

ESTABLISHMENT AGREEMENT ON THE ASEAN-EC MANAGEMENT CENTRE

703/91/73004/211/015-01

The Government of Brunei Darussalam, acting for and on behalf of the member countries of the Association of South-East Asian Nations and

the Commission of the European Communities, acting for and on behalf of the European Economic Community (hereinafter referred to as 'EC').

RECOGNISING that Human Resources constitute a major element for the future development of ASEAN.

MINDFUL of the need to develop an intelligent and highly productive work force; and

RECALLING the decision of the 7th ASEAN-EC Ministerial Meeting in Dusseldorf, Federal Republic of Germany on 2-3 May 1988 to establish an ASEAN-EC Management Centre.

Do hereby agree as follows:

Article 1 : Establishment and Location

1. There shall be established an ASEAN-EC Management Centre (hereinafter referred to as "the Centre").

2. The Centre shall have its seat in Brunei Darussalam (hereinafter referred to as "the Host Country").

Article 2 : General Principles and Key Features

1. The Centre shall adhere to the principals of complementarity, i.e., to draw upon the strengths, resources, skills and facilities available in ASEAN and the EC.
2. While the Centre shall complement and supplement the activities of existing national and regional management institutions, it shall strive not to duplicate nor replace such activities.
3. The Centre shall involve all ASEAN countries in its decision making process to ensure the Centre's responsiveness to ASEAN needs.
4. The Centre shall maintain close links with similar centres in Europe and shall be the medium through which interchanges between the Community and ASEAN are intensified in this field.

Article 3 : Objectives

The objectives of the Centre are:

1. To enhance management efficiency and effectiveness in the private and public sectors of ASEAN and to help develop the capacities of management training throughout the region;
2. To facilitate the development and evolution of new ideas, concepts, strategies and policies relevant to ASEAN's long-term needs;

3. To utilise public administration and business management skills existing within institutions and corporations in ASEAN and the EC; and
4. To strengthen the cooperation links between ASEAN and the EC, through the instruments of management and to establish linkages with other areas covered by ASEAN-EC cooperation, such as industrial cooperation, trade, tourism and science and technology with a view to enhancing such cooperation.

Article 4 : Activities and Programme

1. The Centre shall endeavour to take a leadership role in addressing contemporary issues and problems in comparative, regional and inter-regional (ASEAN and EC) perspectives; with a view to formulating innovative management techniques relevant to the requirements of ASEAN managers.
2. The Centre shall promote networking and cooperation among ASEAN and EC institutions in the public and private sectors through its programmes and projects.
3. The Centre shall help ASEAN management training institutions to develop their capacities, by organising:
 - a) regional re-training and further training activities for their teaching and administrative staff;
 - b) exchange in production of teaching materials;
 - c) research on training methods and processes: and
 - d) exchange of experience between members of the administration training and/or business community on management issues.

4. To respond positively to the needs of ASEAN, the Centre shall, among other things, implement pertinent management development, training, information and research programmes, that will:
 - a) instill an ASEAN dimension in managers when formulating ideas, strategies and policies;
 - b) facilitates the interface between public and private sector policies at regional level;
 - c) initiate, conceptualize and implement ideas, strategies, policies and approaches relevant to the long-term development of ASEAN;
 - d) transfer management technology or know-how between the public and private sectors and between the EC and ASEAN;
 - e) provide a cross-cultural learning experience to broaden the perspective of high potential managers, trainers and decision makers in both sectors;
 - f) promote and encourage greater interaction and cooperation between national institutions, business and academic institutions both within the ASEAN region and with those of the EC;
 - g) identify issues of long-term importance to the ASEAN region and understand its implications to management in both the public and private sectors;
 - h) identify the management requirements, strategies and policies for ASEAN;

- i) identify and help managers in both sectors to use specific tools and skills relevant to the effective management of change in the dynamic environment;
- j) identify programmes and projects which would promote increased ASEAN-EC cooperation;
- k) develop and train managers in modern management tools, methodologies and approaches; and
- l) publish relevant studies related to its programmes and projects for the public and private sectors in ASEAN and non-ASEAN countries.

Article 5 : Organisation and Management

The organisation of the Centre shall comprise the Management Board, an Advisory Council and a Director and Special Adviser.

1. The Management Board

The centre shall be supervised by a Management Board which shall be assisted by an Advisory Council, and a Director.

- a) Composition and Tenure of the Members of the Management Board.
 - i) The Management Board shall consist of a representative from each ASEAN member country, one representative of the EC Commission and one representative of the EC business community and two from the ASEAN business community;
 - ii) representatives from each of the member states of ASEAN shall be nominated by their respective Governments for a

term of 3 years and endorsed by the ASEAN Standing Committee and the EC representatives shall be appointed by the Commission of the European Communities also for a term of 3 years.

iii) the Director of the Centre shall be ex-officio a member and shall serve as Secretary of the Management Board.

b) Functions of the Management Board

- i) to establish basic policies;
- ii) to approve budgets and programmes of activities;
- iii) to monitor and evaluate results of programmes, projects and other activities;
- iv) to approve plans for the further development of the Centre and
- v) to approve audited annual financial statements and to discharge the Director of those liabilities.

c) Meetings and Procedures

- i) the Management Board shall meet at least once a year. Special meetings may be called as and when necessary;
- ii) the Chairmanship of the Management Board shall rotate annually among the ASEAN members; and
- iii) the Chairman of the Management Board shall report to the ASEAN-EC Joint Cooperation Committee (JCC).

2. Advisory Council

a) Composition of the Advisory Council

- i) the members of the Advisory Council shall be appointed by the governments of the member states of ASEAN in respect of the ASEAN members and by the Commission of the European Community in respect of the EC members.
- ii) the Advisory Council shall be composed of members drawn from national training and research institutes in the public and/or private sectors and business community representatives from each ASEAN member country and from similar backgrounds in the EC and;
- iii) the Chairman of the Advisory Council shall be elected from amongst the members of the Council.

b) Functions and Responsibilities of the Advisory Council

The Advisory Council shall:

- i) advise the Management Board on programmes, projects and activities of importance to the public and private sectors;
- ii) advise the Director and help identify appropriate experts when requested by the Director; and
- iii) perform such other functions and responsibilities as may be directed by the Management Board and requested by the Director.

c) Meetings of the Advisory Council

- i) the Advisory Council shall meet at least once a year; and
- ii) the Director as Secretary of the Management Board, shall convene the meetings of the Advisory Council upon consultation with the Chairman of the Management Board.

3. Director

- a) The Director of the Centre shall be from the host Country. The tenure of the Director shall be for a term of three years.
- b) The Director, shall be responsible for the proper operation and management of the Centre in keeping with the directives and guidelines given by the Management Board and with a view to ensuring it as a centre of excellence.
- c) The Director, shall:
 - i) prepare and submit to the Management Board for its approval, programmes for research, training and other activities;
 - ii) prepare and submit budget estimates and financial accounts of the Centre to the Management Board for approval;
 - iii) submit audited annual financial statements of the Centre to the Management Board;
 - iv) report to the Management Board the progress of the programmes of activities of the Centre; and

v) propose to the Management Board the schedule of duties and responsibilities of all Staff of the Centre.

d) The Director shall perform such other duties and responsibilities as may be directed by the Management Board.

4. Special Adviser

a) The Special Adviser shall be directly contracted by the Commission and seconded to the Centre for the duration of the project.

b) Duties and Responsibilities of the Special Adviser:

The Special Adviser shall:

i) be a national of a Member State of the European Communities and shall be of proven competence in management training in a recognised Management or Business School of university level or equivalent, published extensively thereon;

ii) Assist the Director in establishing linkages with and coordinating the contributions of European Institutions, governments and enterprises;

iii) perform any other duties and responsibilities as may be directed by the Director; and

iv) The Special Adviser shall have the financial responsibility to countersign payments under EC funds.

Article 6 : Staff Regulations

The terms and conditions of employment of the members of the staff of the Centre shall be set out in the Staff Regulations approved by the Management Board.

Article 7 : Budget and Funding

1. The Centre shall be financed, during the project period, by the EC and the Host Country. Contributions from other ASEAN member countries shall be in kind in particular for conducting activities outside the Centre headquarters.
2. The total amount of the Community contribution to the project shall be limited to a maximum of ECU 1.973.400 as specified in Annex A which shall be available for a period not exceeding three years from the date of entry into force of the present Agreement.
3. The EC financial support shall cover:
 - a) office equipment (teaching, printing, telecom equipment and computers);
 - b) European core personnel, including salaries, travel accommodation and allowances; and
 - c) training and research activities.
4. The Host Country's contribution to the Centre shall be in the following form:
 - a) land, including infrastructure, building and building insurance;

- b) furniture, administrative equipment, vehicle;
 - c) ASEAN core personnel, including salaries for local auxiliary staff;
 - d) operational expenses and institutional meetings; and
 - e) utility charges.
5. The EC shall fund the services of an expert, separate from the total amount of the EC contribution to the project, for up to six months prior to the establishment of the Centre in order to assist the preparation for the launching of the Centre.
6. The breakdown of the budget and funding provisions required by the Centre shall be determined by a Financing Agreement between ASEAN and the EC. The provisions of the General Conditions for the implementation of operations financed under Article 9304 of the Budget of the EC should form an integral part of the aforesaid Financing Agreement.

Article 8 : Relations with Other Countries and International Organisations

The Centre may cooperate with other countries or international organisations whose interests and activities are related to its purpose and may also receive funds and contributions from them.

Article 9 - Headquarters Agreement

The Centre shall conclude with the Host Country a Headquarters Agreement relating to the juridical personality, the facilities, privileges and immunities which the Centre and the persons related to the activities of the Centre will receive while in the Host Country for the purposes of exercising official duties.

Article 10 : Amendment

Any party may propose amendments to this Agreement. The amendments shall be in writing and shall be communicated to the Director who shall communicate it to the other Parties for consideration. Such amendments when approved by the Parties shall come into force from the date of approval or such other date as may be specified.

Article 11 : Working Language

The working language of the Centre shall be English.

Article 12 : Entry into Force and Duration

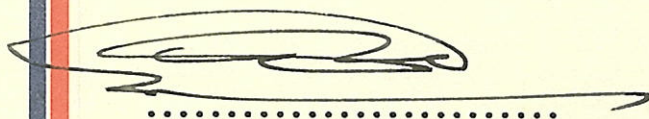
This Agreement shall enter into force not later than one year from the date of its signature and shall remain in force for a period of three years or until its termination by either party by means of written notification given six months prior to the date upon which such termination shall take effect. The further funding of the Centre beyond three years shall be decided by ASEAN and the EC following a joint assessment.

The termination of this Agreement shall not prejudice the completion of any on-going programmes of the Centre which were embarked upon by the Centre immediately before the service of a written notification of intention to terminate.

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

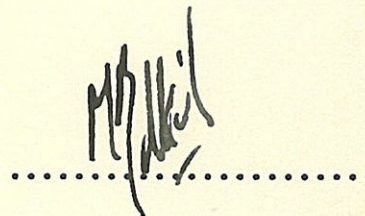
Done at KUALA LUMPUR, MALAYSIA this 23RD day of JULY, One Thousand Nine Hundred and Ninety One (1991) in two original copies in the English language.

For the Commission of the
European Communities

A stylized, cursive signature in black ink, followed by a horizontal dotted line.

ABEL MATUTES
Member of the Commission

For the Government of
Brunei Darussalam

A stylized, cursive signature in black ink, followed by a horizontal dotted line.

PRINCE MOHAMED BOLKIAH
Minister of Foreign Affairs

Annex A

Headquarters

	EC (ECU)	Brunei (ECU)
(a) investments		747,503
- teaching and printing equipment	110,200	
- telecom and computers	109,200	
	<hr/>	<hr/>
	219,400	747,503
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(b) Core personnel:		
- ASEAN personnel; salaries, travel accommodation and allowances 3 years		1,083,323
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- European personnel; salaries, travel, accommodation and allowances 3 years	341,100	
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SUBTOTAL (b)	341,000	1,083,323
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- Operational
expenses and
institutional
meetings
3 years

438,100

SUBTOTAL (c)

438,100

(d) Training information and
research actions

3 years

1,413,000

SUBTOTAL (d)

1,413,000

GRAND TOTAL

1,973,400

2,268.926