

# ASIA-PACIFIC INTEREST GROUP NEWSLETTER

## Co-chairs' Note

This third Asia-Pacific Interest Group Newsletter is the first issue of 2022. The newsletters are designed to spotlight international law developments in the Asia-Pacific region. In this iteration, we have continued the format of the earlier version by including a Feature and a Regional Updates. The Feature offers views from leading experts on the US-China joint declaration on enhancing climate action and the Association of Southeast Asian Nations (ASEAN) issued its first version of the ASEAN Taxonomy for Sustainable Finance. We appreciate Ms. Christine SIM (senior associate in the international arbitration group of Herbert Smith Freehills) for preparing this insightful interview and Ms. Sharon SEAH (Senior Fellow and Coordinator at the ASEAN Studies Centre and the Climate Change in Southeast Asia Programme at the ISEAS–Yusof Ishak Institute), Professor Ji ZOU (CEO & President of Energy Foundation China), Mr. Mark R. UHRYNUK (Senior Partner and Co-leader of Mayer Brown's global ESG product group) for sharing their insights. We are extremely grateful to Ms. Chiann Bao and her team for the excellent editing of the newsletter.

We are still exploring whether to continue this newsletter and would greatly appreciate any feedback from IG Members. Thank you for your continued interest and support. We hope you enjoy the newsletter.

Matthew S. Erie, University of Oxford  
Manjiao Chi, University of International Business and Economics

## Editor's Note

In this third edition of the ASIL Asia-Pacific Interest Group Newsletter, we present expert insights into developments in the wake of COP26, as well as regional updates on international law in the Asia-Pacific region.

Our Feature examines, in particular, how the US-China Joint Declaration provides potential ceilings for limiting polluting emissions, and how other instruments such as the ASEAN Taxonomy provide frameworks for governments, businesses and investors to drive capital towards sustainable projects. We also highlight the important roles that international law and international dispute resolution play in advancing climate change goals.

The remainder of the newsletter covers regional updates across a range of topical issues. This newsletter is intended to bring to you unique insights and updates on international law in the Asia-Pacific region. We welcome feedback as always and look forward to any contributions you may wish to offer.

Chiann Bao, Arbitration Chambers

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## Feature: Experts' Perspectives on the US-China Joint Declaration and the ASEAN Taxonomy

*Interviews by Christine Sim*

Reductions on harmful emissions and channelling financing towards helping economies transition are key drivers of climate change action. As part of efforts following COP26 in November 2021, the U.S. and China issued a US-China joint declaration on enhancing climate action and the Association of Southeast Asian Nations (ASEAN) issued its first version of the ASEAN Taxonomy for Sustainable Finance.

This interview covers experts' perspectives on these two significant events.

Sharon SEAH is Senior Fellow and Coordinator at the ASEAN Studies Centre and the Climate Change in Southeast Asia Programme at the ISEAS–Yusof Ishak Institute. She spent 12 years in the Ministry of Foreign Affairs and 3 years in the National Environment Agency of Singapore prior to entering academia, including a diplomatic posting to the Singapore Embassy in Bangkok, Thailand from 2003 to 2007. Ms Seah graduated with a Master in Public and International Law from the University of Melbourne in 2018. Ms Seah researches climate change and environmental issues; multilateralism and ASEAN development.

Professor Ji ZOU is the CEO & President of Energy Foundation China, overall manages the organization. Between 2012 and 2015 and between 2000 and 2009, Prof. Zou was a key member of the Chinese climate negotiation team leading up to the Paris Agreement, which has promoted China's new role in the global climate governance. Between 2013 and 2014, he served as a China representative to the United Nations Intergovernmental Committee of Experts on Sustainable Development Financing. He also contributed to the assessment reports of the Intergovernmental Panel on Climate Change, as a lead author or a coordinating lead author. He has facilitated academic exchanges between Chinese and international policy researchers, and helped organize strategy and policy dialogues between governments and civil society.

Mark R. UHRYNUK is a senior partner and co-leader of Mayer Brown's global ESG product group. Mark is key contact point for all things ESG within the Mayer Brown network and a founding member of Mayer Brown's ESG Steering Committee. He advises asset managers, invest-

ment funds and others (including impact investors) in their investment activities throughout Asia and globally and is experienced in ESG reporting, policies and governance structures. Mark is an active advocate of ESG initiatives for asset managers and investors in Asia, and is widely recognized as an ESG business and thought leader.

Christine SIM is a senior associate in the international arbitration group of Herbert Smith Freehills. She is a Singapore and New York qualified lawyer with commercial arbitration and public international law experience. She was formerly a tribunal secretary and research associate at the Centre for International Law with research interests and publications on the law of the sea, compensatory principles in investment treaty arbitration and conciliation. She currently represents state-related entities financial institutions and multi-national corporations.

### **The US-China Joint Declaration**

On 10 November 2021, the U.S. and China put aside their differences to issue a Joint Glasgow Declaration on Enhancing Climate Action in the 2020s. The U.S. and China have jointly declared that they would develop measures to enhance methane emission control at both the national and sub-national levels, affirmed the Glasgow Leaders' Declaration on Forests and Land Use, and referred to their respective commitments regarding the elimination of support for unabated international thermal coal power generation.

#### **1. What is the significance of the U.S. and China's Joint Declaration?**

**SEAH:** The US-China Joint Declaration is politically significant at a time of heightened US-China rivalry. It is a demonstration of practical and tangible cooperation on a problem that affects everyone, especially since it appears that politically the two countries are unable to agree on many critical issues such as Taiwan, Hong Kong, Ukraine, and the South China Sea, to name a few. The coming together of the two biggest emitters in the world, who have not met on many points of convergence in climate negotiations, is historically significant. We in Southeast Asia view this development positively.

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## Experts' Perspectives on the US-China Joint Declaration and the ASEAN Taxonomy

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**ZOU:** The U.S.-China Joint Glasgow Declaration is a major signal that even under the poor state of geopolitics, there is willingness to cooperate on fighting against climate change and it is possible to work together. After four years of U.S. absence in the global scene, cooperation on the climate between the biggest emitters is key to address the climate crisis. This willingness now needs to be concretized into joint actions and leveraged to shape the international order in a mutually beneficial way.

### 2. How will the U.S. and China develop measures to enhance methane emission control?

**SEAH:** The US Methane Emissions Reduction Action Plan released in November 2021 sets out a number of “commonsense steps to cut pollution”. The target sectors are oil and gas, landfills, agriculture. For the US, the most impactful measures expected will be taken by the US Environmental Protection Agency (EPA) to curb emissions from the oil and gas sector, which is the US’ biggest methane source. They will update the Clean Air Act by introducing new standards, measures, monitoring and encouraging the use of new technology. The EPA says that their proposal will reduce 41 million tonnes of methane emissions from 2023 to 2035, the equivalent of 920 million metric tonnes of CO<sub>2</sub>, which is more than the amount of CO<sub>2</sub> emitted from all US passenger vehicles and aircraft in 2019.

Similarly, China plans to roll out a methane reduction plan in 2022. Its plan is to target coal mining, agriculture, solid waste and sewage water treatment, and oil and gas sectors. The new plan will include a set of policies and standards for reduction of methane emissions. Companies in China may be asked to use the existing voluntary Emissions Trading Scheme (ETS) to curb emissions.

**ZOU:** Following the U.S.-China Joint Glasgow Declaration, a working group should be set up to open a cooperative dialogue on methane emission reductions, share policies and actions.

The first major issue China will have to solve is accurate emission inventory and transparency. China has pledged to develop a national action plan on methane

to address Chinese methane emissions, mainly from the sectors of coal extraction (~40%), agriculture and livestock (~40%) and waste (~20%).

The joint working group could allow policy exchange, joint research and development opportunities and technology transfers to accelerate the deployment of emission mitigation solutions.

### 3. How will the U.S. and China support the Glasgow Leaders' Declaration on Forests and Land Use?

**SEAH:** I fear that the Forests Declaration will fall on the wayside as many other political declarations like the 2014 New York Declaration on Forests. It is easy to make political commitments and so much harder to achieve the stated goals. I have not seen any statements from either country on how they intend to follow-up on the forestry commitments.

**ZOU:** Both the U.S. and China have signed on the Glasgow Leaders' Declaration on Forests and Land Use. The issue of deforestation is intimately linked to the global supply chain of wood products and is set in the broader need to align trade with our climate imperative. In practice, joint action by all the signatories, and China and the U.S. in particular, could increase intelligence sharing, monitoring and reporting on deforestation and the control of products issued from deforestation to limit its importations and exportations.

### 4. Will the U.S. and China eliminate international thermal coal power generation?

**SEAH:** I think everyone has just missed out a very small word in the joint statement on eliminating thermal coal power generation. The US and China have jointly agreed to “the elimination of support for unabated international thermal coal power generation”. This means both parties can support thermal coal power generation that utilises abatement technologies such as carbon capture and storage or direct air capture. Elimination of support simply means that both countries will discourage or ban investments, infrastructural support or any kind economic support both in-country and overseas for unabated coal power plants.

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**ZOU:** Chinese President Xi Jinping committed at the 2021 UN General Assembly that China will stop building coal power plants overseas and support the deployment of renewables in developing countries. This signals the end of Chinese overseas coal power investments which has lost its economic rationale and the acceleration of China's efforts to support renewables. The U.S. and China, along with the EU and other major economies should strive to work together to solve energy access issues with non-fossil fuel solutions. Major economies' efforts will contribute to further advancing technology and reducing costs of renewables, grid integration, and energy storage. Developing countries need concrete solutions to address their legitimate energy needs and China and the U.S. should work together towards this goal.

### 5. How will the U.S.-China Joint Declaration affect the rest of the world's efforts to combat climate change?

**SEAH:** A declaration, by its very nature of being non-binding is "*best efforts*". It is an expression of political commitment by parties to do the best they can. Watching the two biggest emitters come together to cooperate on an existential issue like climate change is very encouraging, at least where the G77+China group is concerned. China's declaration of carbon neutrality by 2060 certainly bolstered, at least politically, the developing countries' resolve to meet their international obligations. There are no indicators to show an uptake in real concrete actions but at least in my conversations with climate officials, the sense is that if China were going to try and make a difference and had solutions to share, then they too would be able to play their part. Therefore, the US-China Joint Declaration is a step in the right direction. As both countries individually formulate strategies, plans and policies, the rest of world will be watching and learning from them.

**ZOU:** The world needs leadership by example and the concrete actions of the U.S. and China, together with the European Union and other major economies. The joint declaration could be a first step to promote joint actions in multilateral institutions and enhance global ambition in the near future.

Together, the U.S. and China will be critical to bring concrete changes to multilateral platforms such as the UNFCCC, the G20, the World Bank and the IMF, as well as their respective spheres of influence such as the Chinese Belt and Road initiative, the U.S. Build Back Better World and the European Global Gateway.

Furthermore, the aligned climate agendas will allow states to share knowledge, leverage multinational private sector businesses, reduce costs of low-carbon solutions, share new technologies and shape global opportunities for green finance, investments and trade.

### 6. What role can international law and international dispute resolution play in advancing climate change goals?

**SEAH:** After more than two decades of negotiation, the world finally has a *somewhat workable* international climate regime that governs states' behaviours, norms and obligations. I say *somewhat workable* because some parts of the climate regime *e.g.* Article 6 on carbon mechanisms remain untried and untested. How states translate their obligations to domestic action is up to them. Here is where dispute resolution plays a part. Where certain states are deemed to be failing to meet up to their obligations, other states may take certain actions. But I don't see this happening at the international level, unless a major incident happens. Currently, the likelihood is low since climate events are slow-onset and climate attribution science must be very accurate in order to attribute blame to a single entity.

**ZOU:** The cornerstone of the Paris Agreement is that signatory parties share a common objective, but are free to decide their national contributions. At the same time, given the climate crisis, we cannot afford to have countries sliding back on their pledges and participation to the global effort. Keeping countries accountable for their short-term targets and long-term carbon neutrality pledges will need an enhanced governance and enforcement. That is why we need our communities of climate change and international law to talk and figure out innovative, efficient and fast ways to solve global problems together.

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## Experts' Perspectives on the US-China Joint Declaration and the ASEAN Taxonomy

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### The ASEAN Taxonomy for Sustainable Finance

In Southeast Asia, the ASEAN Taxonomy Board (ATB) released Version 1 of the ASEAN Taxonomy for Sustainable Finance (ASEAN Taxonomy). The Taxonomy provides a framework for government and private stakeholders to achieve the climate change goals of ASEAN, and acts as a reference point to guide capital and funding towards systemic transformation. The Taxonomy comprises: (i) a principles-based Foundation Framework which provides a qualitative assessment of activities, and (ii) a Plus Standard with metrics and thresholds to further qualify and benchmark eligible green activities and investments.

The key components of the ASEAN Taxonomy are:

- a. Four environmental objectives and two essential criteria for the assessment of economic activities that safeguard the environment and promote transitions to low carbon and environmentally sustainable practices;
- b. A list of focus sectors including agriculture, forestry and fishing; electricity, gas, steam and air conditioning supply; manufacturing; transportation and storage; water supply, sewerage and waste management; and construction and real estate,
- c. A list of enabling sectors including information and communication; professional, scientific and technical; and carbon capture, storage and utilisation;
- d. A sector-agnostic decision tree to guide users of the ASEAN Taxonomy in classifying economic activities; and
- e. A 'stacked approach' that will be used to determine thresholds and technical screening criteria under the Plus Standard, which will be developed in the next phase.

#### 1. Why is it important for ASEAN states to lead climate change action?

**SEAH:** ASEAN is projected to become the 4<sup>th</sup> largest economy, if it were a single economy, by 2030. From 2011 to 2020, ASEAN has consistently demonstrated a 4.4% GDP growth rate. Despite the COVID-19 pandemic, Southeast Asia is expecting a rebound in 2022 of 5.1% in its GDP growth, surpassing the Asian Development

Bank's 2020 forecast of 4.7% (Asian Development Outlook 2019 and 2021).

Economic growth equates to an increase in energy needs and a rise in carbon emissions. Although the region's share of emissions is currently about 5.6% of global total emissions (WRI Interactive Chart 2018), this figure will likely increase as the region experiences economic growth. At the same time, the climate impacts that Southeast Asia has been exposed to has increased exponentially in frequency and intensity. Hence ASEAN has a strong imperative to take climate action to slow down these impacts and play a part in reducing emissions.

**UHRYNUK:** ASEAN is one of the world's regions that is most susceptible to climate change risks. It is highly vulnerable to climate change impacts such as floods, typhoons, sea level rise, droughts, and heat and humidity. As a result, adaptation and mitigation efforts are critical. This situation is further complicated by the diverse nature of the state of economic development, the level of social progress, and the regulatory policies and systems across the individual Member States.

As noted in the ASEAN Taxonomy, the region is "*increasingly a contributor to, and is becoming a victim of, the global environmental challenges of climate change.*" These growing challenges will require a more fundamental transition, including a shift in business models, but also a flexible approach to developing an effective regional taxonomy.

#### 2. What are the aims of the ASEAN Taxonomy?

**SEAH:** The ASEAN Taxonomy on Sustainable Finance (version 1) provides a conceptual framework to guide investments and economic activities in the region. It is a foundational document that avoids being too prescriptive. Currently, the Taxonomy is used to initiate discussions with various stakeholders—financial institutions, investors, companies, policymakers—in order to further improve and refine it. Some countries may develop their own national taxonomies: for instance, Malaysia and Singapore have or are in the process of developing their own. The ASEAN Taxonomy provides a common language across the Southeast Asian jurisdictions.

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**UHRYNUK:** Like the Taxonomy Regulation in the European Union, the ASEAN Taxonomy will serve as ASEAN's common language for sustainable finance and account for both international goals and ASEAN's specific needs. The initiative is supported by a range of ASEAN bodies, including its Capital Markets Forum, Insurance Regulators' Meeting, Senior Level Committee on Financial Integration and Working Committee on Capital Market Development.

The ASEAN Taxonomy is intended to complement the respective sustainability initiatives of individual ASEAN nations. Importantly, national taxonomies are currently contemplated in Singapore and Malaysia, but it remains to be seen exactly how the ASEAN Taxonomy will relate to these initiatives.

This is a necessary and timely development; as noted earlier, the ASEAN remains highly vulnerable to climate change, which has had a significant impact on the people, businesses and governments of ASEAN. Version 1 is a significant step in ASEAN's sustainability journey, as this initial document will provide the framework for continuing discussions among its member states as the ASEAN Taxonomy develops.

### 3. *Why is guiding capital and funding towards systemic transformation in ASEAN important?*

**SEAH:** Finance is a key enabler of structural transformation. It is important to ensure that both private and public finance flows are directed towards sustainable infrastructure and investments, away from environmentally harmful and unsustainable economic activities. Once there are common standards, hopefully standards that are harmonised across different taxonomies, it becomes easier for investors, companies, governments, regulators to make decisions to transition towards a low-carbon future.

**UHRYNUK:** Sustainability or "green" taxonomies developed by governments, international bodies and non-governmental organizations (NGOs) are important as they can help address the challenges of systematic transformation and resolve inconsistencies among existing ESG frameworks and standards. Taxonomies can do this by helping identifying specific assets, activities and projects that meet defined thresholds and metrics

that quantify sustainability. These systems can cover the full spectrum of sustainability topics, from achieving acceptable levels of greenhouse gas emissions to compliance with certain human rights standards.

For example, sustainability taxonomies can:

- a. assist investors, asset managers and asset owners in identifying sustainable investment opportunities and constructing sustainable portfolios that align with taxonomy criteria;
- b. drive capital more efficiently toward priority sustainability projects;
- c. help protect asset managers against claims of greenwashing by providing an independent benchmark for the sustainability performance of investments; and
- d. guide future public policies and regulations targeting specific economic activities based on taxonomy criteria.

### 4. *How is the ASEAN Taxonomy different from other taxonomies or standards?*

**SEAH:** ASEAN's incredible diversity—comprising advanced, middle and emerging economies, varying levels of social progress and development, different financial systems and policies—means it cannot afford to take a one-size-fits all approach.

The ASEAN Taxonomy is principles-based and takes a stacked tier approach. The reason for this is to encourage all member states to come on board and work their way up to more stringent standards. If the Taxonomy sets too high a bar, ASEAN member states who feel they are not up to scratch will not consider using it at all. If the Taxonomy sets its standards too low, it will encourage complacency and not achieve its climate/environmental goals.

The ASEAN Taxonomy, similar to the EU Taxonomy, sets out its 4 environmental objectives which are (1) climate change mitigation, (2) climate change adaptation, (3) protection of healthy ecosystem and biodiversity, and (4) promotion of resource resilience and transition to circular economy. In addition, it stipulates 2 essential criteria which are firstly, do no signifi-

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cant harm and secondly, to undertake remedial actions to transition their economies.

The ASEAN Taxonomy has two tiers—the first is the Foundation Framework and the second are the Plus Standards. What is unique about the ASEAN Taxonomy is its ‘traffic light’ system—green, amber or red—based on an activity’s contribution (or lack thereof) to the Taxonomy’s climate and environmental objectives. An activity can thus be classified in 6 ways: red-amber-green foundation or red-amber-green Plus Standard.

**UHRYNUK:** As indicated, the ASEAN region is very diverse in a number of important respects: the state of economic development, the level of social progress, financial and regulatory policies and systems. Accordingly, a flexible approach such as that adopted in G77+China group Version 1 is required, and this is an important characteristic of the ASEAN Taxonomy which is not necessarily present in other taxonomies. That being said, certain multinationals operating in ASEAN will be particularly interested in the degree to which the ASEAN Taxonomy aligns with the EU Taxonomy in particular. In this regard, while the development of the ASEAN Taxonomy remains at an early stage, two key insights can be drawn from Version 1:

- a. Environmental Objectives Are Largely Aligned: The ASEAN Taxonomy identifies four key environmental objectives that an activity may contribute to in order to be classified as “sustainable”, while the EU Taxonomy identifies six such objectives. At first glance, it may seem that the ASEAN Taxonomy is more restrictive in this regard. The frameworks, however, are largely aligned as the ASEAN Taxonomy has effectively taken four specific objectives from the EU Taxonomy and grouped them into two broader objectives.
  - EU Taxonomy objectives 3 (sustainable use and protection of water and marine resources) and 6 (protection and restoration of biodiversity and ecosystems) are reflected in one ASEAN Taxonomy objective: Protection of healthy ecosystem and diversity.
  - EU Taxonomy objectives 4 (transition to a circular economy) and 5 (pollution prevention

and control) are also reflected in one ASEAN Taxonomy objective: Promotion of resource resilience and transition to circular economy.

- b. ASEAN Minimum Safeguards Are Strictly Environmental: In the EU Taxonomy, an economic activity must meet certain “*minimum safeguards*” in order to be “sustainable”. According to Article 18 of the EU Taxonomy, this requires alignment with the principles of the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ILO core conventions and the UN International Bill of Human Rights. Together, these principles represent international best practices for managing human rights impacts. These principles are notably absent from the ASEAN Taxonomy, where the only “*minimum safeguard*” that must be assessed is national environmental law.

### 5. Why is the ASEAN Taxonomy important to help ASEAN states achieve the COP26 goals?

**SEAH:** ASEAN does not have a set of collective climate goals at this present time. The ASEAN Taxonomy guides long-term decisions that can help ASEAN Member States, who have individual climate goals articulated either in the Nationally Determined Contributions or Long-Term Low Emissions Development Strategies.

The ASEAN Taxonomy, which is aligned with national environmental laws and policies, helps to structure an orderly and systematic transition for ASEAN Member States. At a future point, if there are signs that such a transition is underway and the gaps that I mentioned earlier are being bridged, ASEAN Member States may well find it in their interest to align their national climate goals towards regional-level mitigation and adaptation targets.

**UHRYNUK:** The ASEAN Taxonomy is an important step in strengthening ASEAN’s ability to prevent, mitigate and manage climate-related risks. While there may not be a collective set of climate goals in place at this time (due, in part, to the diversity challenges noted earlier), it provides a framework for the ASEAN Member States to take action to address the systemat-

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ic transformation challenges impacting the region. As noted earlier, the ASEAN Taxonomy will assist Member States by helping them identify specific assets, activities and projects that meet defined thresholds and metrics that quantify sustainability.

### 6. *What can ASEAN states look forward to following the implementation of the ASEAN Taxonomy?*

**SEAH:** Implementation is still some way away. Version 1 only covers key sectors that are critical to the environmental objectives. The ASEAN Taxonomy Board, as I understand, is undertaking another round of targeted consultations with stakeholders to refine Version 1.

We will likely see a Version 2 within this year or next. Version 2 may broaden the coverage to other sectors.

**UHRYNUK:** Market participants can expect the framework of the ASEAN Taxonomy to evolve as the many stakeholders in ASEAN provide their feedback and detailed technical screening criteria are developed. Parties are likely to focus on the degree to which the ASEAN Taxonomy aligns with the EU Taxonomy, as well as national taxonomies in Singapore and Malaysia, and the so-called “Common Ground Taxonomy” under development by China and the EU. As the ASEAN Taxonomy develops, it will play a critical role in helping businesses and governments align their activities toward a more sustainable future.

As noted earlier, Version 1 is a significant step in ASEAN’s sustainability journey, as this initial document will provide the framework for continuing discussions among its member states as the ASEAN Taxonomy develops.

### 7. *How will the ASEAN Taxonomy impact businesses and financial institutions in ASEAN?*

**SEAH:** Any businesses seeking to invest in new activities in the region will have to bear in mind the ASEAN Taxonomy framework and see where their proposed activity falls in the decision tree outlined in Version 1. Financial institutions will also need to be discerning when supporting the flow of capital finance towards certain activities.

**UHRYNUK:** Sustainability taxonomies have a wide range of applications, from informing public policy and regulation to efficiently allocating capital toward sustainable projects. The ASEAN Taxonomy will assist investors and financial institutions in identifying sustainable investment opportunities and constructing sustainable portfolios that align with taxonomy criteria. For example, it can help integrate taxonomy criteria into investment selection processes and define metrics and methodologies for monitoring and reporting purposes. It will also help financial institutions drive capital more efficiently toward priority sustainability projects. At the same time, the ASEAN Taxonomy could help protect investors and financial institutions against claims of greenwashing by providing an independent benchmark for the sustainability performance of investments.

### 8. *How will the ASEAN states cooperate in implementing the ASEAN Taxonomy?*

**SEAH:** The challenge for ASEAN is for each State to work together despite their differences in economic development. The stacked tier approach is therefore a way of taking different national circumstances into account and allowing multiple options for ASEAN members to scale up according to their comfort levels. This is very much in the spirit of the Paris Agreement!

**UHRYNUK:** As noted earlier, the ASEAN region is very diverse in a number of important respects including the state of economic development of its various Member States. For this reason, Version 1 of the ASEAN Taxonomy embraces a flexible foundational approach in providing a common language for sustainability initiatives. This foundational effort will require a degree of cooperation among the Member States regarding a range of matters such as setting objectives and identifying and refining applicable objectives, criteria and minimum standards. At the same time, as Malaysia and Singapore each have their own taxonomies, there will need to be some additional cooperation and alignment there. It remains to be seen how this cooperation and alignment will unfold but as feedback is developed and shared, later versions of the

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ASEAN Taxonomy should provide a mechanism for effectively assessing and addressing the challenges.

### 9. *What are the next steps for the future of the ASEAN Taxonomy?*

**SEAH:** The use of any kind of taxonomy for sustainable finance is still very new in the region. For a long time, Southeast Asian governments have prioritised national progress and development over the environment. They now recognise the importance of the protection of environment, public health and climate. It is now incumbent on the national regulators and policy-makers to explain how the ASEAN Taxonomy (together with national taxonomies, if they are creating their own) is applied to their domestic and international constituents.

Raising awareness that the Taxonomy is in play and how it applies to multinationals is just as important as providing capacity-building assistance, for instance, to the millions of micro, small, medium enterprises (MSMEs) in Southeast Asia. ASEAN's enterprise landscape is made up of over 90% MSMEs and these businesses run the risk of being left out in the transition. These risks can be very real, such as not being able to access finance or being left out of the global supply chain. After the initial implementation phase, as the report has itself noted, the Taxonomy will be a living document and that means that the Board will need to perform periodic reviews to tighten and strengthen the existing metrics and standards.

**UHRYNUK:** ASEAN has made it clear that Version 1 is a foundation for the ongoing development of the ASEAN Taxonomy. Market participants can expect the framework to evolve as the multitude of stakeholders in ASEAN provide their feedback and detailed technical screening criteria are developed. As noted, interested parties are likely to focus on the degree to which the ASEAN Taxonomy aligns with the EU Taxonomy, as well as national taxonomies in Singapore and Malaysia and the Common Ground Taxonomy. Clearly, the ASEAN Taxonomy will play a critical role in helping businesses and governments align their activities toward a more sustainable future.

### *Concluding remarks*

While international instruments such as the US-China Joint Declaration provide potential ceilings for limiting polluting emissions, other instruments such as the ASEAN Taxonomy provide frameworks for governments, businesses and investors to drive capital towards sustainable projects.

Both the US-China Joint Declaration and the ASEAN Taxonomy for Sustainable Finance are significant signs of international cooperation, and clearly both need to be implemented under international law to help economies in their transitions. Importantly, these instruments also act as invitations to States to continue their engagement in open dialogue. ■

## Regional Updates

### Australia

#### **Joining the international United Kingdom-led statement condemning the use of sexual violence and rape as weapons of war**

On 28 November 2021, the Australian government released that Australia joined the international United Kingdom-led statement condemning the use of sexual violence and rape as weapons of war. Signatories to the statement have agreed there must be a stronger international response for all affected by sexual violence in conflict. Australia is also implementing Australia's second National Action Plan on Women, Peace, and Security 2021-2031 to support victims of sexual violence.

#### **Australian professor elected to the International Court of Justice**

On 06 November 2021, the Australian government congratulated Professor Charlesworth, who is a leading scholar and jurist of international law, on her election to the International Court of Justice.

#### **Australia to become an original party to world's largest free trade agreement**

On 02 November 2021, Australia ratified the Regional Comprehensive Economic Partnership Agreement (RCEP). Their businesses will have access to the agreement from 1 January 2022. RCEP will strengthen Australia's trade relationship with the Association of Southeast Asian States (ASEAN).

#### **WTO panel established in wine dispute**

On 26 October 2021, the World Trade Organization (WTO) established a dispute settlement panel in the next phase of the dispute settlement process over anti-dumping duties imposed by China on Australian wine. Australia remains open to further discussions with China to resolve this issue.

#### **More opportunities for Australia as Peru becomes a Party to CPTPP**

On 20 September 2021, Australia welcomed Peru to become the eighth economy to bring the Comprehensive and

Progressive Agreement for Trans-Pacific Partnership (CPTPP) into force. Australian Minister for Trade, Tourism and Investment stated the CPTPP would support trade with Peru beyond their existing bilateral agreement, the Peru-Australia Free Trade Agreement.

#### **Strengthening Australia's sanctions laws**

On 05 August 2021, Australia announced that it would reform and modernize domestic sanctions laws to enable the imposition of targeted financial sanctions and travel bans against perpetrators, such as gross human rights violations and malicious cyber activity. Australia will have the ability to impose targeted financial sanctions and travel bans against individuals and entities who involved sanctionable conduct wherever it occurs.

#### **New free trade agreement to deliver jobs and business opportunities in Australia and the United Kingdom**

On 15 June 2021, Australia and the United Kingdom agreed on the broad outlines of a Free Trade Agreement (FTA). FTA with the UK will deliver more Australian jobs and business opportunities for exporters, bringing both countries closer together in a changing strategic environment.

### New Zealand

#### **New Zealand will push for the adoption of new international law to prohibit and limit autonomous weapon systems**

New Zealand, an influential leader in disarmament, announced that it would push for an international ban on autonomous weapons systems, amid increasing fears that arms outside human control could violate legal and ethical boundaries and further destabilize conflicts. New Zealand's history as a global disarmament leader goes back to the 1980s, when it declared itself a nuclear and biological weapon-free zone. By far, at least 30 countries have called for a total global ban on killer robots, which arms control and human rights activists have long advocated. For more information visit: <https://www.washingtonpost.com/world/2021/12/01/new-zealand-killer-robots-autonomous-weapons-law/>.

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### Mongolia

#### **Parties signed agreement on trade and economic cooperation between the governments of Mongolia and Azerbaijan**

On 21 October 2021, the Minister of Foreign Affairs of Mongolia and the Minister of Economy of the Republic of Azerbaijan signed the Agreement on Trade and Economic. The agreement provides an opportunity to expand and develop trade and economic relations between the two countries in a long-term and sustainable manner.

#### **A visa-free travel agreement with Peru**

On 01 October 2021, the agreement between Mongolia and the Republic of Peru on Tourist Visas Exemption for Holders of Ordinary Passports” entered into force. Citizens of the two countries who hold valid ordinary passports may enter into, stay in, exit from and transit through the territory of the other party without visa for purpose of tourism for a period not exceeding 90 days.

#### **Agreement signed on the international transport of passengers and goods by road**

On 18 August 2021, Mongolia and the Republic of Slovenia signed the “Agreement between the Government of Mongolia and the Government of the Republic of Slovenia on the international transport of passengers and goods by road.” With the conclusion of this agreement, the modes of international transport will be expanded, enabling direct transportation between Mongolia and Slovenia.

#### **Agreement signed between Mongolia and the Republic of Austria**

On 2 June 2021, Mongolia and the Republic of Austria signed the Export Credit Agreement for the “Upgrading of Medical Equipment and Capacity at the Central Military Hospital” project with a value of 8 million euros in Vienna. Austrian company, AME International, will provide services for renovation of operating rooms, upgrading equipment for surgical operation, sterilization, intravenous therapy, and human resource capacity building of the Central Military Hospital.

### Central Asia

#### **Launch Event: Enhancement of implementation of international law on economic, social, and cultural rights in Uzbekistan**

On 24 September 2021, the International Commission of Jurists (ICJ), the Office of the High Commissioner for Human Rights (OHCHR) Regional Office for Central Asia (ROCA), and the Nationwide Movement “Yuksalish” launched event for a new project on the enhancement of the implementation of international law on economic, social, and cultural rights in Uzbekistan. Through this program, Uzbekistan is expected to keep continuing to improve and promote protection of human rights and freedoms.

#### **The end of the war in Afghanistan**

On 31 August 2021, the US President Biden made remarks on the end of the war in Afghanistan. The night before the remarks were made, the United States ended 20 years of war in Afghanistan, which was the longest war in American history. President Biden concluded the remarks by stating this message, “As we close 20 years of war and strife and pain and sacrifice, it’s time to look to the future, not the past (...) With all of my heart, I believe this is the right decision, a wise decision, and the best decision for America.”

### Mainland China

#### **Draft Revised Arbitration Law of PRC, with revisions involving foreign arbitration institutions and parties, published for comments**

On 30 July 2021, the Ministry of Justice of the People’s Republic of China published a consultation draft of the revised Arbitration Law of the PRC (the Consultation Draft). The amendments proposed in the Consultation Draft have demonstrated the legislative intent to create a pro-arbitration (international arbitration in particular) environment in mainland China through various efforts, including lifting certain jurisdictional hurdles, enhancing procedural efficiencies, and providing more options to parties from choice of arbitrators to interim measures. For more information visit: <https://www.winston.com/en/blogs-and-podcasts/notes-from-the-china-desk/draft-revised-arbitration-law-of-prc-published-for-comments.html>.

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### **Beijing Stock Exchange launches as a platform to house small and medium-sized companies that have long faced difficulty raising capital**

The Beijing Stock Exchange, launched on 03 September 2021, is intended as a platform to house small and medium-sized companies that have long faced difficulty raising capital because they are not large enough to list elsewhere. About 70 companies will migrate from an existing Chinese board and an additional 10 will debut for the first time since 15 November 2021. The launch of the new stock exchange is meant to broaden financing channels for firms in hopes of furthering China's technology ambitions and reduce its reliance on the West. The move also marks a decades-long effort to make the nation's financial markets more multifaceted. For more information visit: <https://www.bloomberg.com/news/articles/2021-11-13/beijing-stock-exchange-launches-with-focus-on-little-giants>.

### **China formally applies to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade agreement**

On 16 September 2021, China submitted its application to join the CPTPP free trade agreement. The CPTPP was signed by 11 countries including Australia, Canada, Chile, Japan, New Zealand, etc. in 2018. Before that, it was known as the Trans-Pacific Partnership and seen as an important economic counterweight to China's regional influence. Japan, the CPTPP's chair this year, will have to determine if China meets the "extremely high standards" of the CPTPP after consulting with member countries. For more information visit: <https://www.reuters.com/world/china/china-officially-applies-join-cptpp-trade-pact-2021-09-16/>.

### **China and the Association of Southeast Asian Nations (ASEAN) agree to deepen economic integration to recover from the COVID-19 pandemic at the 24th China-ASEAN Summit**

On 26 October 2021, the Member States of the ASEAN and China gathered at the 24th ASEAN-China Summit. Noting the far-reaching impact and grave challenges brought about by the pandemic to socio-economic development in the region, and stressing the importance for ASEAN and China to work together in the pandemic response and economic recovery, China and ASEAN drafted the Joint Statement on

Cooperation in Support of the ASEAN Comprehensive Recovery Framework. For more information visit: <https://asean.org/asean-china-joint-statement-on-cooperation-in-support-of-the-asean-comprehensive-recovery-framework/>.

### **Xi-Biden virtual meeting ends with both sides calling for more cooperation between China and the US amid tensions**

US President Joe Biden and Chinese President Xi Jinping met virtually on 15 November 2021 in the closest communication between the two countries' leaders since Biden took office in January. Tensions between the two nations escalated under former US President Donald Trump, beginning with trade and tariffs on billions of dollars' worth of goods. Economic issues were part of the two leader's conversation, without any specific conclusions. The two leaders' meeting also covered a number of issues on international relations. Both leaders said it would be better to meet in person, and called for increased communication. For more information visit: <https://www.cnbc.com/2021/11/15/biden-xi-kick-off-virtual-meeting-with-calls-to-increase-communication.html>.

### **Special summit held to commemorate the 30th anniversary of China-ASEAN dialogue relations**

At a special summit to commemorate the 30th anniversary of China-ASEAN dialogue relations chaired by Chinese President Xi Jinping on 22 November 2021, the two sides upgraded their ties to a comprehensive strategic partnership. ASEAN became China's largest trading partner in 2020, and remained in this position during the first 11 months of 2021. An increase in trade and investment between China and ASEAN in recent decades has produced tangible benefits for both sides. Both sides are willing to continue economic cooperation to ensure East Asia is a growth engine for the global economy. For more information visit: <https://global.chinadaily.com.cn/a/202112/08/WS61b0088fa310cdd39bc79fee.html>.

### **China's first-ever securities class-action suit rules in favor of investors**

In a historic verdict, the Intermediate People's Court of Foshan, South China's Guangdong Province released a ruling on a securities market manipulation case involving 12



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individuals including Ma Xingtian, the former chairman and general manager of Kangmei Pharmaceutical, a drug maker that had massively inflated its financials. Ma was sentenced to 12 years in prison and fined 1.2 million yuan for the crimes including manipulating the securities market, illegal disclosure or non-disclosure of important information, and bribery. With class-action litigations minimizing the cost of rights protection, it is expected that smaller investors tend to readily resort to the regime if they suffer losses from fraudulent information disclosure, market manipulation, among other violations. For more information visit: <https://www.globaltimes.cn/page/202111/1238837.shtml>.

### **China's new data laws force Tencent to submit news apps and updates for government approval**

Tencent, which operates China's super-app Wechat and is the world's biggest gaming company by revenue, now must get approval from Chinese regulators to send out updates for its apps. The move comes after regulators found several apps made by China's most valuable technology company violated data protection rules on a number of occasions this year. Tencent's app approvals are currently suspended. China's Ministry of Industry and Information Technology must review any new apps and updates before they can be launched. This is a message to app developers that they must comply with new laws and regulations governing the handling of user data. For more information visit: <https://www.cnbc.com/2021/11/25/tencent-must-get-approval-from-regulators-before-publishing-new-apps.html>.

### **China pumps 1.2 trillion yuan (\$188 billion) into the economy to counter the real estate slump**

China has decided to loosen its purse strings and pump money into the economy in a bid to stave off threats to the recovery. The People's Bank of China said it would cut the reserve requirement ratio for most banks by half a percentage point, starting 15 December 2021. That move, which reduces the amount of money that banks have to keep in reserve, will unleash some 1.2 trillion yuan (\$188 billion) for business and household loans. The decision - the second cut to that ratio this year - came on the same day China's Politburo signalled that it may take more aggressive actions to protect the economy in 2022. For more information visit: <https://www.cnn.com/2021/12/07/economy/china-policy-economy-real-estate-intl-hnk/index.html>.

### **The Regional Comprehensive Economic Partnership (RCEP), the world's largest trade deal that includes China, will come into force in early 2022**

RCEP, the world's largest trade deal, was signed in 2020 by 15 Asia-Pacific countries. Australia and New Zealand were the latest to ratify the world's largest trade agreement. Other countries that have ratified RCEP include China, Japan, South Korea, and the 10 members of ASEAN. RCEP will come into force in January 2022. RCEP covers a market of 2.2 billion people and \$26.2 trillion of global output. The partnership will create a trade grouping that covers about 30% of the world's population, as well as the global economy. For more information visit: <https://www.cnbc.com/2021/11/03/worlds-largest-trade-deal-rcep-to-come-into-force-in-january-2022.html>.

## Japan

### **Exchange of diplomatic notes for the entry into force of the Agreement between Japan and the Republic of Finland on Social Security**

On 25 November 2021, Japan and the Republic of Finland exchanged diplomatic notes for the entry into force of "the Agreement between Japan and the Republic of Finland on Social Security" in Helsinki. It will enter into force on 01 February 2022. Under this Agreement, the employees who are temporarily sent from Japan to the Republic of Finland, will not be subjected to double compulsory coverage under the pension systems and employment insurance systems of both countries. It will reduce the burden imposed on companies and employees and further promote people-to-people and economic exchanges between Japan and Finland.

### **Entry into force of the treaty between Japan and the socialist Republic of Vietnam on mutual legal assistance in criminal matters**

On 24 November 2021, Japan and Vietnam signed the treaty on mutual legal assistance in criminal matters. The treaty will promote and expedite cooperation of the two countries on criminal matters and make it more efficient.

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## **Regional Updates** —continued from page 13

### **Launch of Japan-US Partnership on Trade**

On 17 November 2021, Japan and the US launched the Japan-US partnership on trade. They will discuss issues such as Japan-US common global agenda in the areas of trade, cooperation in the Indo-Pacific region as well as bilateral trade cooperation between the two countries.

### **Entry into force of the Tax Convention between Japan and Serbia**

On 8 November 2021, Japan and Serbia exchanged diplomatic notes for the entry into force the Convention between Japan and the Republic of Serbia for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance. The Convention is expected to promote further mutual investments and economic exchanges between the two countries by eliminating double taxation and preventing international tax evasion and tax avoidance.

### **Date of the entry into force of the Regional Comprehensive Economic Partnership Agreement**

On 02 November 2021, Australia and New Zealand deposited the instruments of ratification of the Regional Comprehensive Economic Partnership Agreement with Depository, the Secretary-General of ASEAN. Japan, as a signatory state, welcomes the entry into force of the Agreement. It is expected that the Agreement will contribute to the economic growth of Japan and the region by further strengthening the link between Japan and the region.

### **Entry into force of the Customs Mutual Assistance Agreement (CMAA) between Japan and the Oriental Republic of Uruguay**

On 10 October 2021, the agreement between the Government of Japan and the Government of the Oriental Republic of Uruguay Regarding Mutual Administrative Assistance and Cooperation in Customs Matters entered into force. The agreement provides a legal framework of mutual cooperation for exchanging information regarding controlled substances and is expected to make the Customs procedure easier and more effective.

### **Commencement of negotiations on the Japan-UK Reciprocal Access Agreement**

On 28 September 2021, Japan and the UK and Northern Ireland exchanged views on an arrangement that would reciprocally improve policy, legal and administrative procedures for joint operations, exercises and activities between the forces of both countries. They will commence formal negotiations for the conclusion of the agreement.

### **Final declaration to promote the entry into force of the comprehensive nuclear-test-ban treaty (CTBT)**

On 25 September 2021, Minister of Foreign Affairs Mogi made a final declaration to promote the entry into force of the CTBT at Conference on Facilitating the Entry into Force of CTBT. Minister Mogi urged the remaining right Annex II States to make every effort to sign and ratify the Treaty as the only country which has suffered from atomic bombings during war.

### **Lifting of import restrictions on Japanese food products by the US**

On 22 September 2021, the US lifted the import restrictions on Japanese food products due to radioactive substances. Japan welcomes the US's lifting of its restrictions.

### **Entry into force of the Agreement between the Government of Japan and the Government of the Federative Republic of Brazil regarding mutual administrative assistance and cooperation in customs matters**

On 21 September 2021, the Agreement between the Government of Japan and the Government of the Federative Republic of Brazil regarding mutual administrative assistance and cooperation in customs matters entered into force. The Agreement provides a legal framework to cooperate of exchanging information regarding controlled substances and makes the custom procedures easier and more effective.

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## Regional Updates —continued from page 14

### **Agreement signed between the Government of Japan and the Government of the Socialist Republic of Vietnam concerning the Transfer of Defense Equipment and Technology**

On 11 September 2021, Japan and Vietnam signed the Agreement between the Government of Japan and the Government of the Socialist Republic of Vietnam concerning the Transfer of Defense Equipment and Technology. The agreement establishes a legal framework for Japan and Vietnam regarding the transfer and handing of defense equipment and technology between Japan and Vietnam.

### **Japan deposits Protocol to rectify the International Commission for the Conservation of Atlantic Tunas**

On 4 August 2021, Japan deposited the Protocol to rectify the International Commission for the Conservation of Atlantic Tunas. Japan requested to add more endangered species, such as sharks and rays to the treaty, establish a dispute resolution mechanism regarding the treaty, and make it possible Taiwan to participate in the ICCAT.

### **Protocol Amending Tax Convention signed between Japan and Switzerland**

On 16 July 2021, Protocol Amending the Convention between Japan and Switzerland for the Avoidance of Double Taxation with respect to taxes on income was signed by Japan and Switzerland. The Protocol amends part of the existing Convention and is expected to promote further mutual investments and economic exchanges between the two countries.

### **Entry into force of the Japan-EU Bilateral Aviation Safety Agreement**

On 30 June 2021, Japan and the European Union exchanged diplomatic notes confirming the completion of their respective internal procedures necessary for the entry into force of the Agreement on Civil Aviation Safety between Japan and the EU. The Agreement will further expand cooperation between Japan and the EU in various areas including the aviation field.

### **Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean**

On 31 May 2021, the Government of Canada informed Japan that the Agreement to Prevent Unregulated High Sea Fisheries in the Central Arctic Ocean entered into force. This agreement aims to protect a healthy ocean ecological system and ensure the sustainability of the Central Arctic Ocean.

### **Entry into force of the Tax Convention between Japan and Uruguay**

On 23 June 2021, Japan and the Oriental Republic of Uruguay exchanged diplomatic notes for the entry into force of the Convention between Japan and the Oriental Republic of Uruguay for the elimination of double taxation with respect to taxation income and the prevention for tax evasion and avoidance. It aims to promote further mutual investment and economic exchanges between the two countries.

### **Entry into force of the Tax Convention between Japan and Georgia**

On 23 June 2021, Japan and Georgia exchanged diplomatic notes for the entry into force of the Convention between Japan and Georgia for the elimination of double taxation with respect to taxes on income and prevention of tax evasion and avoidance.

### **Entry into Force of the Japan-Georgia Investment Agreement**

On 23 June 2021, Japan notified Georgia that it completed required internal procedures for the entry into force of the Agreement between Japan and Georgia for the Liberalisation, Promotion and Protection of Investment. Accordingly, the Agreement entered into force on 23 July 2021.

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## Regional Updates —continued from page 15

### **Exchange of diplomatic notes for the entry into force of the Agreement Between the Government of Japan and the Government of the Republic of India concerning reciprocal provision of supplies and services between the self-defense forces of Japan and the Indian armed forces**

On 11 June 2021, Japan and India exchanged diplomatic notes for the entry into force of the Agreement concerning reciprocal provision of supplies and services between the self-defense forces of Japan and the Indian armed forces. It entered into force on 11 July 2021. The Agreement will promote closer cooperation between the self-defense forces of Japan and the Indian armed forces, serve Japan's security, and enable Japan to actively contribute to international peace and security.

### **Korea**

#### **3rd International Conference on Action with Women and Peace – Discussing the Situation of Conflict-related sexual violence in Asia and women's roles in the peace process**

On 25 November 2021, South Korea hosted the 3rd international conference on action with women and peace. More than 20 participants from various governmental entities, such as UN High Commissioner for Human Rights and Executive Director of the ASEAN Institute for Peace and Reconciliation, joined the conference and discussed the situation of conflict-related sexual violence in Asia and urgent need for women's role and leadership in the entire process of peace-building.

#### **Entry into force of Horizontal Aviation agreement between South Korea and the EU**

On 1 November 2021, the agreement between the Republic of Korea and the European Union on Certain Aspects of Air Services entered into force. The agreement is a comprehensive aviation cooperation agreement that uniformly applies the designation requirements and competition rules clauses in the air services agreement. It aims to reinforce cooperation on aviation between the two sides.

#### **Entry into force of South Korea – Uruguay Agreement on Social Security**

On 1 November 2021, the Agreement on Social Security between the Government of the Republic of Korea and the Government of the Oriental Republic of Uruguay entered into force. The Agreement exempts Korean workers dispatched to Uruguay from paying social insurance premiums to Uruguay for five years. It also allows the totalization of the periods of pension coverage in South Korea and Uruguay for those who are not eligible for pension benefits.

### **Hong Kong**

#### **Establishment of the Asian-African Legal Consultative Organization Hong Kong Regional Arbitration Centre**

On 29 November 2021, the Department of Justice officially announced the establishment of the Asian-African Legal Consultative Organization Hong Kong Regional Arbitration Centre. For more information, see [https://www.doj.gov.hk/en/community\\_engagement/press/20211129\\_pr1.html](https://www.doj.gov.hk/en/community_engagement/press/20211129_pr1.html).

### **Singapore**

#### **Entry into force of Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, the Apostille Convention for Singapore**

The Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, the Apostille Convention entered into force for Singapore on 16 September 2021. For more information, see <https://www.mlaw.gov.sg/news/announcements/2021-09-16-apostille-convention-enters-into-force-for-singapore>.

#### **New Memorandum of Cooperation signed between Singapore and Japan**

Singapore has signed a new Memorandum of Cooperation on 29 July 2021 with Japan to strengthen the legal cooperation between them. For more information, see <https://www.mlaw.gov.sg/news/press-releases/2021-07-29-singapore-and-japan-to-strengthen-legal-cooperation>.

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### Afghanistan

#### New interim government announced

On 7 September 2021, 33 members of the 'acting' government were announced led by Mohammad Hasan Akhund, with Abdul Ghani Baradar serving as the deputy Afghan leader. For more information, see <https://www.dw.com/en/afghanistan-taliban-announce-new-caretaker-government/a-59113329>.

#### UNSC Resolutions 2615 (2021)

On 23 December 2021, the United Nations Security Council passed Resolution 2615, paving the path for relief to reach Afghans in severe need of basic necessities. The Resolution states unequivocally that providing "humanitarian aid and other actions that address human needs in Afghanistan" would not be considered a breach of UN sanctions against persons and businesses affiliated with the Taliban. For more information, see <https://www.un.org/press/en/2021/sc14750.doc.htm>.

### Bangladesh

#### Designated Sanctions on Rapid Action Battalion (RAB) Officials

On 10 December 2021, in accordance with Global Magnitsky Human Rights Accountability Act, the US Department of Treasury's Office of Foreign Assets Control (OFAC) designated seven current and former officials of the elite anti-crime unit Rapid Action Battalion (RAB), allegedly over human rights abuses and extra-judicial killings. In response to the same, on 11 December 2021, the US Ambassador in Dhaka was summoned by the Ministry of Foreign Affairs to express their disappointment over the sanctions. For more information, see <https://home.treasury.gov/news/press-releases/jy0526>.

#### Graduation from Least Developed Country (LDC)

On 24 November 2021, the UN General Assembly enacted resolution A/RES/76/8, Graduation of Bangladesh, the Lao People's Democratic Republic, and Nepal from the Least Developed Country category. The three countries will grad-

uate from the LDC category after an unusually long preparatory period of five years (the standard period is three years) to allow them to plan for a post-COVID-19 recovery and implement policies and strategies to reverse the economic and social damage caused by the COVID-19 shock. For more information, see <https://www.un.org/development/desa/dpad/2021/graduation-of-bangladesh-lao-peoples-democratic-republic-and-nepal-from-the-ldc-category/>.

### India

#### BRICS Counter Terrorism Action Plan (2021)

In a summit hosted by India on 29 July 2021, Brazil, Russia, India, China and South Africa adopted a Counter-Terrorism Action Plan which specifies the BRICS nations' perspective and efforts in areas of Counter Terrorism cooperation. This includes, among other things, ensuring coordinated efforts to understand, identify, and collaboratively respond to persistent and emerging terrorist threats, as well as seeking cooperation among the BRICS countries' intelligence, law enforcement, and security agencies, as well as cooperation within the framework of the UN and other multilateral Counter Terrorism fora. For more information, see [https://www.mea.gov.in/bilateral-documents.htm?dtl/34252/BRICS\\_COUNTER\\_TERRORISM\\_ACTION\\_PLAN](https://www.mea.gov.in/bilateral-documents.htm?dtl/34252/BRICS_COUNTER_TERRORISM_ACTION_PLAN).

#### XIII BRICS Summit- New Delhi Declaration

On 9 September 2021, Brazil, China, Russia, India and South Africa committed to enhancing intra-BRICS cooperation under the three pillars- political and security, economic and financial, and cultural & people-to-people exchanges. The Declaration expands the States commitment towards Global Health Challenges & COVID-19, strengthening and reforming the Multilateral System, Peace, Security and Counter-Terrorism Cooperation, Sustainable Development, Innovation, and Economic and Financial Cooperation. For more information, see [https://www.mea.gov.in/bilateral-documents.htm?dtl/34236/XIII\\_BRICS\\_Summit\\_New\\_Delhi\\_Declaration](https://www.mea.gov.in/bilateral-documents.htm?dtl/34236/XIII_BRICS_Summit_New_Delhi_Declaration).

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### Delhi Declaration on Afghanistan 2021

On 10 November 2021, the Third Regional Security Dialogue on Afghanistan was held in New Delhi. The summit was attended by India, Iran, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan. The participants examined Afghanistan's developing circumstances, particularly the security crisis and its regional and global implications. The parties focused on the present political situation in Afghanistan, as well as the challenges posed by terrorism, radicalization, and drug trafficking, as well as the need for humanitarian assistance. For more information, see [https://www.mea.gov.in/bilateral-documents.htm?dtl/34491/Delhi\\_Declaration\\_on\\_Afghanistan](https://www.mea.gov.in/bilateral-documents.htm?dtl/34491/Delhi_Declaration_on_Afghanistan).

### Agreement on Program of the Military-Technical Cooperation from 2021-2031

On 6 December 2021, India and Russia concluded an agreement program pertaining to military-technical cooperation. The ten-year Defense Collaboration Program describes the two nations' existing defence cooperation as well as future potential cooperation. For more information, see [https://www.mea.gov.in/bilateral-documents.htm?dtl/34607/List\\_of\\_AgreementsMoUs\\_signed\\_during\\_the\\_21st\\_IndiaRussia\\_Annual\\_Summit](https://www.mea.gov.in/bilateral-documents.htm?dtl/34607/List_of_AgreementsMoUs_signed_during_the_21st_IndiaRussia_Annual_Summit).

## Pakistan

### Independent Permanent Human Rights Commission (IPHRC) of the Organization of Islamic Cooperation (OIC) Fact-Finding Mission

A 12-member delegation from the OIC's IPHRC visited Islamabad and Azad Jammu and Kashmir from 4 to 9 August 2021, as part of its mandate to monitor the deteriorating humanitarian and human rights situation in Indian Illegally Occupied Jammu and Kashmir (IIOJK), particularly in light of the recent spate of Indian illegal actions since 5 August 2019.

### The International Court of Justice (Review and Re-consideration) Act 2021

The Act promulgated on 3 December 2021 provides a foreign national the right of review and reconsideration

before a High Court with respect of the rights found under Article 36 of the Vienna Convention of Consular Relations (1963). The Act was passed to give effect to the International Court of Justice decision in *Kulbhushan v Jadhav* of 17 July 2019. For more information, see <https://na.gov.pk/en/acts-tenure.php>.

### The Protection of Journalists and Media Professionals Act 2021

On 4 December 2021, the Government of Pakistan promulgated the Act to promote, protect and effectively ensure the independence, impartiality, safety and freedom of expression of journalists and media professionals in line with Article 19 of the International Covenant on Civil and Political Rights 1966. For more information, see <https://na.gov.pk/en/acts-tenure.php>.

### Agreement on Workers' Recruitment and Skills Verification

On 5 December 2021, Pakistan and Saudi Arabia signed two agreements connected to the Workers' Recruitment and Skills Verification Program for Pakistani workers working in the Kingdom of Saudi Arabia. The Agreements are aimed at streamlining the process of exporting manpower and skills from Pakistan to the Kingdom in a variety of professions, while protecting their due rights and giving complete legal protection to Pakistani employees engaged in Saudi Arabia. For more information, see <https://mofa.gov.pk/pakistan-and-kingdom-of-saudi-arabia-sign-agreements-for-workers-recruitment-and-skills-verification/>.

### National Security Policy 2021

The National Security Advisor (NSA) unveiled the country's first-ever National Security Policy on 27 December 2021 at the 36th National Security Committee (NSC) Meeting, aimed at strengthening the security apparatus to deal with all internal and external challenges, as well as ensuring citizens' protection, particularly through the provision of economic security. For more information, see <https://www.dawn.com/news/1666121>.



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### Sri Lanka

#### Seawin Biotech vs Sri Lanka (2021)

Qingdao Seawin Biotech Group Co. Ltd., a Chinese corporation, has filed an international arbitration case against Sri Lanka in Singapore in November 2021. The company is suing a Sri Lankan government agency for rejecting a shipment of organic fertilizer found to be contaminated with pathogens, and the National Plant Quarantine Service for \$8 million in compensation for losses and damages to its reputation, or the agency will face legal action. For more information, see <https://www.globaltimes.cn/page/202112/1240924.shtml>.

#### Sri Lanka at risk of losing its GSP+ status

On 10 June 2021, the European Parliament passed a resolution on the situation in Sri Lanka, in particular the arrests under the Prevention of Terrorism Act. The resolution requests that the EU Commission consider temporarily withdrawing Sri Lanka's GSP+ designation. The appeal was made because Sri Lanka has overused the Prevention of Terrorism Act without conforming to international human rights values. For more information, see [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0290\\_\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0290__EN.html).

### Indonesia

#### Indonesia and Philippines start negotiating the Continental Shelf Boundary 3 November 2021

For more information, see <https://kemlu.go.id/portal/en/read/3113/berita/indonesia-and-the-philippines-took-important-early-step-in-negotiating-continental-shelf-boundary>.

#### Indonesia-Australia cooperate on Green Economy and Energy Transition

For more information, see <https://kemlu.go.id/portal/en/read/3108/berita/australia-indonesia-joint-statement-on-cooperation-on-the-green-economy-and-energy-transition>.

#### Indonesia terminates the LoI on REDD+ with Norway

Indonesia terminates the Letter of Intent between Government of the Kingdom of Norway and the

Government of the Republic of Indonesia on cooperation on Reducing Greenhouse Gas Emissions from Deforestation and Forest Degradation (LoI on REDD+) effective on September 10, 2021. For more information, see <https://kemlu.go.id/portal/en/read/2912/berita/indonesia-terminates-the-loi-on-redd-with-norway>.

#### Indonesia calls for support on Palestinian Independence in the Non-Aligned Movement Ministerial Meeting 14 July 2021

For more information, see <https://kemlu.go.id/portal/en/read/2704/berita/indonesian-minister-for-foreign-affairs-calls-for-support-on-palestinian-independence-in-the-non-aligned-movement-nam-ministerial-meeting>.

### Vietnam

#### Vietnam, New Zealand sign action plan to deploy strategic partnership

On 8 December 2021, the Indonesian Minister of Foreign Affairs and the New Zealand counterpart signed the Vietnam - New Zealand Action Plan for the 2021-2024 period to deploy the bilateral strategic partnership. For more information, see <https://www.mofa.gov.vn/en/nr040807104143/nr040807105001/ns211209092131>.

### Thailand

#### ICJ and Amnesty International's recommendations on draft law on torture and enforced disappearance to the Parliamentary Committee

International Commission of Jurist and Amnesty International submitted recommendations on draft law on torture and enforced disappearance to the Thailand Parliamentary Committee, recognising Thailand's obligation as a State party to the International Covenant on Civil and Political Rights (ICCPR) and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. For more information, see <https://www.icj.org/thailand-icj-and-amnesty-international-submit-recommendations-on-draft-law-on-torture-and-enforced-disappearance-to-the-parliamentary-committee/>. ■