

ASEAN DIGITAL INTEGRATION FRAMEWORK

Introduction

1. Digital integration is a critical enabler for harnessing the scale of ASEAN as a region, enabling ASEAN to compete more effectively in the global economy, and bridging the digital divide to create a more inclusive ASEAN region. It also enables individual ASEAN Member States to accelerate their own domestic growth.
2. At the core of regional digital integration is transforming the basis of competition for ASEAN and local businesses, including the MSMEs. It is therefore critical for ASEAN to accelerate the progress of digital integration and ensure all its Member States take deliberate and coordinated actions to build a regionally integrated digital economy.
3. The key elements in the ASEAN Digital Integration Framework are in line with the *AEC Blueprint 2025*, *ASEAN ICT Masterplan 2020*, *Master Plan on ASEAN Connectivity 2025*, *ASEAN Framework for Personal Data Protection*, and the *ASEAN Strategic Action Plan for SME Development 2025*.
4. The ASEAN Digital Integration Framework enables ASEAN Member States to prioritise existing policy actions that will deliver the full potential of digital integration.

Priority Areas

5. The following priority areas are identified for the immediate term to address the critical barriers and accelerate existing ASEAN platforms and plans to realise digital integration:
 - i. **Facilitate seamless trade.** With the increase in digital-enabled trade of goods, digital integration requires reliable physical infrastructure and favourable trade policies to facilitate seamless trade flows across ASEAN. In this regard, ASEAN Member States shall accelerate progress on seamless logistics within and across ASEAN to facilitate digital-enabled trade.
 - ii. **Protect data while supporting digital trade and innovation.** It is the responsibility of governments and industry to ensure that data is protected and secured as the volume increases. The ASEAN Framework for Personal Data Protection provides for data protection while facilitating data flows across the ASEAN Member States. ASEAN Member States are encouraged to take into account the principles outlined in the ASEAN Framework for Personal Data Protection and international frameworks to stimulate budding MSMEs' progress in digital integration.
 - iii. **Enable seamless digital payments.** Digital payment is a key enabler to facilitate seamless cross-border digital trade and serves as a gateway to other digital financial services. It offers the potential to extend financial inclusion to underserved populations across ASEAN. In line with the goals under AEC 2025 Strategic Action Plans for Financial Integration, ASEAN Member States should implement interoperable frameworks that use common global standards, messages and rules; work with financial institutions to develop inclusive open API standards and roadmaps; and develop or build on existing national digital ID systems to encourage adoption of digital financial services by enabling real-time and secure verification of user identities.
 - iv. **Broaden digital talent base.** Upskilling is critical in enabling the existing workforce to benefit from and accelerate the progress of digital integration. There are existing plans in ASEAN, such as the ASEAN ICT Masterplan 2020 and AEC Blueprint 2025. ASEAN Member States have made some progress in this area. Yet many upskill programmes

are at an early stage or only focus on urban populations. In order to accelerate results, ASEAN Member States shall partner with the private sector in designing the most relevant digital skills roadmaps and accelerate the roll-out of these programmes for prioritised sectors.

- v. **Foster entrepreneurship.** There is a need to assist budding digital MSMEs navigate the business ecosystem to flourish - from the ease of starting a business to digital regulations. ASEAN Member States shall continue to simplify existing hurdles in setting up and doing business for its MSMEs. In addition, ASEAN Member States shall endeavour to ensure that new policies related to digital integration do not significantly impose burdens and deter MSMEs from participating in the digital economy.
- vi. **Coordinate actions.** ASEAN shall designate one body to manage across all the different areas of this Framework. This will help accelerate digital integration through effective prioritisation, coordination and tracking across different objectives and timelines.

Institutional Framework

6. The ASEAN Coordinating Committee on Electronic Commerce (ACCEC) or its successor body will serve as the coordinating sectoral body for this Framework. The ACCEC or its successor body, assisted and supported by the other relevant ASEAN sectoral bodies, shall ensure effective implementation of all related digital integration initiatives and periodically coordinate its efforts and report progress to the ASEAN Senior Economic Officials Meeting.

7. In order to realise the objectives of this Framework, the Terms of Reference of the ACCEC shall be reviewed to carry out its mandate.