarta, Indonesia on 4-8 September 1989, are as follows:

**Functions**

1. To consider and recommend to COST on funding priorities for Approved Projects;
2. To advise COST on other possible sources of funding for projects not recommended for assistance under this Fund;
3. To draw up annual indicative budget for the Fund;
4. To monitor the financial status of programs and to vet annual financial statements;
5. To identify possible sources of contribution to the Fund; and
6. To review the procedures and regulations for the management of the Fund.

**Membership**

1. Each member country shall designate at least one representative to the Advisory Body.
2. The Chairman shall be chosen from among the members for a term of 3 years, and shall be rotated alphabetically among member countries.
3. An officer from the ASEAN Secretariat will serve as Secretary to the Advisory Body.

**Meetings**

1. The Advisory Body shall meet at least 2 times every year and preferably during COST Meetings.