

ASEAN MINERALS COOPERATION ACTION PLAN 2016-2025 (AMCAP-III)

“Create a vibrant and competitive ASEAN mineral sector for the well-being of the ASEAN people through enhancing trade and investment and strengthening cooperation and capacity for sustainable mineral development in the region”

I. INTRODUCTION

1. ASEAN is a region rich in mineral resources with vast potentialities for new discoveries. It will gradually emerge to be one of the main growth drivers in Asia's economy. The total value of mineral trade in ASEAN has increased by more than three-fold in the past decade, increasing from about USD14 billion in the year 2004 to USD44 billion in 2013¹. This has resulted in socio-economic and infrastructure development to many parts of the region.

2. Today, ASEAN, with more than 600 million consumers, has a large industry base that can offer vast opportunities in intra-investment and trade in the region's rich mineral resources. This can inevitably lead towards a more integrated ASEAN Economic Community (AEC) 2025 as aspired in the Nay Pyi Taw Declaration on the ASEAN Community's Post 2015 Vision.

3. Total intra- and extra-ASEAN trade in major minerals produced in the region in 2012, namely gold, copper, nickel, tin, iron, bauxite, zinc, coal, and gemstones, was about USD53.5 billion with exports value of USD28.6 billion (1.2% of total ASEAN GDP) and imports value of USD24.8 billion (1.1% of total ASEAN GDP). In 2013, total ASEAN trade increased to USD57 billion, though exports value decreased to USD26.4 billion and imports value increased to USD30.6 billion. During those periods, export value of ASEAN Member States (AMS) for the specified major minerals was dominated by Indonesia (USD10.9 billion in 2012 and USD12.1 billion in 2013), followed by Thailand (USD9.3 billion in 2012 and USD5.3 billion in 2013) and Singapore (USD3.6 billion in 2012 and USD3.1 billion in 2013). For import value, Thailand was the major importing country, accounted for USD12.2 billion in 2012 and USD16.4 billion in 2013, followed by Malaysia (USD5.2 billion in 2012 and USD6.9 billion in 2013) and Singapore (USD4.4 billion in 2012 and USD4.3 billion in 2013)².

4. Mining, minerals and metals are important to the socio-economic development of the ASEAN region towards AEC integration. To enhance sustainable mineral development, all AMS need to consider the environmental impacts of mining to people, biodiversity, forests and water. AMS have to ensure that all mining activities in the ASEAN region are conducted sustainably, both during and after mining. Sustainable practices should be undertaken at every stage of mineral development focusing on social and environmental well-being. Mining shall be an integral part of ASEAN community development for future decades, bringing about direct and indirect benefits to local, national and regional economies.

¹ Source: ASEAN Secretariat, based on submission from ASEAN Member States

² *Ibid*

5. In AMCAP-III, AMS shall continue to enhance capacity building to strengthen knowledge of stakeholders including industry players to provide a sound basis for efficient and sustainable mineral development. Emphasis shall be given to exploration, extraction, processing, and rehabilitation techniques. Other areas for capacity building shall include policy formulation, institutional and regulatory framework on mining to ensure proper environmental management, monitoring and enforcement. This can be done through close cooperation and collaboration with the academic fraternity. Thus, all institutions of higher learning in AMS will be encouraged to share knowledge in mineral development by leveraging on smart partnership and shared expertise. The centrepiece of ASEAN capacity building in mineral development will depend on closer public-private-academia partnership and cooperation within the framework of sustainable development.

6. The mineral sector has a crucial role to play in supporting ASEAN to achieve AEC's goal by 2025. It supports ASEAN's economic activity through the provision of primary raw materials necessary for society and industry needs. It would be impossible for infrastructure, construction and manufacturing industries to operate in an economy without an adequate and constant supply of minerals. Hence, economic integration among AMS is vital to meet continued market expansion within the ASEAN as well as to provide for external demand. Such economic integration in ASEAN requires addressing policy issues such as tariff reduction and removal of investment and non-tariff barriers. Economic integration also means AMS connectivity through infrastructure, energy, communications and transportation development. Construction of the ASEAN Power Grid, the Trans-ASEAN Gas Pipeline, the ASEAN Highway Network, the Singapore-Kunming Rail Link and regional telecommunications networks will continue to generate demand for minerals.

7. The AMS should also be committed in providing investors with a competitive and conducive environment for intra-ASEAN investment. This is in line with the ASEAN Comprehensive Investment Agreement (ACIA), signed in 2009 and came into effect on 29 March 2012, which aims at enhancing the attractiveness of the ASEAN region as a single investment destination. The ACIA, which also covers mining, is expected to result in a more conducive business environment, attracting investors to do business in the region while providing greater confidence among current investors to continue and expand their investments, and thus increasing intra-ASEAN investment.

8. Private sector inputs and partnerships in developing the ASEAN mineral sector are essential not only in designing regional strategies and initiatives, but also in identifying the common issues in realising regional integration. To achieve measurable success in sustainable mineral development, an effective public-private sector partnership should be enhanced. In this regard, fostering closer public-private sector engagement will also help towards the successful implementation of the various programmes, projects and activities under AMCAP-III.

9. The benefits of having a more inclusive mineral cooperation with various ASEAN Dialogue Partners cannot be over emphasised especially in the exchange of knowledge and best practices in the promotion of scientific and technological

research in minerals, geosciences and geological mapping, as well as other aspects of mineral development. Towards this end, the various cooperation programmes, projects and activities under AMCAP 2011-2015 (AMCAP-II) that are on-going will be continued and further strengthened in AMCAP-III.

II. THE ASEAN MINERALS COOPERATION ACTION PLAN, 2016-2025 (AMCAP-III)

10. This is the third implementation plan for minerals since its inception in 2005, namely: AMCAP-I (2005-2010); and AMCAP-II (2011-2015), which serves as a blueprint for ASEAN minerals cooperation to further enhance ASEAN mineral sector dynamism.

11. The AMCAP-III was adopted by the 15th ASEAN Senior Officials Meeting on Minerals (15th ASOMM) and endorsed by the 5th ASEAN Ministerial Meeting on Minerals (5th AMMin) held on 8-10 September 2015 in Vientiane, Lao PDR.

12. To align with the ASEAN Post-2015 Vision, implementation of the AMCAP-III is divided into two phases i.e. Phase 1 (2016-2020) and Phase 2 (2021-2025).

A. Vision

13. The AMCAP-III vision is to “*Create a vibrant and competitive ASEAN mineral sector for the well-being of the ASEAN people through enhancing trade and investment and strengthening cooperation and capacity for sustainable mineral development in the region*”.

B. Objective

14. The objective of the AMCAP-III is to further enhance ASEAN mineral sector dynamism with revitalised strategies and new initiatives towards boosting trade and investment, closer cooperation and strengthening capacity in sustainable mineral development for a more prosperous and integrated ASEAN.

15. Building from the previous AMCAPs, the AMCAP-III will continue to underscore the important supporting role of the minerals sector in the AEC in stimulating and enhancing business and trade integration in the AMS. Within the context of renewed thrust under the AEC, AMS will strive, among others, to implement strategic policies, measures and initiatives to further enhance mineral trade and investment, to attract a robust private sector participation and investment in the exploration and development of mineral resources, and to promote environmentally and socially sustainable mining practices.

C. Policy Agenda and Areas of Cooperation

16. The 5th AMMin held on 10 September 2015 in Vientiane, Lao PDR, noted the Nay Pyi Taw Declaration on the ASEAN Community's Post 2015 Vision issued at the 25th ASEAN Summit on 12 November 2014 in Nay Pyi Taw, Myanmar, to promote an ASEAN Economic Community for 2016-2025 (AEC 2025). This includes an integrated and highly cohesive economy, competitive, innovative and dynamic

ASEAN, resilient, people-centred ASEAN, enhanced sectoral integration and cooperation, and a global ASEAN. The Declaration aims, amongst others, to:

- (a) Create a deeply integrated and highly cohesive ASEAN economy that would support sustained high economic growth and resilience even in the face of global economic shocks and volatilities;
- (b) Incorporate a sustainable growth agenda that promotes the use of green technology and green energy;
- (c) Engender more equitable and inclusive growth in ASEAN to narrow the development gaps, with poverty significantly reduced if not eliminated, sustained high growth rate of per capita income of the low and lower middle income within the AMS, and a rising middle class;
- (d) Promote the principles of good governance, transparency and responsive regulations and regulatory regimes through active engagement with the private sector, community-based organisations and other stakeholders of ASEAN;
- (e) Foster robust productivity growth through innovation and technology development, which entails human resource development and intensified regional research and development with commercial application to increase ASEAN's competitive edge to move up the global value chain into higher technology-intensive manufacturing industries and knowledge intensive market services; and
- (f) Promote wider Asian connectivity through ASEAN and sub-regional cooperation and projects to achieve greater infrastructure connectivity supported by strong institutional and people-to-people connectivity and movement of skilled people and talents.

17. Cooperation in ASEAN minerals sector shall continue to involve partnership in policy development and in programme implementation in the following areas:

- (a) Information exchange and development of the ASEAN Mineral Database;
- (b) Promotion and facilitation of intra- and extra-ASEAN trade and investment;
- (c) Promotion of environmentally and socially responsible mineral resources management and development;
- (d) Intensifying private sector participation and public-private sector collaboration in ASEAN mineral cooperation programmes and activities;
- (e) Fostering cooperation with ASEAN Dialogue Partners and relevant international and regional organisations in the promotion of scientific

and technological research and development in mineral resources development and geosciences, as well as cooperative programmes on technology transfer;

- (f) Coordination and harmonisation of development policies and programmes on mineral resources;
- (g) Exchange of technical information, experience and good mining practices; and
- (h) Strengthening cooperation and joint approaches in addressing international and regional issues and concerns of common interest.

D. Review of AMCAP-II

18. The AMCAP-II aimed to boost the dynamism of the ASEAN minerals sector with initiatives that could enhance trade and investment, intensify cooperation and increase capacity for sustainable mineral development and prosperity of the ASEAN region.

19. After 4 years of implementation of the AMCAP-II, the following measures have been successfully undertaken:

- Under Strategy 1, Facilitating and Enhancing Trade and Investment in Minerals, 12 measures have been completed, 2 are on-going and 1 measure has been deferred.
- Under Strategy 2, Promoting Environmentally and Socially Sustainable Mineral Development, 8 measures have been completed, 4 are on-going and 5 measures have been deferred.
- Under Strategy 3, Strengthening Institutional and Human Capacities in the ASEAN Minerals Sector, 8 measures have been completed, 3 are on-going and 5 measures have been deferred.
- Under ASOMM+3, 25 projects have been successfully carried out and 4 projects are on-going.

20. The notable achievements include, among others:

- Launching of the ASEAN Minerals Database and Information System (AMDIS) which provides public and business community with greater access to information on minerals concerning mineral resources, research and development in minerals, capacity building, regulation, as well as minerals company profile;
- Implementation of capacity building activities under the framework of ASOMM+3 through a series of training courses on Geological Mapping Capacity Building for AMS, Training Course on ASEAN Mine Environment and Ecological Recovery and Management Capability, with technical

assistance from China; and a series of trainings/workshops on ASEAN Minerals Resources Database, Training Courses on Sustainable Development of Mineral Resources with technical support from Japan;

- Implementation of capacity building activities and events carried out by AMS such as Seminar on Policy Mechanism for Mineral Mining License in ASEAN; Seminar on Mining Business and Investment Opportunities of the Rare Earth Minerals; Training Programme on Geological Survey and Resource Mapping; Workshop on Mine Rehabilitation and Sustainable Development; Workshop on Tin and Industrial Minerals Processing – which were organised by Indonesia; Singapore Iron Ore Week and Asian Mineral Congress – which were organised by Singapore; and First International Conference on Geology and Mineral Resources of ASEAN (GeoASEAN 1) and Symposium on Developing GeoParks within East and Southeast Asia Region: Opportunities and Challenges – which were organised by Viet Nam;
- Completion of researches and studies undertaken by AMS such as Research of Low Grade Bauxite Processing by Indonesia; Study on Sustainability Assessment Tools for Mining and Minerals Production by Thailand; and
- Establishment of ASEAN Mining Wiki by Thailand as an information sharing mechanisms on the social frameworks, environmental standards and legislations among AMS.
- Establishment of the ASEAN Minerals Trust Fund to support the implementation of ASEAN mineral cooperation programmes, projects and activities.

21. To meet the satisfactory implementation of the strategic plans and targets of the AMCAP-III requires mobilisation of adequate financial resources and technical assistance. These aspects have been among the main challenges experienced in the implementation of the two previous AMCAPs.

22. In time availability of the ASEAN Minerals Trust Fund in the beginning of 2017 to support the projects and activities of ASOMM would, therefore, be beneficial to the implementation of the AMCAP-III. At the same time, enhancing cooperation with Dialogue Partners and International Organisation offer good prospects to meet the AMCAP's target.

E. Implementation Arrangements

23. The ASOMM shall have the overall responsibility in the supervision, coordination and implementation of the AMCAP-III, with the following specific responsibilities:

- a. Undertake all necessary actions for its implementation, including determining priorities, carrying out periodic reviews, and the approval of the necessary cooperation programmes, projects and activities;

- b. Serve as the principal coordinating body to address all issues relating to its implementation;
- c. Identify financial support and assistance, as well as relevant technologies from within and outside ASEAN, to include but not limited to the private sector, the ASEAN Dialogue Partners, and relevant regional and international organisations and educational institutions; and
- d. Report on the implementation progress to the AMMin.

24. The ASEAN minerals working groups, namely: Working Group on Trade and Investment in Minerals (WGTIM), Working Group on Sustainable Minerals Development (WGSMD), Working Group on Capacity Building in Minerals (WGCBM), and Working Group on Minerals Information and Database (WGMID) shall continue to serve as the ASOMM's implementing arms in the respective programme areas.

25. The ASEAN Mineral Trust Fund shall be utilised to provide funding support to the implementation of AMCAP-III projects and activities, as duly approved by ASOMM. The AMS shall collectively determine the implementation priorities, work programmes, projects and activities under the AMCAP-III for consideration and approval by ASOMM. Technical and financial assistance from ASEAN Dialogue Partners, ASEAN private sector, international and regional organisations and other related institutions are welcome to ensure the successful implementation of the AMCAP-III.

26. The ASEAN Secretariat shall assist ASOMM and its Working Groups in carrying out the above responsibilities, including technical support and assistance in the facilitation, coordination and review of the programmes, projects and activities as well as leverage for funding supports. The ASEAN Secretariat shall prepare regular implementation progress reports for submission to ASOMM and its Working Groups.

27. Mid-Term Review (MTR) mechanism will be pursued to monitor the progress in the implementation of AMCAP-III as well as identify areas that may potentially require intervention to ensure their timely completion by 2025. The MTR for AMCAP-III Phase 1 will be undertaken in 2018 and Phase 2 in 2023.

III. AMCAP-III PHASE 1 (2016-2020)

STRATEGIC AREAS, PROGRAMMES AND ACTION LINES

28. The AMCAP-III Phase 1 consists of 4 Strategic Areas, namely:

- (i) Facilitating and Enhancing Trade and Investment in Minerals;
- (ii) Promoting Environmentally and Socially Sustainable Mineral Development;
- (iii) Strengthening Institutional and Human Capacities in the ASEAN Minerals Sector; and
- (iv) Maintaining An Efficient and Up-To-Date ASEAN Minerals Database, including its infrastructure towards achieving AEC integration in the minerals sector.

29. The 4 Strategic Areas mentioned above covers 15 Programmes and 46 Action Lines, as follows:

Strategy 1: Facilitating and Enhancing Trade and Investment in Minerals

Programme and Actions Lines:

TI 1 - Creating trade opportunities and addressing impediments:

- (i) Enhance information sharing mechanism with the view to provide more comprehensive and updated mineral information and data of AMS.
- (ii) Compile information, statistics and publication on mineral exploration, development and consumption as well as value-added activities, including mineral laws and regulations.
- (iii) Collect and collate existing regulations and incentives towards making them readily available to stakeholders.
- (iv) Enhance the role of one-stop mineral trade and investment promotion/ facilitation centre in each AMS.

TI 2 - Promote intra- and extra-ASEAN investment in the minerals sector:

- (i) Organise conferences, seminars, forums, and visit programmes.
- (ii) Sharing of information on increasing added value in minerals and precious stones.

- (iii) Regular review of trade and investment in minerals amongst AMS.
- (iv) Formulate and implement programmes on promotion of intra- and extra-ASEAN investment in the minerals sector.

TI 3 - Facilitate smart partnership in trade and investment:

- (i) Hold regular public-private sector forums on mineral cooperation in ASEAN.
- (ii) Promote and facilitate business matching or joint venture cooperation between ASEAN private sector companies.
- (iii) Enhance engagement with ASEAN dialogue partners to include advanced mining countries.
- (iv) Regular consultative engagements between private sectors of ASEAN and dialogue partners.

Strategy 2: Promoting Environmentally and Socially Sustainable Mineral Development

Programmes and Actions Lines:

ES 1 - Incentives for environmentally and socially sustainable mineral development:

- (i) Share information through mineral information database on existing incentives and laws/ regulations pertaining to sustainable mineral resource development.
- (ii) Facilitate regular dialogues and forums to enhance investment and cooperation in sustainable mineral development.
- (iii) Recognise best practices in sustainable mineral development in the form of biennial awards presented in conjunction with AMMin.

ES 2 - Enhance sustainable mineral development initiatives:

- (i) Maintain and update information sharing on the social frameworks, environmental standards and legislations.
- (ii) Implement the sustainability assessment framework and guidelines.

- (iii) Continue to conduct training to strengthen capacities of national authorities to ensure safe, responsible and sustainable mineral development.

ES 3 - Exchange of knowledge and best practices:

- (i) Identify and document indigenous knowledge and best practices in environmental protection and rational utilisation of mineral resources.
- (ii) Continue programmes on exchange of knowledge on responsible mineral development practices.
- (iii) Continue R&D efforts to enhance value-add of minerals.

ES4 - Rehabilitation of abandoned and closed mines/ sites:

- (i) Identify, document and disseminate rehabilitation strategies and measures for abandoned and closed mines/ sites for inclusion in ASEAN Mineral Database.
- (ii) Conduct training towards building human and technical capacities in rehabilitation measures for abandoned mines/ sites.

ES 5 - Engagement and cooperation with ASEAN Dialogue Partners:

- (i) Conduct regular dialogues for greater interaction and exchange of knowledge on sustainable mineral development, green mining and new technologies.
- (ii) Conduct forums, seminars, meetings and visits of experts in research and development on sustainable mineral development.
- (iii) Strengthen and encourage greater cooperation within ASEAN and the Dialogue Partners for mutual capacity building.
- (iv) Enhance cooperative programmes with Dialogue Partners in transfer of technology.
- (v) Sharing of information/ exchange of experience on geo-park and geo-heritage.

ES 6 - Communication, education and public awareness:

- (i) Exchange information on communication campaigns for public awareness on environment, health and socio-economic benefits of mineral resources development.

- (ii) Develop public relations materials on the benefits of sustainable mineral resources development.

Strategy 3: Strengthening Institutional and Human Capacities in the ASEAN Minerals Sector

Programmes and Actions Lines:

IH 1 - Develop regional training programmes:

- (i) Organise training programmes based on the outcomes of the Analysis of Training Needs for ASEAN Mineral Administrations / Agencies such as trainings for mine managers, mine designers/engineers, project coordinators (exploration and inspection), etc.

IH2 - Enhance institutional, human and technological capacities for research, innovation and technology transfer in minerals and geosciences:

- (ii) Training on geological surveys and mineral exploration and economic geology.
- (iii) Exchange of geological and resource information between AMS through regional conferences, forums and workshops.
- (iv) Training course on analysis of mineral and geological samples.
- (v) Attachment training within AMS.
- (vi) Short term training courses on specialised areas, especially environmental management, minerals processing, rehabilitation, and mineral economics.

IH3 - Promote R&D cooperation in minerals and geosciences as well as technology transfer programmes with ASEAN Dialogue Partners and other international agencies:

- (i) Facilitate implementation of cooperative studies and technology transfer.

IH4 - Develop and adopt efficient technologies to ensure sustainable mineral resource development through:

- (i) Intensify R&D on green technology in exploration, mining, processing of minerals and mine rehabilitation.

- (ii) Share and exchange of information and experience on latest green technology and practices through regional conferences, forums, seminars or workshops.
- (iii) Capacity building on geophysics technology in mineral exploration both off-shore and on-shore.

Strategy 4: Maintaining an Efficient and Up-To-Date ASEAN Minerals Database, Including Its Infrastructure Towards Achieving AEC Integration in the Minerals Sector

Programmes and Actions Lines:

MD1 - Providing appropriate hard and soft infrastructural support

- (i) Ensure efficient operation of the ASEAN Mineral Database Information System (AMDIS).
- (ii) Provide support in managing and improving the mineral database contents.

MD2 - Sharing of mineral related information

- (i) Enhance commitment among AMS to provide and update the AMDIS on a regular and timely basis.
- (ii) Organise training courses, workshops and exchange of experts in mineral database information system.
- (iii) Continue and strengthen the AMDIS, including its infrastructure pertaining to information on trade, investment, environment, laws and regulations, capacity building, etc.
- (iv) Promote usage of the AMDIS by the public, relevant stakeholders and investors.

30. The Expected Outputs of each Action Line are described in the Implementation Details of the annexed hereto.

IV. AMCAP-III PHASE 2 (2021-2025)

31. Building upon the progress of implementation of key programmes and actions lines of the AMCAP-III Phase 1, the 15th ASOMM held on 8 September 2015 in Vientiane, Lao PDR agreed to develop the Phase 2 of AMCAP-III, i.e. for 2021-2025 period, based on the following timelines:

- Start discussion on the draft: 3rd Quarter of 2018
- Initial Draft: 1st Quarter of 2019
- Final Draft: ASOMM 2019
- Adoption/ endorsement: AMMin 2019

32. The 15th ASOMM endorsed the appointment of Malaysia as the Lead Country for this undertaking.
