**Summary Report and Recommendations
of the ACD High-Level Study Group
on the Future Directions of the ACD**

In recent years, the ACD has progressed rapidly and dynamically in terms of membership (from 18 countries in 2002 to 30 by 2006), cooperation projects (in 19 areas) and dialogue (twice yearly at the Ministerial level for six years now). These developments have brought with them several challenges, i.e., member countries' sense of ownership in the ACD process, member countries' participation and achieving concrete deliverables. Member countries felt that the time had come to explore issues important to the future directions of the ACD.

The 6th ACD Ministerial Meeting in Seoul on 5 June 2007 endorsed the creation of the ACD High-Level Study Group to make recommendations on 4 issues of significance to the forum's future direction. This includes 1) End Goals of ACD Cooperation, 2) Desirability of Creating an ACD Secretariat, 3) Funding and other Mechanisms to Stimulate Progress and Activities of Different Project Areas and 4) Track II Participation in the ACD Process.

The High-Level Study Group (HLSG) met 3 times during 2007-2008 in Bangkok (20-21 August 2007), Seoul (17-18 April 2008) and Astana (18-19 August 2008). HLSG had a productive discussion on the above mentioned issues and agreed to propose the following recommendations to the 7th ACD Ministerial Meeting (ACD 7) to be held in Astana, Kazakhstan on 16 October 2008.

I. End Goals of ACD Cooperation

In considering the issue of end goals, HLSG was asked to consider the following: more clearly defining end goals, creating "Clusters of cooperation" (i.e., clustering cooperation areas), reviewing core values, the nature of the Annual Ministerial Meeting (AMM), an appropriate outcome document for the AMM, reviewing the effectiveness of the Prime and Co-Prime Movers' Consultation and membership. The HLSG had a wide-ranging discussion of the above and agreed to recommend to the Ministers the following:
  o **On End Goals**:
    - That the ACD's end goals should be achieved in a gradual, step-by-step fashion, beginning in the short-term with creating "Asian Connectivity" to promote a sense of "Asian-ness." Once connectivity is achieved, then, in the long term, the building of an Asian Community that is not a supranational body may follow as a natural process.
  o **On ACD Core Values:**
    - That all current core values be retained. However, it was proposed that the ACD consider adding another potential core value, i.e., respect for the fundamental principles of international relations as laid out in the United Nations Charter.
    - It was also proposed that member countries consider changing the term "core values" (which suggests something that does not, and should not, change) to

"working principles" because the current core values would be more appropriate as principles that guide and shape the work of the ACD as it further evolves.

- o **On the Nature of the ACD Forum (AMM):**
  - That HLSG preferred the ACD to remain as a dialogue forum on various issues.
- o **On Creating "Clusters of Cooperation":**
  - That clustering cooperation areas by applying best practices and strengths in one cooperation area to another to maximize synergies and enhance effectiveness, e.g., through physical, human and resources clusters, would be a positive development for the ACD.
- o **On the Prime and Co-Prime Movers' Consultation (P/CPM) Mechanism:**
  - That the Prime and Co-Prime Movers' Consultation mechanism was recognized as being effective and efficient.
- o **On the Possibility of Developing the P/CPM Mechanism into a SOM:**
  - That there were diverse views on this issue and, as yet, no consensus was reached. On this, much depends on the further evolution of the ACD and, with it, a creation of mechanisms to serve the process leading to the end goals.
- o **On an Appropriate Outcome Document for the AMM:**
  - That there were arguments in favor of both a Chair's Statement and a Declaration.

II. Desirability of an ACD Secretariat

- o The HLSG reached a common understanding on the desirability of the ACD Secretariat with a Virtual Secretariat as a first step in this direction.
- o The HLSG understood the need for a permanent secretariat in the long run as the ACD evolves and agreed to keep the issue open for future discussion when there is consensus on its practicability.
- o The HLSG proposed that the host country of the AMM assumed the role of Virtual Secretariat, as specified in the Terms of Reference (TOR) for the ACD Virtual Secretariat. In parallel, the Coordinating Group (comprising past, present, future host of the AMM as well as the ACD Coordinator) will assist with the operation of the Virtual Secretariat to ensure continuity.
- o The HLSG agreed to submit the TOR for the ACD Virtual Secretariat (Annex 1) for the ACD Ministers' endorsement at the ACD 7.

III. Funding and other Mechanisms to Stimulate Progress and Activities of Different Project Areas.

On issues related to the funding and other mechanisms to stimulate Progress and Activities of the Different Project Areas delegates discussed different optional mechanisms.

- o On the basis of discussions, it was agreed to consider three main principal directions of funding:
  - funding of Virtual/Permanent Secretariat
  - centralized funding of the ACD activity
  - funding of the cooperation projects
- o HLSG agreed that the host country of the AMM, which assumed the role of Virtual Secretariat, is responsible for its funding.
- o HLSG noted that at this stage the issue of a centralized funding mechanism could not be resolved until consensus is reached. HLSG therefore recognized a need to conduct a further study on ACD funding mechanism.
- o While HLSG expressed the general view that prime and co-prime movers are principally responsible for funding of the cooperation projects, there were a number of

opinions concerning the additional sources of funding i.e. contributions of such institutions as the Asian Development Bank, Islamic Development Bank etc. and Member countries and third parties interested in development of specific project area, which should not have any political prerequisites.

o There have also been discussions on the way to improving the efficiency of the cooperation projects such to enable assessment of the performance of the prime/co-prime movers.

o HLSG expressed its appreciation to the delegation of India for the paper on funding modalities existing in international organizations (Annex 2). HLSG also entrusted India to prepare a reflection paper on possible funding mechanism.

IV. Track II Participation in the ACD Process

o HLSG recognized the value of involving academia, business and civil society in the development of the ACD process via the Dialogue's Track II participation.

o HLSG agreed to recommend that meetings in the framework of the Track II should be held on annual basis with a reasonable time prior to the AMM in order to utilize their recommendations properly.

o HLSG expressed its appreciation for the proposal of India to hold the Track II Network Meeting in 2009 and decided that its further meetings should be hosted on voluntary basis by the AMM host country or any member countries.

o HLSG recommended member countries to assist the ACD Coordinator to renew and keep updated the List of ACD Academic Arm Contact Points to ensure efficiency of the Track II Network Meetings.

V. Cultural Cooperation

o HLSG recognized the necessity of development of cultural cooperation as the 20th ACD cooperation project and recommended the Islamic Republic of Iran as a Prime Mover and India as a Co-Prime Mover.

o HLSG expressed its appreciation for the efforts of the Islamic Republic of Iran in preparation of draft Concept Paper on Cultural Cooperation within ACD (Annex 3).

o HLSG expressed its appreciation for the ACD Coordinator, the Kingdom of Thailand for publishing the first edition of the ACD Cultural Compendium as a part of the ACD cultural cooperation.

o Member countries was requested to volunteer to publish further editions of the ACD Cultural Compendium on a biennial basis.

VI. Membership issues

o Considering the working principles of the ACD i.e. openness and inclusiveness, HLSG recommended the lifting of the current moratorium on the ACD membership at the ACD 7 in Astana.

o HLSG welcomed the official application of the Kyrgyz Republic for the ACD membership.

o HLSG recommended the acceptance of Morocco as an ACD Partner for Development, in accordance with the Guidelines for the ACD Partner for Development.

Astana
August 19, 2008