



**ASEAN-JAPAN CENTRE**

ASEAN Promotion Centre on Trade, Investment and Tourism

# Towards 50 Beyond 50

**2021-2022 Annual Report**



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Embracing Challenges, Inspiring Progress



# Message from Secretary General

Dear Friends,

I am delighted to present 2021-2022 annual report, titled "Towards 50, Beyond 50" as we will commemorate a momentous milestone - the 50th Year of ASEAN-Japan Friendship and Cooperation in 2023.

As we reflect on the journey that brought us here, let us embrace the spirit of aspiration and insight to guide us towards an even brighter future.

For 50 years, our shared vision has united us and fostered a strong partnership, thriving even in challenging times. As we face limitless possibilities today, we must use the lessons of the past to guide us towards a prosperous future.

The bonds between ASEAN and Japan are not merely political or economic; they are deeply rooted in a genuine sense of friendship, trust, and understanding. It is this spirit of friendship that has empowered us to achieve great milestones, bolstering regional integration and fostering sustainable development.

Aspiration alone is not enough; insight must guide us through complex challenges ahead. By adapting to regional changes and understanding each other's needs and goals, we can deepen partnerships, foster heart-to-heart connections, and enhance the positive impact of our collaboration.

This annual report encapsulates our collective unwavering commitment to nurturing cooperation and friendship that will transcend borders and withstand the test of time.

Our journey has just begun, and immense possibilities lie ahead. Despite challenges, we possess the resilience and determination to overcome anything.

Let us seize this moment to rededicate ourselves to the principles that have guided us thus far and reaffirm our commitment to an even brighter future.

Warm regards,  
Kunihiko Chris Hirabayashi M.D. Ph.D.



*K. Hirabayashi*





## Our Vision

We build stronger bridges among people in ASEAN and Japan. We become a regional champion of change toward human-centred, inclusive, sustainable and resilient society by contributing to the realization of the ASEAN-Japan common agenda in ASEAN VISION 2025 and SDGs through enhancing AJC's targeted and strategic mandates in trade, investment, tourism and people-to-people exchanges between ASEAN and Japan.

## Our Focus

The driving focus of ASEAN-Japan Centre is achieving results for the best interests of people in the ASEAN Member States and Japan, particularly focusing on micro, small and medium-sized enterprises (MSMEs), underserved areas, women, and young people, building on lessons learned, and recognizing the emerging and dynamic needs and demands of people in the ASEAN Member States and Japan.



# ASEAN-Japan Relations in Data



Japan is ASEAN's major trade partner and investment source. The trust and complementarity between them have made their economic relationship flourish, benefiting both sides.

Despite the challenges brought about by the pandemic, AJC adapted quickly using digital tools to promote inclusive, resilient, and sustainable trade, impact investment, and responsible tourism in support of ASEAN's Comprehensive Recovery Framework.

2022 data shows a 25.8% increase in ASEAN's exports to Japan and a 17.6% increase in Japan's investment to ASEAN compared to 2019. These figures signify a rebound from the pandemic and highlight the resilience and potential of the partnership.

Yet, there's room to grow. By leveraging both bilateral and regional economic partnership agreements, and regional platforms for dialogue and cooperation on issues like climate change, we can deepen our strategic partnership.

Enhanced exchanges between ASEAN and Japan can foster a deeper understanding of each other's culture, traditions, and values. In co-creating the region's future, ASEAN and Japan can find innovative solutions to social challenges. Together, we can bring about positive changes in marginalized sectors of society and our environment.

As we celebrate the 50th Anniversary of ASEAN-Japan Friendship and Cooperation, let us rededicate ourselves to active engagement.

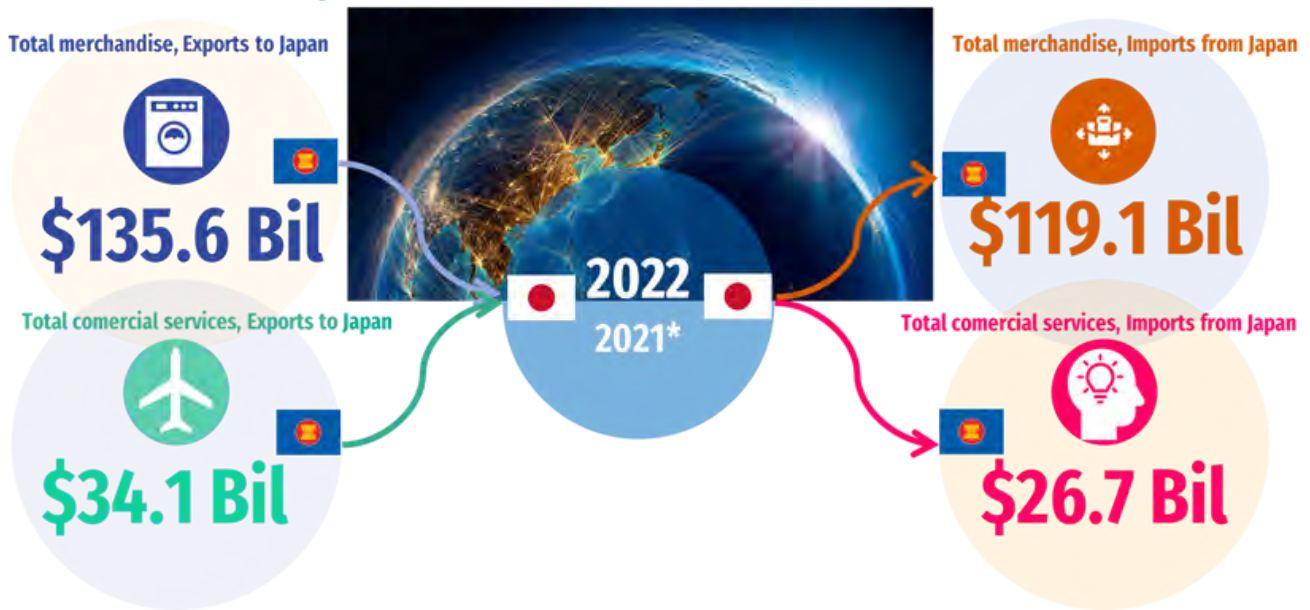
Let's work together for a more connected, prosperous region, where the peoples of ASEAN and Japan thrive.

Join us in this vital endeavor.

**Rafaelita (LaLa) C. Castro**  
Director, Programme Operations

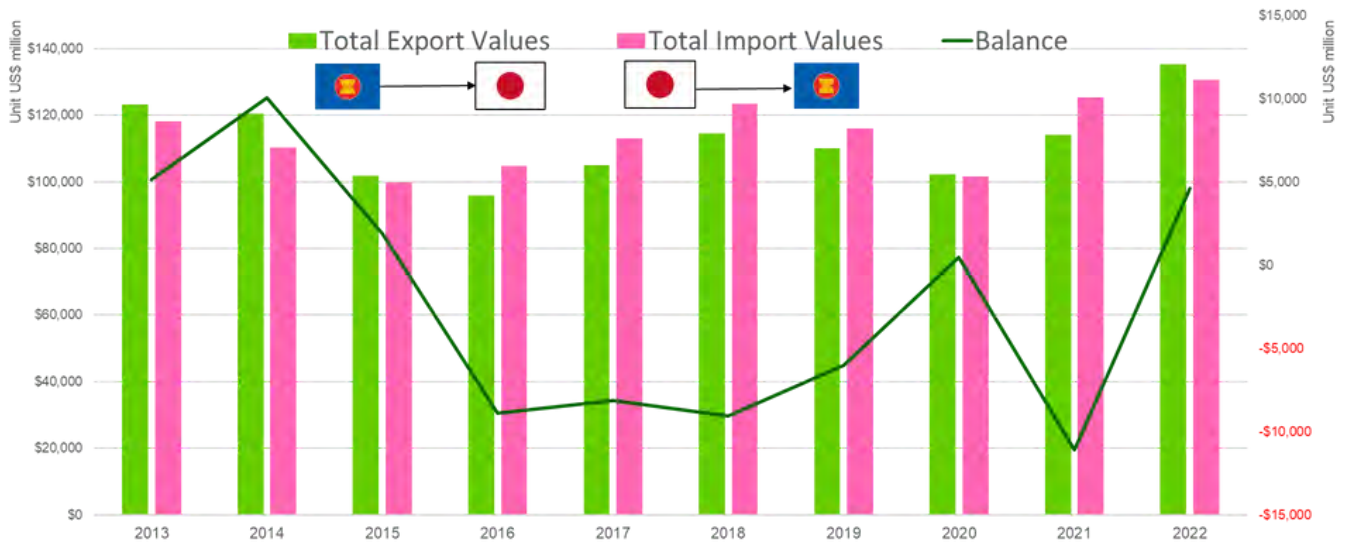


### Trade snapshot: ASEAN and Japan's trade in merchandise and commercial services



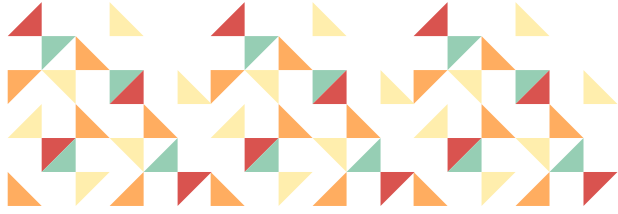
In 2022, the trade in merchandise between ASEAN and Japan reached a total of approximately 266 billion US dollars, marking an increase for the second consecutive year since 2021, and setting a new all-time high. The trade balance with Japan resulted in a surplus of 4.6 billion US dollars.

### The total value of merchandise exports from ASEAN to Japan and the total value of merchandise imports from Japan as seen from ASEAN 2013-2022



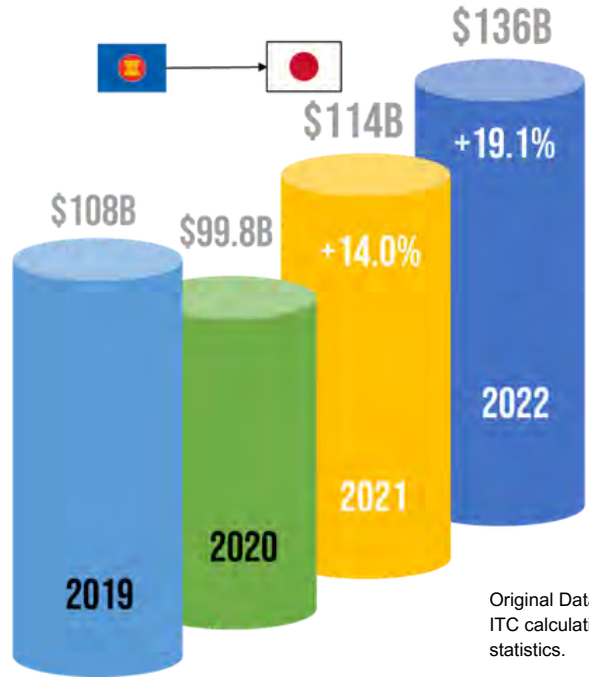
Original Data Source: International Trade Centre (ITC)  
ITC calculations based on Japanese Ministry of Finance statistics.

Note: \*The service trade data was calculated based on WTO-OECD's Experimental Balanced Trade in Services Dataset, which is only available for 2021 [https://stats.wto.org/dashboard/services\\_en.html](https://stats.wto.org/dashboard/services_en.html)



In 2021 and 2022, Japan's merchandise imports from ASEAN increased strongly by 14.0% and 19.1% respectively, amounted to US\$ 136 billion that was 25.8% higher than the pre-pandemic value recorded in 2019.

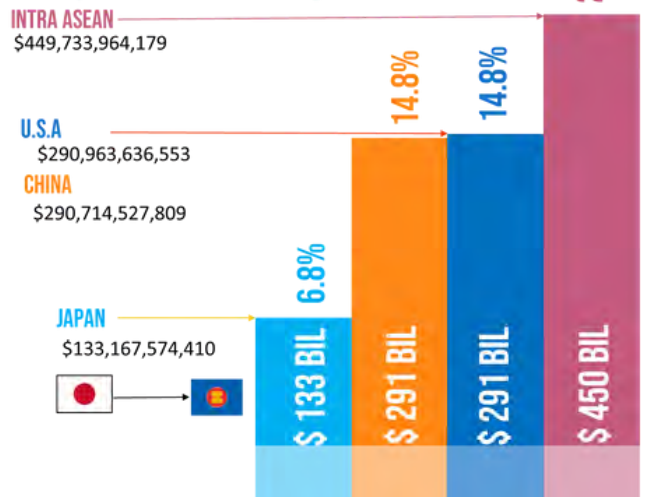
## Japan's imports (goods) from ASEAN 2019-2022



Original Data Source: International Trade Centre (ITC)  
ITC calculations based on Japanese Ministry of Finance statistics.

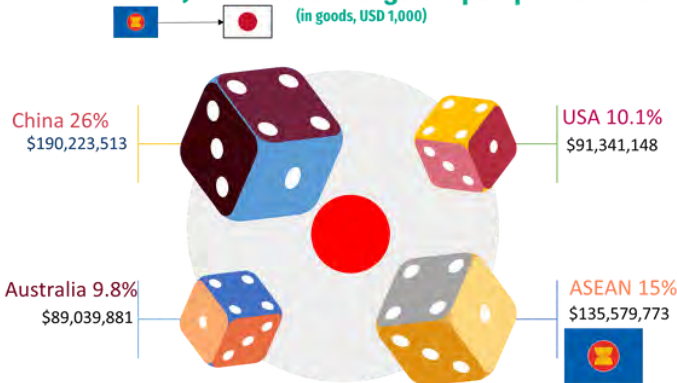
In 2022, the ASEAN became the second-largest trading partner for Japan in terms of imports in goods, and Japan was the fourth largest export partner for ASEAN, following intra-ASEAN trade, the United States, and China.

## Japan is the fourth largest ASEAN's export partner in 2022 (in goods)



Original Data Source: ASEAN STATS

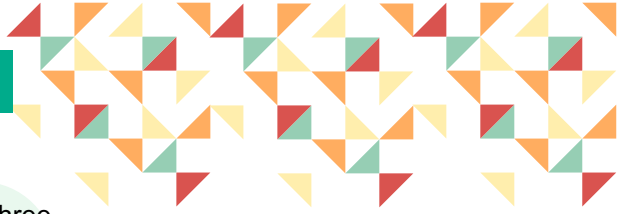
## ASEAN is the JAPAN's second largest import partner in 2022



Original Data Source: International Trade Centre (ITC)  
ITC calculations based on Japanese Ministry of Finance statistics.

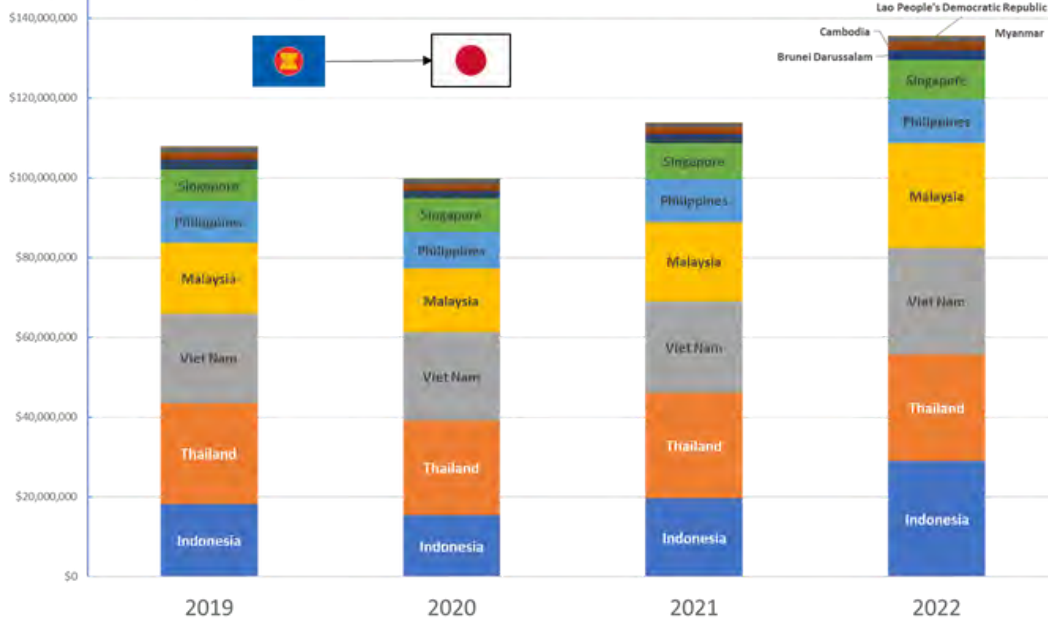
# Fact 3

## ASEAN-Japan Relations in Data



This remarkable surge is mainly driven by increased imports from three countries: Indonesia, Malaysia, and Viet Nam. In fact, compared to 2021, each of these countries individually contributed around \$9.3 billion, \$6.5 billion, and \$3.6 billion to the total increase in imports, accounting for approximately 90% of the overall growth.

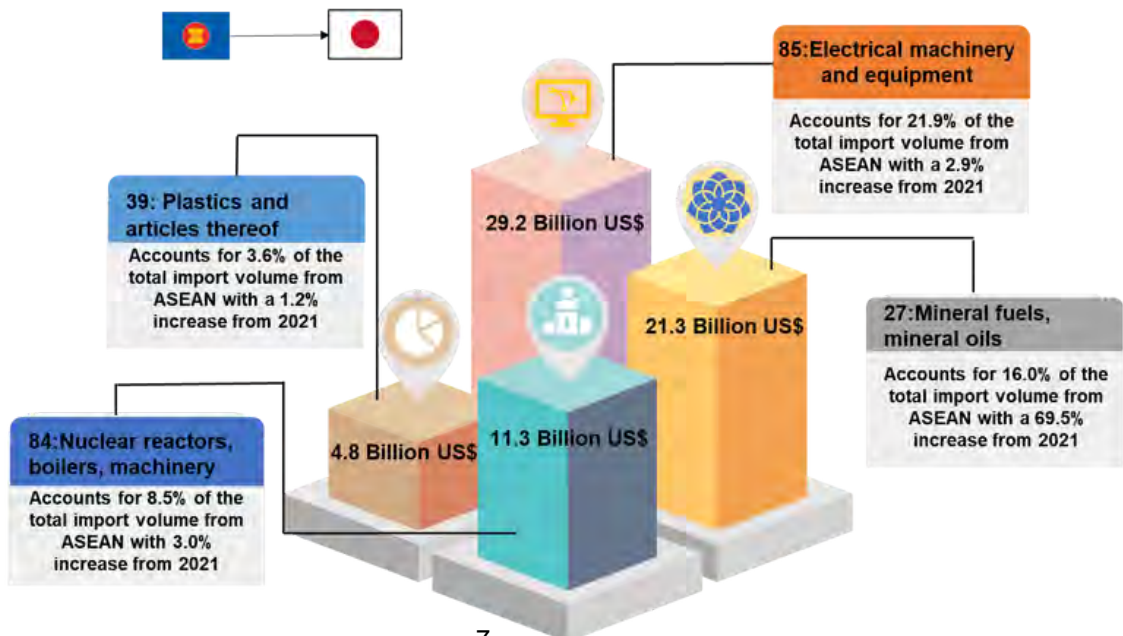
### Japan's import (goods) structure from ASEAN member states 2019-2022



Original Data Source: International Trade Centre (ITC)  
ITC calculations based on Japanese Ministry of Finance statistics.

In 2022, Japan's primary imports from ASEAN were under HS code 85 for electrical machinery and equipment, accounting for 21.9% of total imports. The next highest category was under HS code 27 for mineral fuels, oils, distillation products, etc., which increased by 69.5% from 2021.

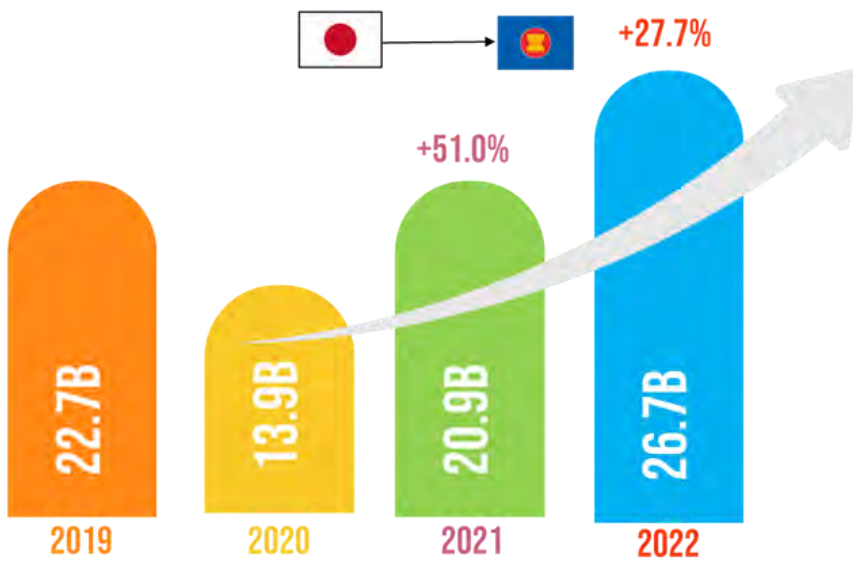
### Japan's import structure from ASEAN in 2022 by HS code





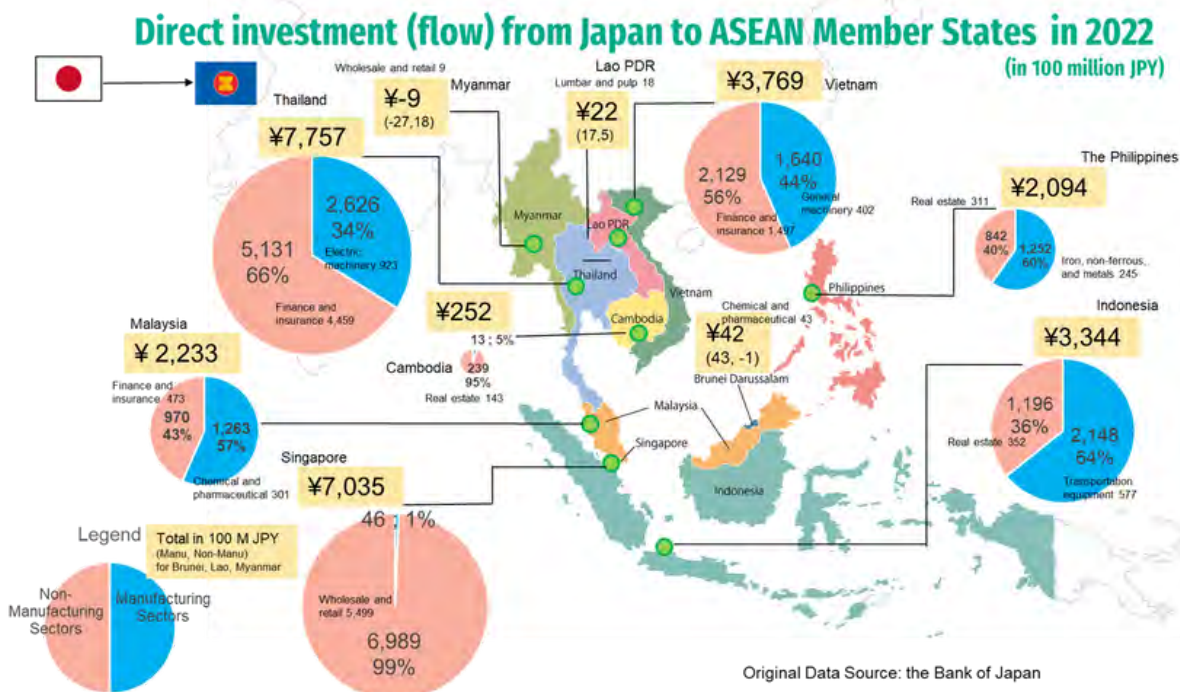
In 2022, the direct overseas investment (flow) from Japan increased by 27.7% from the previous year, reaching 26.7 billion USD. This made it the second-largest source of investment among non-ASEAN partner countries, following the United States. Furthermore, this level of investment represented a 17.6% increase compared to the pre-pandemic year of 2019.

### Japan is the second largest FDI partner (flow) for ASEAN in 2022



The largest recipient of this investment was the transportation and storage sector, with 19.9 billion USD, marking an increase of 1.7 times from the previous year. The sector with the highest growth rate was information and communication, which grew 4.5 times from the previous year to reach 866 million USD. Meanwhile, investment in manufacturing decreased by 71.2% from the previous year, amounting to approximately 1.5 billion USD. This demonstrates significant changes in the destinations of investments.

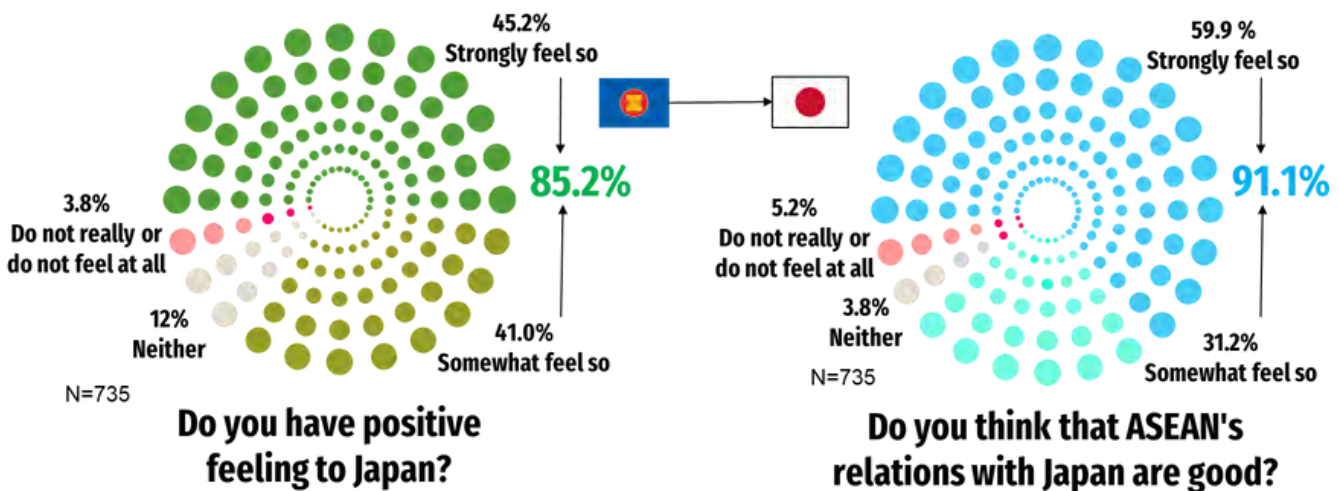
Original Data Source: ASEAN STATS



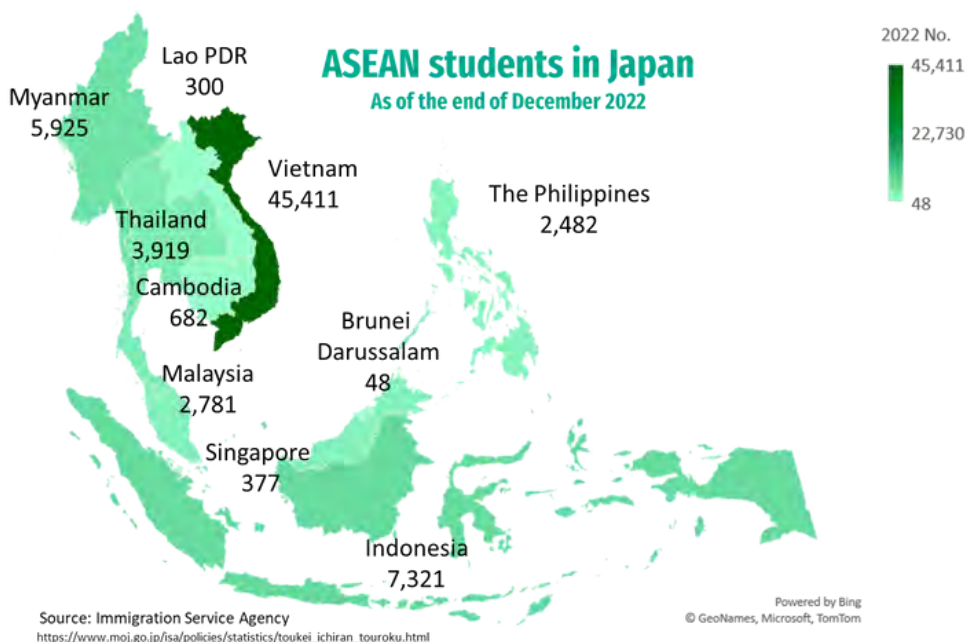
Original Data Source: the Bank of Japan

According to the AJC's online opinion survey\*1 conducted in February 2023 among young adults in ASEAN, aged 18 to 35, the majority of respondents view Japan positively and acknowledge the constructive relations with the country.

### Majority of ASEAN young people see Japan positively and over 90% see positive relations between ASEAN and Japan, January 2023 survey\*1 finds



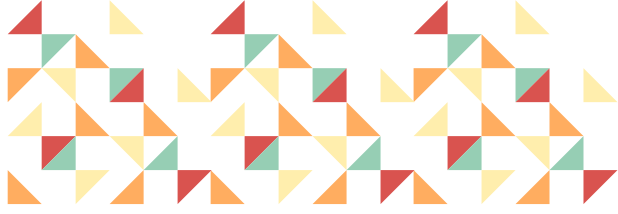
\*1: AJC's public opinion survey among ASEAN Young People (18-35) in January 2023



International students in Japan are characterized by a very high proportion of students from the Asian region, but those most significantly affected by the pandemic were students from Southeast Asia and East Asia. As of December 2022, the number of students from ASEAN was about 70,000, a decrease of roughly 30% compared to 2019.

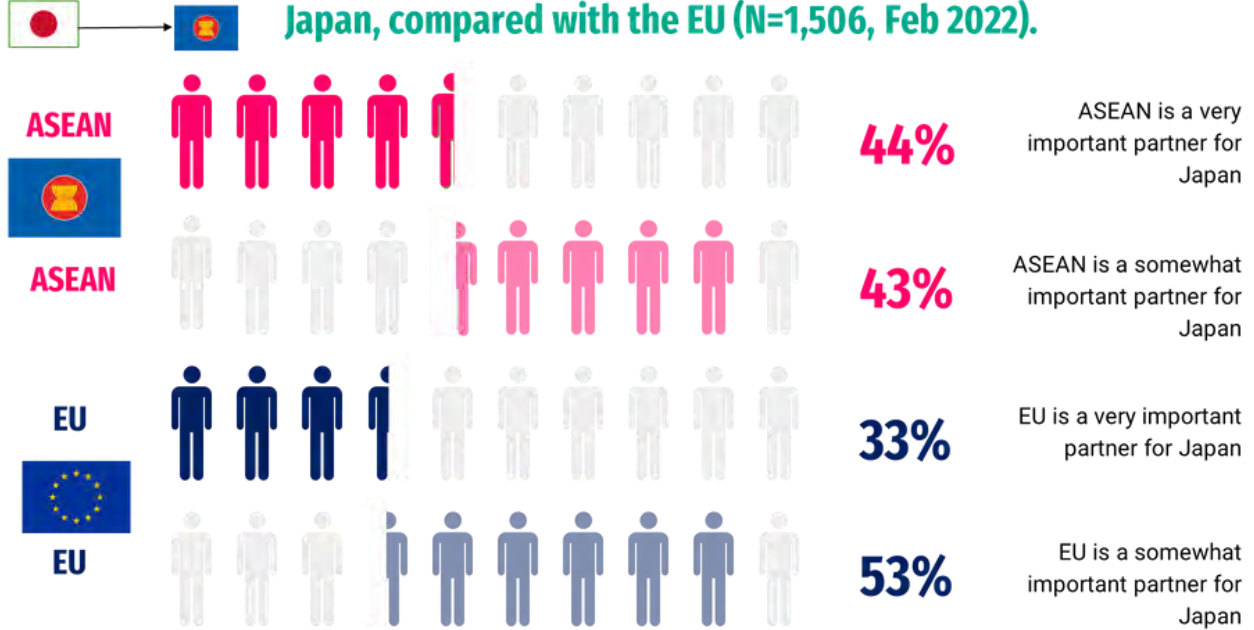
The number of students from Viet Nam, which accounts for approximately 65% of all students from ASEAN, decreased by around 40% compared to 2019, and this is believed to have contributed to the overall decrease in the number of ASEAN students.

The aforementioned survey shows a tendency for young people who have experience with training or studying in Japan to have high confidence in the country, so it is necessary to pay attention to future trends.



In a nationwide online survey\*2 conducted by the AJC in February 2022, the general population in Japan identified ASEAN as a more important regional organisation than the EU for Japan's future.

**Respondents\*2 feel that ASEAN member states are “very important” to the future of Japan, compared with the EU (N=1,506, Feb 2022).**

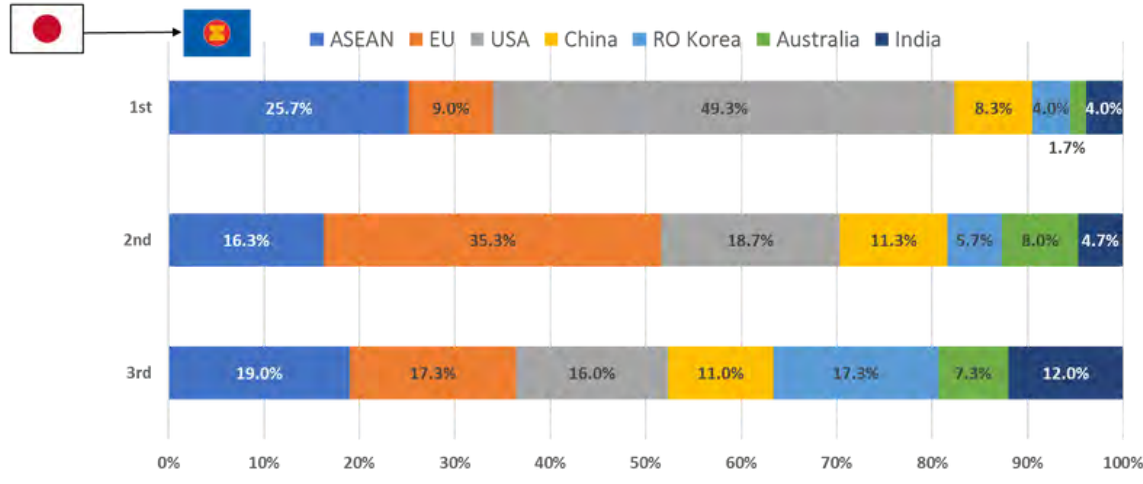


\*2: AJC's public opinion survey among Japanese general public (15-69) in February 2022

Another targeted online opinion survey\*3 conducted in November 2022 among 18-35 year-old young people in Japan found that they view ASEAN as one of the most important partners for the next decade, following the USA.

**January 2023 Survey\*3 finds Japanese young people view ASEAN as Japan's second most important partner for the next decade, following U.S.A**

Which are the top three countries or regions that you believe will be the most important partners for Japan over the next decade, ranked in order of importance?



\*3: AJC's public opinion survey among Japanese Young People (18-35) in January 2023

N=300

# The 18 Stories of Change



Our vision transcends the geographic boundaries of ASEAN and Japan and embraces a shared aspiration to forge a vanguard of change on a global scale. We aim to construct an inclusive, sustainable, and resilient society that puts humanity at its core, building upon the unique strength and diversity of our cultures and people.

Today, we proudly present **18 stories of change**: each a testament to our unwavering dedication and commitment, each a manifestation of our collective professional acumen, personal conviction, and sense of duty.

These stories, we believe, are more than just accomplishments; they are steppingstones towards a brighter, more equitable future.

We invite all of you to join us in this collective endeavour. We encourage you to share your thoughts and insights without reservation. Your input is not just valued; it is crucial in shaping the path we are carving.

As we continue to serve the best interests of the people in ASEAN and Japan, we remain steadfast in our commitment. Fuelled by ambition, driven by responsibility, we pledge to continuously push the boundaries of what is achievable. We are not just seeking advancement; we are pioneering a future where the dreams of today become the realities of tomorrow.

**Yuka KUBOTA Ph.D.**  
Senior Executive Officer



# Goal 1: Inclusive, Sustainable and Resilient Trade



*Inclusivity, sustainability, and resilience are not just concepts, but the foundations of progress.*

## Goal 1: Inclusive, Resilient and Sustainable Trade

# Story 1 "Cup of Opportunities": Advancing the Small and Community-based ASEAN Coffee Industry towards Global Excellence

This programme spurred inclusive dialogue to improve both coffee quality and the livelihoods of farmers and small community-based businesses in the coffee supply chain. The World Specialty Coffee Conference and Exhibition 2022, hosted by the Specialty Coffee Association of Japan (SCAJ), brought together key stakeholders, fostering an exchange of ideas worldwide.

During the conference, AJC hosted a panel discussion, "ASEAN Coffee Map: The Charm of Coffee from ASEAN." Small-scale ASEAN coffee farmers and producers shared their passion for their product and their appreciation for Japanese sellers committed to enhancing lives and protecting the environment.

### Why coffee?

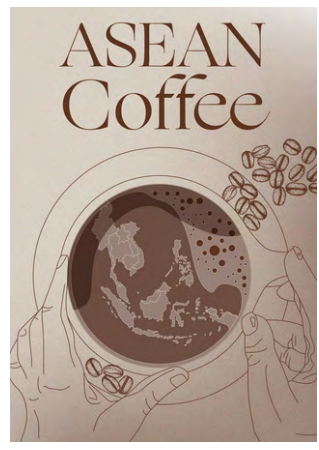
- Showcasing at the SCAJ Conference was a capstone moment for both the ASEAN Member States (AMS) and AJC. ASEAN accounts for 32% of all imported coffee in Japan, and with many AMS recognizing coffee as one of the priority trade products, AJC – in partnership with all our trade counterparts – pursued to promote coffee by showcasing **the ASEAN Coffee Map** produced in FY2021 as well as “coffee-to-coffee dialogue” and beyond.
- Market Analysis Report by Grand View Research (2021)[1] highlights the specialty coffee market size estimated at US\$21.9 billion in 2022, with a projected compound annual growth rate (CAGR) of 11.3% from 2023 to 2030. Asia including Japan is positioned as one of the “**fastest growing markets**” with an upward CAGR of 13.6% from 2023 to 2030.
- Research (Schuit et al. 2021)[2] shows specialty coffee can indeed generate not only elevated income and farm profitability but also positive environmental benefits – all of which is the pursuit of AJC.
- [1] Grand View Research. 2021. Accessible at <https://www.grandviewresearch.com/industry-analysis/specialty-coffee-market-report>
- [2] Schuit P, Moat J, Gole TW, Challa ZK, Torz J, Macatonia S, Cruz G, Davis AP. 2021. The potential for income improvement and biodiversity conservation via specialty coffee in Ethiopia. PeerJ 9:e10621



[The special event video](#)

## Key achievements

- Inclusive and Inspired Engagement:** The AJC's special event at the SCAJ Conference 2022 successfully fostered an inclusive dialogue that involved a diverse range of stakeholders. From farmers, consumers, government representatives to academics, the event attracted nearly 120 people in the audience to listen to their stories and help convert to be a distributor, buyer, or new customer.
- Action-oriented Dialogue for Inclusive, Resilient Coffee Business in ASEAN with a Sustainability Outlook:** The event generated action-oriented discussions centred around: a) each unique strategy to promote ASEAN coffee in Japan, and b) strategies for sustainability coffee business with response to climate change, known in Japan as the "2050 issue". The discussions also paved the way for action-oriented strategies, including: i) the concept of an "ASEAN Resilient Coffee bloc" by setting a regionally standard price of coffee within ASEAN to avoid volatile price fluctuations due to economic crises in other parts of the world, ii) microfinance initiatives for farmers, and iii) the need for ethical standards in business practices.
- Significant Media Attention and Future Collaborations:** Across Japan, 14 local newspaper or journal articles (10 in hard copy and 4 newspaper articles online) have featured the charm of ASEAN coffee in Japan, as a result of the event. The event not only garnered significant media attention, but also stimulated potential future collaborations and capacity-building efforts.



English



Japanese



*"The coffee industry is blessed with countless committed individuals with innovative ideas. From the catalytic actions of microfinancing for coffee farmers to a grand vision of a "coffee bloc in ASEAN" for a regionally standard coffee price, AJC is here to facilitate exchange and promotion. With you, I am united with all my heart to reshape this industry to be more inclusive, sustainable and resilient."*



**Aya ONO Ph.D.**  
Programme Manager

**Goal 1: Inclusive, Resilient and Sustainable Trade**

## Story 2 "Beyond Boundaries": ASEAN MSMEs' Strategic Advance into the Dynamic Japanese Market

As part of our commitment to AJC's Goal 1's vision of promoting inclusive, sustainable, and resilient trade, AJC recognizes the pivotal role of the comprehensive understanding of contemporary Japanese consumer markets.

In October 2022, AJC conducted an in-depth study of the Japanese consumer market. The aim was to provide comprehensive guidance to the ASEAN Member States, specifically targeting SMEs and start-ups considering entry into Japanese markets. The study identified several key success factors vital for success in Japan.

In a society of Japan that values dedication and expertise, new market entrants and re-entrants must display a high level of proficiency, focusing on specific target segments or narrowly defined product portfolios. A deep understanding of targeted consumers, including their lifestyles and attitudes, is of prime importance, especially in the E-commerce era where manufacturers have direct control over the marketing mix and messaging.





## Key findings

- **Understanding the Japanese Consumer:** A comprehensive understanding of the Japanese consumer is vital for ASEAN MSMEs targeting the Japanese market. Consumer preferences are shifting towards ASEAN products, including wellness products, storytelling fashion brands, and eco-friendly furniture. Consumer benefits, not just product features, drive sales in this market.
- **Market Segmentation:** The Japanese market is not homogeneous. Various significant segments, including innovative-oriented, stability-oriented, and pragmatists, have distinct behaviour and attitudes that must be considered in any market entry or growth strategy.
- **Quality and Service:** Japan is known for its high consumer service standards. The quality of both the product and service plays a critical role in success in the Japanese market. Consumer complaints should be taken seriously and used as a feedback mechanism to improve offerings and maintain high standards.
- **Opportunities for ASEAN:** Several promising business opportunities may exist for ASEAN MSMEs that are interested in entering the Japanese consumer market. These include the health food sector, valued at over \$6 billion in Japan, halal food—which has been widely recognized for meeting the needs of tourists from Muslim countries—products designed for the elderly population, and pet products.



*"While Japan could be a very lucrative market, ASEAN MSMEs need to fully understand its intricacies to be able to take advantage of its potential. I believe that providing them with the knowledge that they need empowers them to successfully navigate the Japanese market."*

**Rafaelita (LaLa) C.Castro**  
Director of Programme Operations



**Goal 1: Inclusive, Resilient and Sustainable Trade****Story 3 "Building Bridges for Trade": Harnessing Free Trade Agreements for ASEAN-Japan's Inclusive, Resilient, and Sustainable Growth**

Aligned with the objectives of Goal 1 of AJC, our efforts have been focused on enhancing the practical knowledge of bilateral and regional Free Trade Agreements (FTAs) among SMEs in ASEAN and Japan. Key agreements such as the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) and the Regional Comprehensive Economic Partnership (RCEP) play significant roles in our trade promotion strategy.

Throughout the year, AJC conducted six FTA familiarization seminars. These informative sessions aimed to promote resilient supply chains in various industries through the effective use of FTAs.

The industries we focused on included the electronics and automotive sectors, with additional emphasis on inclusive and sustainable textile and garment sectors, and food security. Those FTA related seminars have always active engagement with high satisfaction rate among around 600 participants from the business, academe, and government sectors of Japan and ASEAN.

**Key takeaways**

- **Power of FTAs:** The utilization of Free Trade Agreements (FTAs) including the AJCEP and RCEP has opened numerous avenues for trade and investment opportunities. These tools have been instrumental in promoting resilient supply chains and fostering inclusive growth and gaining benefits of FTAs.
- **Broad-Spectrum Impact:** AJC's initiatives, through familiarization seminars, have successfully touched upon various sectors - electronics, automotive, textiles, garments, and food security. The strategic application of FTAs in these sectors has facilitated significant trade benefits, market access, tariff reductions, and increased exports.
- **Addressing Food Insecurity:** Trade, particularly aided by strategic use of FTAs, has made significant strides in reducing food insecurity by connecting agriculturally diverse regions with those that have limited potential, ensuring a balanced distribution of resources.



Government representatives and industry experts from across ASEAN participated as resource speakers in these seminars, providing crucial insights and discussing the strategic utilization of FTAs. A government resource speaker from Indonesia noted that FTAs and Economic Partnership Agreements (EPAs) could provide guarantees for multinational companies to establish supply chains, even in unpredictable geopolitical situations.

A senior expert from Thailand highlighted the role of ASEAN FTAs, including AJCEP and RCEP, in creating beneficial trade and investment opportunities. These have significantly contributed to the resilient auto supply chain in ASEAN and Japan. As an example, the Thai automotive industry houses not only assembly factories but also research and development centres for top Japanese car manufacturers.

A corporate leader from the Philippines emphasized the potential benefits of preferential trade agreements. These could provide zero or low tariffs for Philippine exports to Japan, including apparel, footwear, and bags.

In discussions about food security, a senior government officer noted that trade has helped reduce food insecurity. This is achieved by connecting regions with limited agricultural potential and large populations to regions with comparative advantages in agriculture.

### The way forward

- **Continued Emphasis on FTA Utilization:** AJC will continue to emphasize the strategic use of FTAs, guiding SMEs in leveraging these agreements to unlock further trade and investment opportunities.
- **Collaborative Improvement of Trade Agreements:** AJC aims to collaboratively work on enhancing the AJCEP and RCEP and other bilateral and multilateral FTAs, making them more sustainable, resilient, and inclusive. We plan to encourage and facilitate discussions and seminars with stakeholders to reach this goal.
- **Expanding Industry Focus:** AJC will look to extend our focus to other potential sectors that could benefit from the effective application of FTAs, thereby promoting a more inclusive and sustainable trade environment.



*"Dissemination of the free trade agreements is one of the most important tasks for strengthening and expanding the economic relation between ASEAN and Japan and ensure that all business sectors of our two regions have awareness and gain the maximum benefit from the free trade agreements."*

**Phutsakhon Sengmaniphon**  
Assistant Director, Research and Policy Analysis



**Goal 1: Inclusive, Resilient and Sustainable Trade****Story 4 "Empowering Sustainable Growth": Transforming the Future of Woodworking and Forestry in CLMV through Innovation and Capacity-Building**

AJC continues to be committed to capacity-building and export development in the ASEAN Member States (AMS). A significant step in our journey was the recent three-day workshop aimed at boosting the woodworking and creative product development sector in the CLMV region (Cambodia, Lao PDR, Myanmar, and Viet Nam). With a high participation of over 420 individuals - including 86 online attendees from Lao PDR, Myanmar, and Cambodia – AJC reinforced the importance of skill development, creativity, and sustainability within the woodworking and forestry industry.

Forestry plays a critical role in CLMV's economy, with considerable export gains from timber and related products. Yet, despite this potential, the industry is plagued by challenges, such as a lack of high-value primary forest products and limited creativity among local businesses. Addressing these obstacles, our workshop was a strategic intervention to promote growth and sustainability within this sector.

**Key achievements**

- Empowering Creativity and Innovation:** AJC prioritized the development of creative and innovative capabilities in CLMV's designers. By facilitating learning from Japanese experts, attendees gained crucial insights into international trends and standards, enabling them to align their designs to meet global market expectations. This upskilling initiative will serve as a catalyst for the growth of CLMV's woodworking and creative sectors.
- Promoting Sustainability:** In line with global commitments to the environment, our workshop emphasized sustainable design and its integration into the creative process. We discussed the importance of sustainable practices in overcoming environmental challenges and meeting the demands of a technologically advanced era. This new design philosophy was aimed at promoting a circular economy approach within the forestry industry, contributing to its long-term viability and ecological sustainability.
- Fostering Youth Development:** Recognizing the potential of young designers, the workshop included personal advisory sessions. These were geared towards enhancing their skills, knowledge, and understanding of crucial elements like material usage, design narration, copyrights, and collaborations. This guidance empowers them to contribute significantly to CLMV's design future.

The success of AJC's workshop was evident in its intangible outcomes - the upskilling of participants, promotion of sustainable design practices, and the empowerment of young designers. The knowledge and skills acquired by the attendees are crucial for the production of innovative, quality, and globally aligned products.

The participants highly valued the experts' insights and lectures covering the entire value chain of creative products. They appreciated the comprehensive coverage, starting from conceptualizing ideas, transforming them into innovations, and then addressing branding strategies and collaborations with distributors and sellers. The discussions also included important considerations such as copyright matters, which further enriched the participants' understanding of the holistic process involved in the development and commercialization of creative products.

The workshop represents a critical step towards the betterment of the woodworking and creative sectors in CLMV. We are excited about the future collaborations and capacity-building initiatives that lie ahead, as we continue to strive for sustainable growth and prosperity in the region.

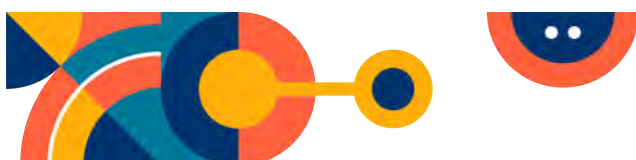
### The way forward

- Deepening technical woodworking skills for manufacturers.
- Facilitating exchange opportunities among young ASEAN and Japanese designers.
- Encouraging a design mindset among the youth and offering guidance for starting a design business.
- Exploring synergies between forestry production and eco-tourism.



*"As a region that has undergone remarkable development and now stands on the cusp of a transformative future, CLMV is endowed with tremendous potential to integrate innovative, sustainable, and environmentally-responsible approaches, driving green and inclusive growth. With technical expertise, cooperative support, and impactful investments from Japan and other ASEAN Member States, I strive to bridge the gap and connect stakeholders, empowering CLMV to achieve higher value-added capabilities and elevate its position in the global value chain. Together, we are committed to driving sustainable development, ensuring a prosperous and equitable future for the region and beyond."*

**Nguyen Tuan Anh Ph.D.**  
Programme Coordinator



**Goal 1: Inclusive, Resilient and Sustainable Trade**

**Story 5 "Reimagining Trade": Fostering MSME Growth in ASEAN through Digital Connectivity with Japan**

The ongoing digital revolution has the potential to drastically cut costs associated with global trade, streamline coordination across global value chains (GVCs), accelerate the diffusion of ideas and technologies, and enhance connectivity amongst businesses worldwide.

Micro, Small and Medium Enterprises (MSMEs) are integral to the economic development and growth of the ASEAN Member States. According to the ASEAN Secretariat[1], there are about 70 million MSMEs in ASEAN, accounting for between 97.2% – 99.9% of total establishments in the ASEAN Member States. It is also estimated that regionally, the MSMEs contribute 85% to employment, 44.8% to GDP and 18% to national exports.

As economies increasingly digitize, digital trade, characterized by cross-border ordering and delivery of goods and services through networks, continues to gain prominence. For instance, according to a recent survey, 70% of MSMEs within the ASEAN markets perceive digital tools and technologies as a gateway to untapped markets. Therefore, understanding the unique features and potential of digital trade is critical to drive evidence-based policymaking in this area (Lee, 2021).

In response to this evolving regional landscape, AJC implemented this pilot activity to find a feasible, practical, and sustainable solution for ASEAN MSMEs to digitally promote their strategic products as well as to connect potential Japanese and inter-ASEAN importers and buyers.

"Key strategies included i) working with top e-commerce platforms in Japan to understand support for cross-border suppliers; ii) examining two major Japanese sites to identify ASEAN products sold online; iii) collaborating with an expert consultant on Japanese e-commerce market navigation, and hosting webinars to equip ASEAN MSMEs for Amazon Japan; iv) conducting a survey to understand e-commerce challenges; and v) holding a follow-up workshop for participants.

[1] <https://asean.org/our-communities/economic-community/resilient-and-inclusive-asean/development-of-micro-small-and-medium-enterprises-in-asean-msme/>

**Branding Strategy**  
- for your potential on the Japanese EC market -

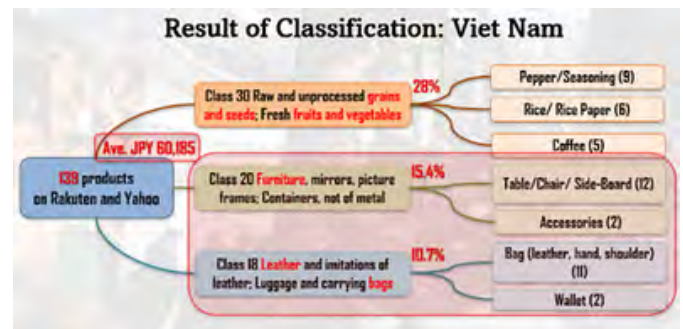
Speaker: **Takanobu Kono**, FRACTA inc. CEO

	DAY 1 March 23	DAY 2 March 24	DAY 3 March 27
10:00-11:00	12:00 - 13:00	16:00 - 17:00	12:00 - 13:00
11:00 - 12:00	11:00 - 12:00	15:00 - 16:00	11:00 - 12:00
10:00 - 11:00	10:00 - 11:00	14:00 - 15:00	10:00 - 11:00
09:30 - 10:30	09:30 - 10:30	13:30 - 14:30	09:30 - 10:30



## Key results

- **Strengthened Network:** By partnering with ASEAN Access[2], an on-line based business information portal for MSMEs, AJC enhanced its network with ASEAN MSMEs that participated in ASEAN Access.  
[2] <https://asean.org/asean-access/>
- **Insightful findings:** Over 900 products on Japanese EC sites (Yahoo Japan and Rakuten) were scrutinized, categorized based on the Nice Agreement's classification of goods and services, and visualized using a mind-map tool for the each ASEAN Member State. Processed foods and accessories were the top products traded on these Japanese e-commerce platforms.
- **Practical EC Training Sessions:** AJC designed and executed six sessions titled "Selling Your Products on Amazon Japan" and "Branding Strategy -for Your Potential on the Japanese EC Market-". These sessions aimed to offer practical advice from digital trade consultants and experts. In total, 200 ASEAN MSMEs participated, reflecting a strong interest in the initiative. Online interviews with participants revealed that the training sessions were deemed "informative" and "valuable" by ASEAN MSMEs. There has even been a successful case of a participant kickstarting an EC business following the sessions.



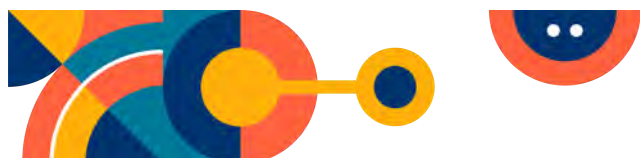
## The way forward

- Undertake focused research on specific products to assess their market potential, with considerations such as inclusivity, such as produced by women-lead businesses or start-up business from developing regions, and sustainability within the regional value chain. This will inform the development of more targeted marketing strategies.
- Expand our network with EC corporations and targeted ASEAN MSMEs to continue understanding the potentials of ASEAN products in the Japanese market.
- Implement new sustainability measures in our future initiatives, including promoting digital trade strategies that emphasize environmental sustainability.



"Positioned as a great equalizer, e-commerce serves as the platform through which we empower ASEAN micro, small, and medium enterprises (MSMEs), equipping them with the knowledge and training to seamlessly engage in Japan's e-commerce landscape."

**Michihiro TANABE**  
Programme Manager







# Goal 2: Sustainable Impact Investment



*When we invest in social causes, we're not merely doing good, we're constructing a superior and sustainable business ecosystem.*

**Goal 2: Sustainable Impact Investment****Story 6 "Shaping a Resilient Future": Advancing Sustainable Impact Investment in ASEAN and Japan**

AJC's role is to promote sustainable impact investments that enhance livelihoods for marginalized beneficiary groups, including women, youth, and the disabled in ASEAN.

In alignment with Goal 2 of the AJC 5.0, AJC have solidified its presence as a key facilitator for sustainable impact investments from Japan to ASEAN. Our commitment is grounded in the recognition of the vital role of such investments in achieving ASEAN's Comprehensive Recovery Framework (ACRF) as well as the Sustainable Development Goals (SDGs), an ambition that demands an estimated \$4.2 trillion per year and is further amplified by various crises, including the COVID-19 pandemic. Bloomberg Intelligence estimates that global Environment, Social, Governance (ESG) assets are on track to exceed \$53 trillion by 2025, representing more than a third of the \$140.5 trillion in projected total assets under management<sup>[1]</sup>

Solution-oriented Impact Investing has become a critical tool in this regard. As of December 2022, the size of global impact investing market is estimated over a trillion dollars in assets under management<sup>[2]</sup>.

This investment strategy is designed to generate measurable societal impacts along with financial returns, thereby contributing to understanding the progress towards the achievement of the ACRF and SDGs. This aligns with the Grand Design of New Capitalism<sup>[2]</sup> championed by Prime Minister Kishida.

[1] <https://www.bloomberg.com/professional/blog/esg-assets-may-hit-53-trillion-by-2025-a-third-of-global-aum/>

[2] Global Impact Investment Network, 2022 Sizing the Impact Investing Market 2022 <https://thegiin.org/assets/2022-Market%20Sizing%20Report-Final.pdf>

[3] [https://www.japan.go.jp/kizuna/2022/06/why\\_japan\\_is\\_a\\_buy.html](https://www.japan.go.jp/kizuna/2022/06/why_japan_is_a_buy.html)

**Key achievements**

- **Recognition as Impact Investment Facilitator:** AJC has been acknowledged as a crucial actor in promoting impact investments, demonstrated by our endorsement as a Support Member for both the Japanese National Advisory Board (NAB) of Impact Investment and the Impact-Driven Financial Initiative (IDFI).
- **Active Engagement:** Our active involvement in various impact investment discussions, conferences, and consultations, including participation in the invite-only G20 Impact Partnership Consultation, has boosted our presence and influence in the field of impact investment.
- **Knowledge Creation:** Through a series of research reports, we have mapped out key practices and players shaping the current ecosystem of impact investment in five countries. These reports have been instrumental in advancing the ecosystem of impact investment.

Our partnerships with key entities like Japanese National Advisory Board, and Asian Venture Philanthropy Network, which is the largest social investment network entity in Asia, Real Tech Holdings and several ASEAN governments demonstrated our commitment to promote impact investment, while our series of research reports further advanced the ecosystem of impact investment in the ASEAN region.

In summary, our concerted efforts have placed AJC as a key player in the field of sustainable impact investment between ASEAN and Japan, and we look forward to further advancing this movement in the upcoming fiscal year.



### The way forward

- **Amplify AJC's Voice:** We aim to participate in key events such as the annual Nikkei event, presenting our work to a global audience and showcasing the growth potential of impact investment in ASEAN.
- **Collaborative Dialogues:** We plan to initiate a series of bilateral dialogues with countries that participated in our landscaping research, co-developing country-specific policy recommendations to advance the ecosystem of impact investment.
- **Internal Training:** To enhance our efforts, we will conduct an internal Training Workshop on Impact Investment. This will ensure a deeper understanding of impact investment across all AJC groups, integrating the benefits of impact investment into our activities.



*"As an "Enabler", I am with you on this exciting journey of trailblazing, innovating and shaping the ASEAN market of high impact investing. Change is frequent in an evolving field like impact investing, attributed mainly to the common intention to drive societal change. Tolerance for change and failure is a key feature to achieve double materiality – both economic and social returns. Let us travel together, hopefully."*

**Aya ONO, Ph.D.**  
Programme Manager



## Goal 2: Sustainable Impact Investment

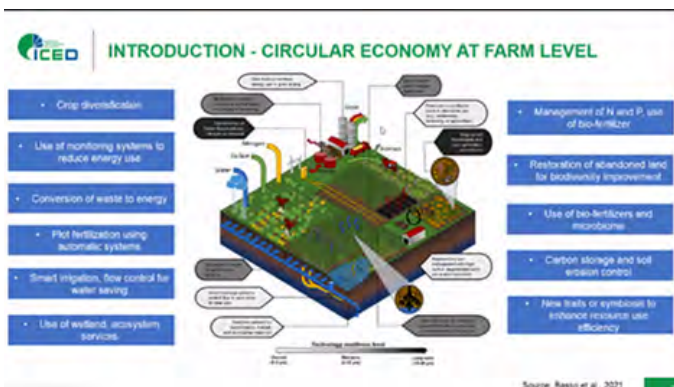
# Story 7 "Catalysing the Shift to a Circular Economy": Empowering MSMEs and Optimizing Resource Utilization in ASEAN

The project aimed to support Micro, Small, and Medium Enterprises (MSMEs) transition to a circular economy by equipping them with the knowledge and tools to optimize waste management practices and improve resource efficiency. This was achieved through a series of online workshops that provided general information about the circular economy and offered sector-specific insights into agriculture, tourism, and fashion & textile – key sectors in the ASEAN region.

The project successfully achieved its objective of promoting circular practices among participating firms through a comprehensive program of lectures, toolkits, and one-on-one consultations. By enabling MSMEs to drive sustainable growth and enhance resource efficiency, the project contributes significantly to the economic growth and environmental resilience of the ASEAN region.

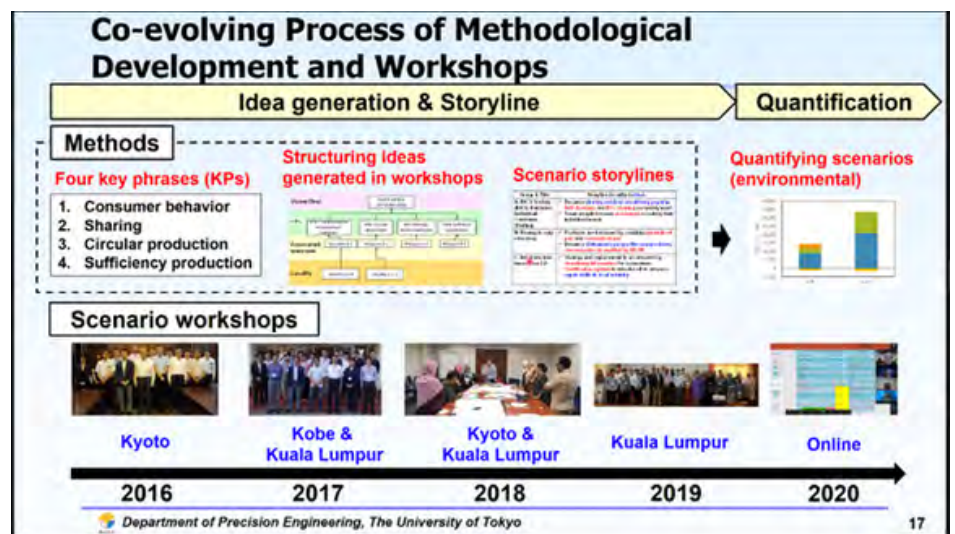
### Key achievements

- Understanding the Circular Economy:** The workshops featured respected figures in Circular Economy Development from both Japan and ASEAN, including business leaders, researchers, representatives from the Ministry of Economy, Trade, and Industry (METI) Japan, and the ASEAN Secretariat. These experts shed light on the concept of the circular economy, highlighting the environmental benefits and business opportunities it presents. Participants gained knowledge about policy frameworks, best practices, and practical experiences, which enabled them to make informed decisions and explore circular practices in their business models.
- Providing Practical Business Support:** After the lectures, experts furnished the participants with practical toolkits. These toolkits were designed to help MSMEs review, analyse, and identify areas in their businesses where resource management could be improved and the transition to a circular economy could be initiated. The firms could apply this new knowledge directly to their operations, identifying opportunities for better resource management and sustainable product development.
- Supporting Committed Firms:** Customized one-on-one meetings were arranged with consultants for firms committed to the circular transition. These meetings addressed the unique challenges these firms faced at different stages of their transition to a circular economy model. The consultants provided in-depth reviews of business models, identified competitive advantages, and connected firms with suitable partners to address their specific issues. This personalized consultation and facilitation aided the firms in effectively implementing their circular transition plans.



## The way forward

- The success of the series of online workshops on Circular Economy capacity building signifies the first step towards a more sustainable future as well as increasing opportunities of investment from ESG oriented investors.
- The journey continues with further strategic actions such as fostering continued learning, strengthening partnerships, providing access to funding and support, scaling up circular models, and advocating for supportive policies.
- By embracing these actions, MSMEs in the ASEAN region will be empowered to drive sustainable growth, enhance resource efficiency, and contribute to a resilient and circular economy.



"In recognizing the boundless potential of creativity, I am driven by a steadfast commitment to facilitate a harmonious union between the vibrant energy of young, innovative minds and businesses. Through this powerful alliance, we will usher in a new era of prosperity, sustainability, and progress across Japan and the ASEAN region."

**Nguyen Tuan Anh Ph.D.**  
Programme Coordinator



## Goal 2: Sustainable Impact Investment

# Story 8 "Promoting Sustainable Impact Investments": Harnessing the Circular Economy for Waste Management and Energy Circulation in ASEAN and Japan

According to the recent global circularity report[1], only 7.2 percent of used materials are cycled back into our economies after use. ASEAN also recognised that its economic resilience has been increasingly threatened by resource depletion, unsustainable patterns of raw material consumption, inefficient throughout product value chains, and climate change[2].

It, therefore, adopted the Framework for Circular Economy for the ASEAN Economic Community (AEC) in 2021[3]. AJC's robust efforts in FY 2022 have focused on catalysing the development and application of innovative solutions to critical environmental challenges.

AJC has facilitated the connection of '**Needs**' in the ASEAN Member States (AMS) with '**Seeds**' from innovative Japanese businesses, particularly startups tackling plastic waste issues. These are geared towards realizing a sustainable Circular Economy in the ASEAN region.

[1] Circle Economy. (2023). The circularity gap report 2023 (pp. 1-64, Rep.). Amsterdam: Circle Economy

[2] <https://asean.org/wp-content/uploads/2021/10/Brochure-Circular-Economy-Final.pdf>

[3] [https://asean.org/wp-content/uploads/2021/10/Framework-for-Circular-Economy-for-the-AEC\\_Final.pdf](https://asean.org/wp-content/uploads/2021/10/Framework-for-Circular-Economy-for-the-AEC_Final.pdf)

[4] <https://cloma.net/english/>

[5] <https://jaif.asean.org/>

In an attempt to address the urgent issue of plastic waste management, AJC facilitated pre-matched individual meetings that successfully brought together government representatives from the ASEAN Member States and nine innovative Japanese businesses, including startups. Over 40 such interactions were set up, fostering an environment for mutually beneficial opportunities and knowledge exchange.

In a highlight of the project, AJC successfully enabled the Japan Clean Ocean Material Alliance [4](CLOMA) to present their feasibility study in Indonesia under the Japan-ASEAN Integration Fund[5] (JAIF) at the 'Japan - ASEAN Business and Investment Forum'.

From the resource persons of the Royal Embassy of Thailand,

- The participants learned about the trend of Thailand-based Japanese companies in the manufacturing industry shifting their business models for long-term expansion.
- Through this meeting, the participants were also able to learn about the latest developments in plastic recycling by Japanese companies in Thailand.



## Key takeaways

- **Solving Urgent Issues through Innovative Technologies:** The economic growth in ASEAN has underscored the urgent need for effective waste management and recycling solutions. These meetings helped underline the vast potential for Japanese businesses to provide their innovative and cutting-edge solutions to these urgent social issues in ASEAN.
- **'Modal Shift' in Business Trends:** The meetings revealed a notable trend – Japanese companies are shifting their business focus towards more sustainable solutions that address social issues in ASEAN. This shift needs to be recognized and incorporated in future activities to promote trade and investment.
- **Importance of Business Linkages:** Achieving ambitious goals within the Circular Economy framework (such as waste-to-energy conversion, CO2 emission reduction, and plastic waste reduction) requires robust cooperation in the business sector. Positive feedback from ASEAN governments and Japanese businesses underscored the significance of these linkages and pointed towards further potential for AJC to facilitate such connections.

The Government-to-Business meeting arranged by AJC resulted in connecting the latter to the Industrial Waste Management Division of the Department of Industrial Works in Thailand as well as wider government stakeholders in ASEAN to seek their local business partners.



## The way forward

- In FY 2023, AJC plans to conduct a follow-up survey to monitor the outcomes of these meetings. It will also continue to encourage Japanese businesses to visit the ASEAN Member States and to participate in onsite business matching activities.
- By continually organizing Government-to-Business meetings, AJC seeks to persistently connect the "Needs" in the ASEAN Member States with the "Seeds" or solutions offered by Japanese companies' innovative technology. This aligns with the common goals of both ASEAN and Japan and will contribute to a sustainable and prosperous future.



*"I believe that Japanese technology, especially in the fields of circular economy and recycling, is among the best in the world. I am constantly pondering how to introduce such technology to ASEAN and attract investments from Japanese companies. However, my strong passion lies in creating a bright future together with ASEAN."*

**Takeko ITO**  
Programme Specialist



**Goal 2: Sustainable Impact Investment****Story 9 "Pioneering Green Partnerships": Fostering Sustainable Investment Through Lao PDR-Japan Strategic Collaboration**

AJC reinforced its bond with the Lao Ministry of Planning and Investment (MPI) through a strategic investment promotion initiative. By strategically inviting and engaging with the Minister of Planning and Investment of Lao PDR, **H.E. Khamjane Vongphosy**, to Japan, the project aimed to facilitate corporate engagement between Japanese businesses and government representatives and the Lao MPI. It marked a significant milestone in reinforcing our mutual commitment to sustainable and inclusive economic development.

The primary objective of this project was to build robust business relationships between Japanese corporations and Lao businesses and government authorities. This involved company visits, open dialogues, and an Investment Promotion Seminar.

Minister Khamjane Vongphosy's visit, with 12 business delegates, to Japanese companies and the Japan Business Federation highlighted Lao PDR's potential for green growth. Its strategic ASEAN land-linked location and renewable energy resources present exciting prospects. The visit led to a series of business discussions and government-to-business dialogues.



**H.E. Khamjane Vongphosy**

A newly engaged Japanese company, seeking to establish a cost-effective renewable energy hub in Lao PDR, initiated engaging conversations with representatives of the Special Economic Zones (SEZs). These representatives showed great interest in understanding the precise requirements and expectations of their potential Japanese collaborators. Questions were put forth about the land size needed for a renewable energy plant, the water and energy requirements, and the timeline for construction.

Following this, one company presented an inquiry to the MPI government about the cost of power, emphasizing the need for a special tariff. They argued that without this, their efforts towards establishing energy-generating businesses may not bear effective contributions to Lao PDR.





AJC hosted the Investment Promotion Seminar, well-received with a 90.3% usefulness rating. The seminar, attended by 195 participants (55 in-person and 140 online), served as a platform to hear directly from Lao government officials and SEZ companies. The pitches from SEZ companies were particularly well-received.



### Key takeaways

- **Realizing Green Potential:** Lao PDR's renewable energy potential opens doors for Japanese companies seeking cost-effective, sustainable business opportunities.
- **Exploring Collaboration Opportunities:** The increased interaction has fostered an environment conducive to future business partnerships and collaborations.
- **Positive Feedback:** The high rating for the seminar underscores the value of open communication platforms to foster understanding and collaboration.

### The way forward

- Encouraged by the promising results of this initiative, AJC is eager to leverage this momentum to further encourage fruitful collaboration between Japanese and Lao businesses, as well as government entities.
- Future efforts will include exploring further sustainable business opportunities, expanding the scope of interaction, and facilitating more open dialogues to strengthen our partnership further. Our continued dedication will undoubtedly lead to sustainable and inclusive growth in the investment sector.



*"By considering and sharing the common environmental objectives with our counterparts, such as the utilization of natural resources, promoting sustainable land use, reducing greenhouse gas emissions, addressing waste management and pollution issues, I have realised more the potential of this project. I want more people to know this and explore collaboration opportunities."*

**Yasushi ISHIDA**  
Assistant Director, Trade and Investment



**Goal 2: Sustainable Impact Investment**

**Story 10 "Forging Future Pathways": Unveiling Odawara's Vibrant Startup Ecosystem and Fostering ASEAN-Japan Collaboration**

Nestled in the heart of Kanagawa prefecture, Odawara, a city steeped in rich culture and history, stands as a beacon of entrepreneurship, pulsating with an innovative startup scene and a progressive approach towards sustainability and preservation.

Witnessing the immense potential for connection between ASEAN's dynamic markets and Odawara's unique entrepreneurial ecosystem, the Enterprise Singapore Tokyo Overseas Centre and AJC joined hands. From 13 to 14 March 2023, they led a diverse delegation of ASEAN business representatives, government officials, and students on an insightful two-day excursion into Odawara's thriving startup landscape.

The mission was designed to inspire meaningful dialogue, establish valuable connections, and open the doors for the exchange of innovative solutions to societal challenges. These resultant partnerships are set to herald a new era of shared prosperity for both ASEAN and Japan.



Objectives of the joint visit were;

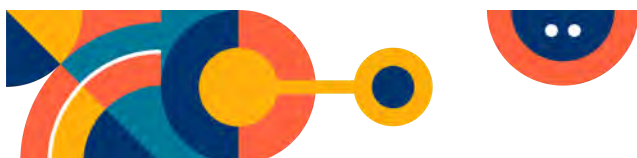
1. To delve into Odawara's unique startup culture, examining the key sectors of innovation, investment landscape, and business practices.
2. To foster relationships with Odawara's local government and entrepreneurs, promoting dialogue and potential partnerships with ASEAN government officials, the business community, and students.
3. To appreciate and understand local businesses' efforts in sustainability and cultural preservation.



Odawara city



Odawara castle



## Key highlights

- **Integrated Entrepreneurship Support Programme:** The Odawara Hakone Chamber of Commerce and Industry conducts an annual entrepreneurship programme. Targeting individuals intending to start or those who have started a business within the last two years, the program covers crucial topics including business communication, accounting, marketing strategies, and effective web usage. Even post-completion, the Chamber continues to support the entrepreneurs, facilitating consultations and potential loan options.
- **Hometown Foundation's Startup Support:** The '83 Foundation', established by entrepreneurs who nurtured their startups into multinational companies, initiated the 'Odawara Challenge Program ARUYO ODAWARA' in 2022. Targeting Generation Z individuals across Japan, the program provides financial assistance, startup consultations, networking opportunities, business matching, and office sharing in Odawara City and the western region of Kanagawa Prefecture.
- **Roundtable Discussion:** The event featured a roundtable discussion where an Odawara entrepreneur presented an innovative solution addressing the city's aging population. This spurred engaging conversations about potential ASEAN-Japan partnerships to tackle societal challenges, underlining Odawara's potential as a networking hub.



## The way forward

- Building on this mission's success, our next step is to initiate an ASEAN-Japan local co-creation startup support program in Odawara. This program will highlight the unique attributes of local Japanese cities and foster networking opportunities between ASEAN government officials, business community, and students.
- Furthermore, we plan to facilitate the introduction of Odawara's innovative ideas, business practices, and products to ASEAN countries. Parallel to this, AJC has a plan to support Fukuoka city's efforts to establish itself as a global financial hub, connecting it with ASEAN representative offices. Our continued efforts in Odawara and Fukuoka underline our commitment to fostering strong and mutually beneficial ASEAN-Japan relationships.



*"There are beautiful landscapes, cultures, cuisines, and ideas in Japan's regional areas that are not known to ASEAN. By introducing and connecting Japan's regional areas to ASEAN governments, the business community, and students, I hope to foster new businesses and networks."*

**Tomoko ONUKI**  
Programme Manager





# Goal 3: Sustainable and Responsible Tourism



*Each journey, taken sustainably and responsibly, is a step toward preserving the paramount priority for our planet.*

**Goal 3: Sustainable and Responsible Tourism**

**Story 11 "Fostering Responsible Tourism": Shaping Travel for the Future with Insights from Japanese Young People**

AJC, as part of its commitment to promoting sustainable tourism, conducted an insightful webinar titled "Japan's Overseas Travel Trend and How Japanese Young People View Sustainable and ASEAN Tourism" to disseminate the results of a comprehensive survey conducted in FY2022. The survey aimed to understand the travel behaviours and attitudes of young Japanese travellers, specifically those belonging to the "Gen Z" and "Millennial" demographics aged 15-35.

**Survey Purpose and Methodology:**

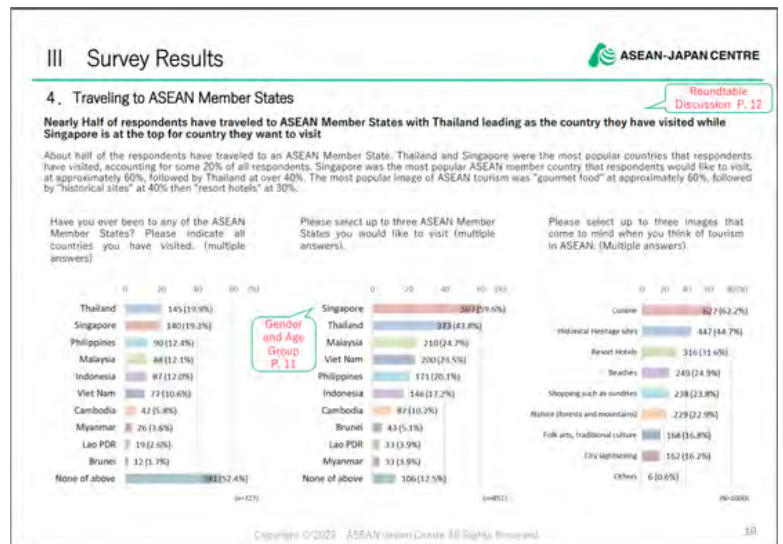
The primary focus of this survey was to gauge the participants' sensitivity towards sustainability and their interest in Southeast Asian tourism, understanding their sense of responsibility as travellers, and their social media usage for travel information. The study was conducted in December 2022, and involved 1,000 respondents, predominantly females, aged between 15-35 years, who expressed significant interest in travel.

**Webinar Overview:**

The webinar, conducted in English with 45 participants from the ASEAN Member States on March 14, 2023, was designed to disseminate to ASEAN stakeholders the results of the youth survey.



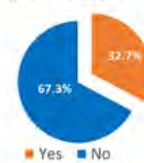
The digest report is available here



Do you pay attention to SDGs and sustainability in your daily life?



Do you consider SDGs and sustainability when you travel?



Do you select a destination or a tourism facility that is sustainable?



## Key findings of the survey

- **An Eye Towards the Horizon:** Overwhelmingly, 85% of the surveyed individuals expressed enthusiasm about future international journeys, predominantly favouring sightseeing activities. Destinations within the ASEAN Member States, with Thailand and Singapore leading the pack, were the most sought after.
- **The Digital Guide:** Instagram surfaced as the premier social media platform influencing travel decisions, highlighting its impact in framing international travel trends.
- **Embracing Sustainable Consciousness:** A substantial 70% of participants demonstrated understanding of "SDGs" and "sustainability," with about 60% applying these principles in their everyday routines. Moreover, an encouraging 80% considered sustainable tourism initiatives to be an essential part of their travel decisions.
- **The New Age Traveller:** Reflecting a conscious shift towards responsible tourism, approximately 70% of participants expressed their desire to contribute positively to the regions they visit, both economically and in terms of local sustainability.
- **Addressing Overtourism:** Despite only 50% of respondents being familiar with the term "over tourism," there was a collective willingness to support efforts to alleviate its effects. Impressively, nearly 90% stated that their future travel choices would be influenced by knowledge about sustainable tourism initiatives.



*"In addition to the online survey, we also conducted group discussions with Japanese youths, mostly university students whose major was tourism. What they expressed during the sessions revealed that many of them do not recognize the dynamic growth of AMS and have outdated impression of the AMS. This could be due to the pandemic, as they could not visit abroad to witness the world for a few years. I feel that much more needs to be done to provide accurate information of the AMS to the Japanese youths."*

## Takeaways from the survey and webinar

- **Cultivating an ASEAN Appeal:** The sustained interest in overseas travel, particularly towards ASEAN destinations, offers an excellent opportunity to bolster tourism promotion, focusing on the region's unique attractions.
- **Harnessing the Power of Social Media:** The dominant role of Instagram in shaping travel decisions underscores the potential of utilizing social media platforms more strategically to promote tourist destinations.
- **Championing Sustainability in Tourism:** The heightened awareness and implementation of sustainability and the strong interest in sustainable tourism initiatives present a unique opportunity to infuse sustainability into future tourism promotions.
- **Fostering Responsible Travel:** The expressed desire to impact positively on visited regions and contribute to their sustainability signifies a powerful shift towards responsible tourism, opening avenues for community-engaged and sustainable travel programs.
- **Mitigating Overtourism through Education:** The willingness to cooperate in efforts against overtourism, despite a lack of full understanding of the term, calls for comprehensive educational strategies around sustainable tourism and responsible travel practices.

AJC is committed to leveraging these valuable insights to foster an enriching and responsible tourism environment. We recognize the importance of education in enhancing awareness of sustainable tourism practices and addressing overtourism, paving the way for sustainable and inclusive growth in the tourism sector.

**Mizuho KANDA**  
Assistant Director, Tourism and Exchange



**Goal 3: Sustainable and Responsible Tourism****Story 12 "Nurturing Communities and Designing Sustainable Futures":  
A Strategic Approach to Enhancing Community-Based Tourism**

ASEAN recognizes Community-Based Tourism (CBT) as a crucial approach to sustainable tourism development. According to the ASEAN Community Based Tourism Standard[1], CBT is a community-owned and operated tourism activity managed or coordinated at the community level. It supports community well-being by promoting sustainable livelihoods, protecting socio-cultural traditions, and preserving natural and cultural heritage resources.

In November 2022, AJC, in partnership with the Ministry of Information, Culture and Tourism, Lao PDR, organized a capacity building program focused on CBT for the CLMV region (Cambodia, Lao PDR, Myanmar, Viet Nam) in Luang Prabang, Lao PDR. This workshop aimed to enhance the knowledge and skills of tourism professionals in the CLMV region, allowing them to effectively contribute to their respective destinations and meet the demands and expectations of local partners and target markets in the post-pandemic era.

[1]<https://www.asean.org/wp-content/uploads/2012/05/ASEAN-Community-Based-Tourism-Standard.pdf>

The participants, including tourism marketing experts from Thailand, Japan, and ADB, gained and shared practical knowledge about CBT development. Notably, the participants from CLMV learned valuable tips from the Thai expert on CBT product development, given Thailand's standing as one of the top ten countries in terms of foreign visitors and international tourism revenue.

Further, the participants engaged in a meaningful exchange of the best practices, challenges, and approaches adopted by their respective countries in promoting CBT. This process highlighted the importance of developing human capital to diversify CBT products and maximize the utilization of local uniqueness.

**Key results of the workshop**

- The workshop underscored that CBT should enhance the community's economy without exploiting its resources for the sake of tourism. Participants recognized the significance of the domestic market for sustainable tourism, especially in the wake of the pandemic.
- However, AJC noted that challenges remain in the development of CBT and committed to monitor the progress by conducting follow-up interviews with the participants. This initiative aims to gather insights to enhance the attractiveness and sustainability of tourism in the region.





The workshop underscored that CBT should not exploit the community for the sake of tourism; instead, it should serve as a tool to bolster the community's economy. While the program was well-received, AJC acknowledges that there are still hurdles to overcome in the development of CBT. In our quest to enhance the attractiveness of sustainable tourism in the region, we would have a plan to monitor the progress of CBT by conducting follow-up interviews with participants, examining changes implemented post-workshop.

Moreover, in light of the lessons learned from the workshop and insights from related research on the economic and inclusiveness impacts of CBT in Thailand[2], AJC may engage possible advocacy activities or conducting research on the following areas for the future:

[2] Komsan Suriya, Impact of Community-based Tourism in a village Economy in Thailand: An analysis with VCGE model. <https://ecomod.net/sites/default/files/document-conference/ecomod2010/1302.pdf>

### Possible future directions

- **Utilize Digital Technologies:** In addition to enhanced digital-based promotion, digital technologies can offer immersive and enriching experiences for tourists. For example, virtual reality (VR) can provide virtual tours of heritage sites, while augmented reality (AR) can provide interactive information about local attractions. Additionally, mobile applications can offer self-guided tours, local recommendations, and easy booking options, enhancing the convenience for tourists while promoting local businesses.

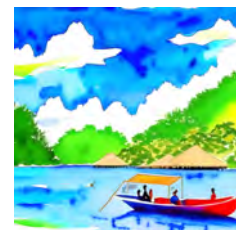
- **Promote souvenir production:** Given that the souvenir production sector benefits most from tourism expansion, its promotion should coincide with community-based tourism development. This approach can also facilitate the participation of unskilled laborers from households in financial difficulties.
- **Enhance the participation of households in financial difficulties in tourism activities:** Given the uneven income distribution resulting from tourism activities, it is essential to enable the direct participation of poorer households in tourism. This can be facilitated through initiatives like providing micro-credit for home upgrades to accommodate tourists.
- **Strengthen the tourism-agricultural linkage:** While integrating agricultural products into meals for tourists is one way to enhance this linkage, other innovative solutions like incorporating these products into souvenirs can be explored.
- **Patience and respect for community readiness:** The development of authentic CBT products should not be externally imposed. Each community's readiness and pace should be respected to ensure that tourism development aligns with the community's unique socio-cultural fabric and sustainable objectives.

AJC is committed to empowering communities, enhancing their economic prospects, and sculpting a sustainable future through the strategic development of community-based tourism. The ongoing goal is to strengthen the resilience of ASEAN's tourism industry and contribute to regional prosperity in a post-pandemic world.



*"What can tourism bring to our lives? It is an irreplaceable experience in the life of a traveller. A receiving community/individual gain a sense of pride and a better life. Respect and gratitude exist between the two parties. I am proud to be part of the tourism industry and to contribute to the programmes where as many people as possible can benefit from tourism."*

**Naoko FUJIKAWA**  
Senior Programme Manager



**Goal 3: Sustainable and Responsible Tourism**

**Story 13 "Uplifting Cambodia's Spa Professionals":  
Enhancing Capacities, Achieving Excellence**

AJC and the Ministry of Tourism of the Kingdom of Cambodia have been working together to conduct training programs in association with the development of the ASEAN Common Competency Standards for Spa Professionals (ACCSSP). As Cambodia serves as the lead coordinator for this initiative, efforts have been made to enhance the skills and knowledge of spa professionals in the country. This report highlights the key activities conducted in 2021 and 2022, the achievements attained, and the way forward.

**Key results in 2021 and 2022**

- Upskill Training for Spa Professionals (November - December 2021):** In collaboration with the Ministry of Tourism, AJC organized the first upskill training program for spa professionals in Cambodia. The 20-day program focused on practical subjects such as tourism and hospitality in the spa industry, anatomy, physiology, spa products, and massage techniques. Local spa experts led the training, and two Japanese experts contributed through online lectures. A total of 43 participants from 14 spa facilities attended the program.
- Refresher Training Program for Spa and Wellness Professionals (December 2022 - January 2023):** Following the success of the first training, AJC and the Ministry of Tourism conducted a refresher training program in Siem Reap Province. This 10-day program aimed to deepen the skills and knowledge of spa professionals in Cambodia. The curriculum included learnings and practices on hospitality, spa services, and physiology. Additionally, a Japanese educator delivered a lecture on Japanese hospitality and spa services. A total of 53 participants completed the training, divided into two groups.



Resonating among the participant feedback was the appreciation for the programme's multifaceted approach, offering a balanced blend of theoretical knowledge and practical application.

This comprehensive methodology was not only informative but instrumental in enabling participants to translate theory into practice effectively. An overwhelming 97% of respondents affirmed the programme's success, testifying that the training significantly enhanced their proficiency in the field of spa and wellness work.

### Participants' voice

- **Mr. Hor Ratha:** From the program, I not only honed my spa and massage techniques but also gained practical insights from seasoned trainers. I've shared these invaluable lessons on tourism, hospitality, and conflict management with my team, which has significantly improved our business. Learning about Japan's exemplary hospitality and spa service from Ms. Otaki was a highlight. Her expertise has greatly enriched us, and we eagerly anticipate further learning opportunities with her.
- **Mr. Orm Kimsan:** Participating in this program was a rewarding experience. It not only bestowed upon me my first official certification from the Ministry of Tourism but also equipped me with actionable insights to enhance my business. The learning I've gained, I shared with peers, creating a ripple effect of improvement. I look forward to future trainings. The professionalism of our trainers and their infusion of new skills into our practice was invaluable, and the camaraderie built with fellow participants, a source of shared experiences and knowledge.

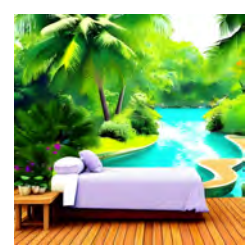
### The way forward

- **Collaboration and Knowledge Exchange:** The collaboration between AJC, the Ministry of Tourism, local spa experts, and Japanese educators has been instrumental in delivering comprehensive and quality training programs. Continuing such collaborations and fostering knowledge exchange opportunities will further enhance the capacities of spa professionals in Cambodia.
- **Sustainability and Expansion:** Building on the achievements of the training programmes, it is important to establish sustainable mechanisms for continuous skill development. Expanding the reach of training programs to other regions in Cambodia and exploring opportunities for international partnerships can further elevate the spa industry not only in Cambodia, but also in other developing regions in ASEAN.
- **Promoting the ACCSSP:** The implementation of the ASEAN Common Competency Standards for Spa Professionals (ACCSSP) promises far-reaching benefits. It's not merely about motivating those professionals already established in the spa sector. The ACCSSP aims to elevate the quality standards of each professional and the industry as a whole, fostering a culture of excellence and continuous improvement. Furthermore, the ACCSSP contributes to the increased mobility of certified professionals within the region, catalysing a vibrant and flexible job market. Continued support for the development of ACCSSP is paramount, with Cambodia taking the lead in coordination. By aligning national standards with these regional benchmarks, we can stimulate the growth and international recognition of the ASEAN spa industry.



*"Wellness tourism has been drawing increasing attention around the world especially more since the pandemic. ASEAN has great potentials to excel at offering wellness services and products, and spa professionals are one of the central pillars of the wellness industry. Watching the enthusiasm of the participants to learn and to improve their knowledge and skill at the training, I am optimistic about their contribution to take part in the development of wellness tourism moving forward."*

**Reiko NAGAOKA**  
Programme Specialist





# Goal 4: Fostering Leadership Exchanges and Empowering Young People and Women

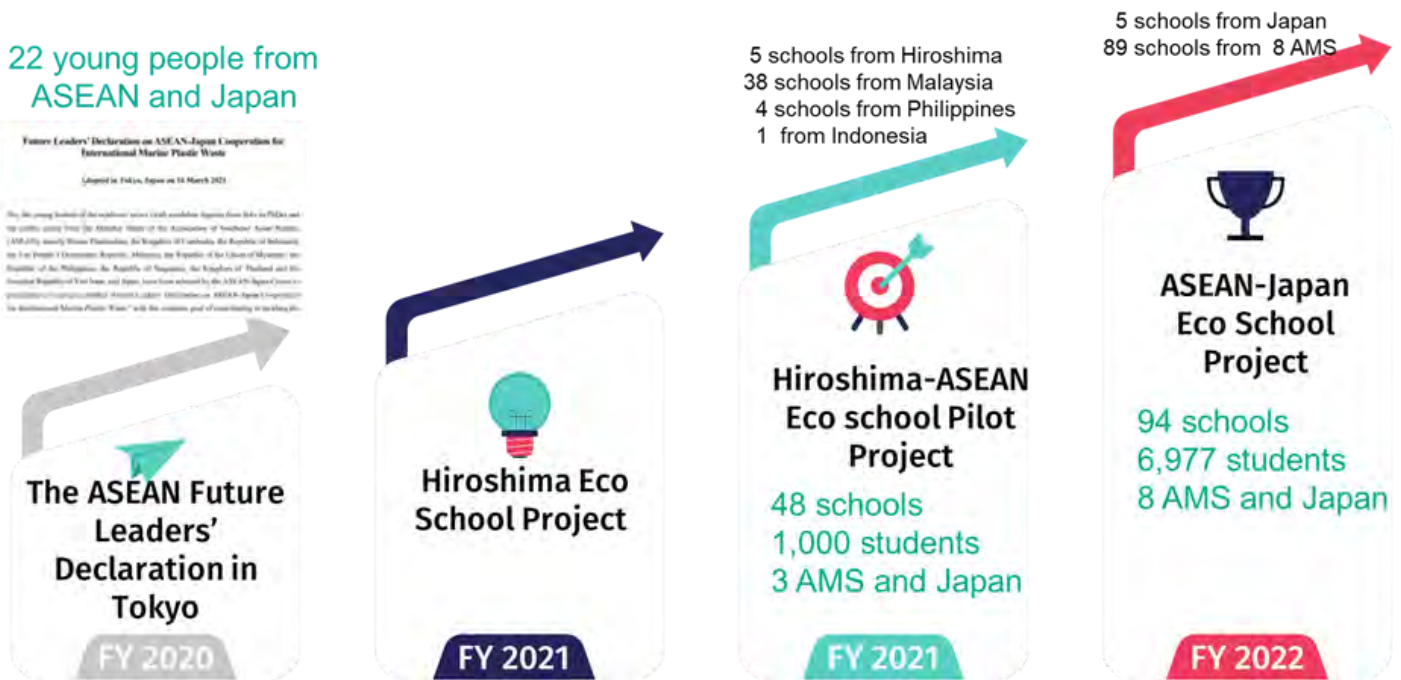


*Creating leaders is our mission, but inspiring change is our passion.*

**Goal 4: Fostering Leadership Exchanges and Empowering Young People and Women**

**Story 14 "Sowing Seeds for a Plastic-Free Ocean": ASEAN-Japan Cooperation on Marine Plastic Waste**

**ASEAN-Japan Cooperation on Marine Plastic Waste Education**



With the disconcerting presence of microplastics in our shared oceans, and the fact that six ASEAN countries (Indonesia, Philippines, Malaysia, Myanmar, Thailand and Viet Nam) were among the world's highest ocean plastic polluters in 2021, tackling marine plastic debris has become a priority for AJC. This is in line with the strategic actions outlined in the ASEAN Regional Action Plan for Combating Marine Debris in the ASEAN Member States 2021–2025 and Japan's cooperation project on marine plastic debris for the ASEAN Outlook on the Indo-Pacific (AOIP).

Our response to this alarming issue commenced in 2020, with the crafting of the "Future Leaders' Declaration on ASEAN-Japan Cooperation for International Marine Plastic Waste" by 22 ASEAN and Japanese students, or "fellows". This paved the way for the launch of the "ASEAN-Hiroshima Eco-School for Marine Plastic Waste Education," in 2021, providing online lectures on marine plastic waste to over 3000 elementary and high school students in four ASEAN countries and Japan.

In 2022, the project expanded to include eight ASEAN countries and Japan, with the "ASEAN-Japan Eco-School for Marine Plastic Waste Education" reaching over 10,000 students and influencing their behaviour to reduce the volume of plastics in the ocean. The initiative's success has been celebrated at events such as the **2nd ASEAN-Japan Symposium on Marine Plastic Waste Education**, which showcased 11 student-led initiatives battling plastic waste.

**Fellows**



## Lao PDR



Elementary students from Lao joining the 2nd ASEAN-Japan Symposium on Marine Plastic Waste Education

AJC has been mentoring and co-implementing the above programs with its cohort of young environmental leaders, who were originally part of the **22 selected fellows** who drafted the Future Leaders Declaration in 2020. Since then, they have been actively involved in implementing the Hiroshima-ASEAN Ecoschool and ASEAN-Japan Ecoschool lectures and advocating marine plastic waste awareness among the young students in their own countries. We will continue to raise passionate and innovative young people who will potentially lead in the environment field in ASEAN and Japan in the future.

## Cambodia



Elementary and high school students from Sihanoukville, Cambodia join the ASEAN-Japan Ecoschool lecture.

## Key achievements

- **Impactful Reach:** The program positively impacted over 12,500 students across ASEAN countries and Japan in the last three years, nurturing a new generation of environmental leaders. AJC's commitment to raising and mentoring young people who could potentially lead in the environmental field is yielding tangible results.
- **Inclusivity and Cultural Sensitivity:** Lectures were conducted in nine languages, fostering cultural inclusivity. Presenters hailing from ASEAN countries and Japan shared specific socio-cultural practices related to plastic waste disposal and segregation, enabling students to understand their role in plastic waste pollution.
- **Promoting Positive Behaviours:** The program successfully instilled a sense of responsibility and consciousness about the plastic problem in the participants, motivating them to reduce their plastic use and disposal. One of participating students in Malaysia mentioned, "I think the Ecoschool class will motivate people to be more responsible and conscious about plastic problem in ASEAN. I hope this program will have more interesting idea to make more people to join in this programme." Other student stated, "I love how Ecoschool try to make efforts to reduce the usage of plastics. Anyway, I think, the formation of this organisation do make people realize how bad the frequent usage of plastic bags effect the world."



### Global Recognition:

The initiative received international media coverage, boosting awareness of marine plastic waste and the importance of educational initiatives in addressing this pressing issue. Featured stories in International Media including;

- **NHK Global** (Japan, 2022) introduced as " The program introduces several topics, such as the activities of a female student representing Viet Nam at the ASEAN-Japan Centre's "Future Leaders' Declaration on ASEAN-JAPAN Cooperation for International Marine Plastic Waste".  
[https://biz.jibtv.com/programs/asean\\_now\\_and\\_the\\_future\\_2022/20221109.html](https://biz.jibtv.com/programs/asean_now_and_the_future_2022/20221109.html)
- **ERIA-Regional Knowledge Centre for Marine Plastic Debris** (Indonesia, 2022) reported as "Eco-School Program Aims to Raise Youth's Awareness on Marine Plastic Waste." <https://rkcmpd-eria.org/eco-school-program-aims-to-raise-youths-awareness-on-marine-plastic-waste>
- **Lao PDR, Lao Tribune** (Lao PDR, 2023) reported as " ASEAN and Japanese Students to Present Student-Led Initiatives to Reduce Marine Plastics".  
<https://laotribune.com/asean-and-japanese-students-to-present-student-led-initiatives-to-reduce-marine-plastics/>
- **Borneo Bulletin** (Brunei, 2023) reported as " Local schools participate in virtual ASEAN-Japan symposium". <https://borneobulletin.com.bn/local-schools-participate-in-virtual-asean-japan-symposium/>
- **Media Permata** (Brunei, 2023) reported as "Initiatives of the Young Generation in ASEAN-Japan to Reduce Marine Plastic Waste , was represented by two students about the use of plastic bottles as decoration and the reuse of waste to make robots".  
<https://mediapermata.com.bn/symposium-pupuk-tabiat-pulihara-laut/>
- **News Directory** (Thailand, 2023) reported as " Young people in ASEAN jointly manage marine plastic waste".  
<https://www.newsdirectory3.com/young-people-in-asean-jointly-manage-marine-plastic-waste-yanisa-ngamsaard/>

### Japan



Elementary students in a school in Tokyo actively join the discussion during the Ecoschool lecture.

### Myanmar



Ngwe Saung High School students conducts a beach clean up activity in Ngwe Saung, led by AJYELN fellow Dr. Thant Zin Tun.





## The way forward

- **Nurturing Young Environmental Leaders:** Launching the ASEAN-Japan Young Environmental Leaders Network (AJYELN) in 2023 will help us raise and mentor young environmental leaders from ASEAN countries and Japan. Each country fellow will receive a seed fund to implement innovative projects addressing plastic waste problems in their communities.
- **Supporting Youth-Led Initiatives:** In response to feedback from Ecoschool participants, AJC will recognize and award innovative student-led campaigns against plastic pollution through the 'Nurturing Good Habits for Cleaner Oceans' program in mid-2023.
- **Connecting Communities for Collective Action:** Acknowledging the influence of students on their families, peers, and communities, we plan to leverage these connections to effect social change related to plastic waste management and circular economy. Visit the Facebook page, ASEAN-Japan Young Environmental Leaders Network, and our website, ASEAN-Japan Cooperation on Marine Plastic Waste, for more information and updates.



"I envision a future where the youth of ASEAN and Japan unite as eco-champions, armed with knowledge and passion to combat marine plastic pollution. Our mission goes beyond traditional education; it is a collective responsibility to nurture a generation that understands the gravity of marine plastic waste and is inspired to take action. Together, we will create a network of environmentally conscious schools and communities that embrace sustainability, with the ocean as a source of inspiration and protection."

**Katrina Navallo, Ph.D.**  
Programme Manager



**Goal 4: Fostering Leadership Exchanges and Empowering Young People and Women**

**Story 15 "Fostering Cross-Border Connections": Young Entrepreneurs Driving Economic and Social Recovery in ASEAN and Japan**



AJC hosted a vibrant online exchange on January 26, 2023, titled “Showcasing Successful Business Models of Young Entrepreneurs in ASEAN and Japan - Reconnecting People for Recovery.”

This engaging forum, attended by over 180 participants from ASEAN countries and Japan, served as a platform for young entrepreneurs to explore and share business models that could foster connections at multiple levels—social, economic, cultural, and geographical—as part of the post-pandemic recovery efforts.

In the event, 16 young entrepreneurs from across ASEAN and Japan shared business models that connect people socially, economically, culturally, and geographically with the aim of recovering from the COVID-19 pandemic.

**Key insights**

- Innovative Business Models & Expert Feedback:** The 16 dynamic young entrepreneurs present their innovative business models, each with a focus on fostering connections for recovery from the COVID-19 pandemic. Their presentations illustrated the immense potential for businesses to facilitate reconnection among communities, both within and across borders, followed by insightful feedback from a panel comprising Prof. Takeru Oe, Ms. Leila Djawas, and Mr. Abdul Hakim Sahidi, who offered their unique perspectives in management and entrepreneurship for the further development of the business models.

## Key insights

- **Thematic Breakout Sessions:** The event featured six breakout sessions, where participants with similar interests came together to discuss critical entrepreneurial themes such as digitization, fundraising, marketing, business environments in CLMV countries, product/service development, and logistics. These thematic discussions facilitated active information exchange and networking among the attendees.
- **Positive Reception and Encouraging Feedback:** The event received an overwhelmingly positive response from the attendees. All respondents who participated in the post-event questionnaire rated the event as 'very good' or 'good.' Many of them expressed being inspired by the innovative business models presented and the compelling stories behind them. The young entrepreneurs who delivered presentations also gained valuable insights. Here are a few comments we received:
  - Young Entrepreneur A said *"I learned firsthand how challenging it can be to pitch an idea. It made me acutely aware of the importance of using objective data, such as diagrams and figures, while also conveying enthusiasm and effectively communicating my business model to resonate with the audience on an emotional level."*
  - Young Entrepreneur B mentioned *"The COVID-19 pandemic made me realize that, moving forward, it's crucial to not only emphasize business profitability but also highlight the social contributions made through the business in a well-balanced manner."*

- Young Entrepreneur C stated as *"Initially, I was primarily focused on creating a business model that would succeed in my own country. However, I now recognize the need to think beyond that and develop a model that can be implemented in other regions of ASEAN as well."*

These feedback showcase the valuable learnings and the impact the event had on the young entrepreneurs, reinforcing the success of the event in empowering and inspiring them.

This event formed an integral part of AJC's mid-term strategic plan "AJC 5.0" and aimed to raise awareness among ASEAN and Japanese youth about the importance of their mutual collaboration. The insightful presentations, expert feedback, and dynamic breakout sessions at this event showcased the potential for innovative business models to drive post-pandemic recovery and the immense benefits of cross-border connections.

Inspired by the success of this event, AJC is committed to continuing its mission of empowering the next generation of ASEAN and Japanese economic leaders. By providing a platform for idea exchange and human resource development, the AJC aims to nurture an entrepreneurial ecosystem that can effectively address current challenges, drive post-pandemic recovery, and foster future economic resilience.



*"While ASEAN is full of diversity, the competitiveness of companies in the global market is still in the development stage and needs to be improved. Young entrepreneurs are the future bearers of the developing ASEAN economy. Encouraging their cross-border exchanges, stimulating their entrepreneurial mindset, and spurring their creativity will give rise to new business awareness and new networks, which in turn will invigorate entrepreneurship and business activities between ASEAN and Japan."*

**Kazuhiko AMAGAI**  
Programme Specialist



**Goal 4: Fostering Leadership Exchanges and Empowering Young People and Women**

**Story 16 "Connecting Hearts and Minds": ASEAN Student Exchange Programme Ignites Japanese Students' Imagination**

The ASEAN Student Exchange Programme, known as ASEAN Introductory Classes, has successfully been implemented as part of various AJC's exchange programs across different cities in Japan.

The primary goal of this initiative is to raise awareness among children about the significance of ASEAN-Japan relations and foster a genuine interest in ASEAN countries. Through interactive and hands-on activities facilitated by university or graduate students from ASEAN currently studying in Japan, primary school students have the opportunity to learn about ASEAN countries' culture, traditions, language, and pressing issues.

This report highlights selected key achievements, feedback results, and children's voices from the ASEAN Student Exchange Programme conducted in FY2022. The program involved the participation of 1,807 students from 66 classes across 12 primary schools and one kindergarten in 12 cities. A total of 59 ASEAN university or graduate students or alumni actively contributed to the programme.

**Case 1**

- **At Kawagoe City Ōtsuka Elementary School**, 75 Students from 5th grade regular classes and special needs classes (3 classes in total) engaged in enriching activities facilitated by ASEAN students from Cambodia, Indonesia, and Malaysia. The sessions included presentations on their respective countries, Japan's perception, and connections with Japan for regular class students. Additionally, interactive lessons and hands-on experiences on topics such as food, clothing, and animals provided an engaging learning environment for **students for special needs classes**.



## Case 2

- **At Kishiwada City Yamao Elementary School**, all students of 183 children participated in the programme. A comprehensive programme was tailored to different grade levels, allowing students to explore various aspects of foreign countries. Themes covered traditional costumes, food, games, buildings, differences in school life, occupations, global warming, agriculture, and marine plastic waste. Through these immersive experiences, students gained a deeper understanding of their own surroundings and established connections with Japan. In addition to presentations, the students had hands-on experiences such as making kites (tako) that Thai elementary school students play with during break time and using Vietnamese toys to get a taste of what it's like to be a local student.
- The school's feedback was very positive, and it said that the students gained confidence through actively interacting with students from ASEAN, and it expressed its appreciation because the programme was planned based on our requests, resulting in a fruitful learning experience that went beyond a one-time class.



## Case 3

- **At Chiba City Makuharihigashi Elementary School**, around 100 fourth grade students participated in a virtual program focusing on water, which aligned with their regular curriculum. ASEAN alumni from Cambodia, Lao PDR, and Singapore participated through on-line and conducted a comparative lesson on water situations in ASEAN countries, highlighting differences in water supply, storage tanks, well water usage, mineral water types, sewage treatment, and water fees. The students were intrigued by these comparisons, expressing a desire to learn more about water-related topics in Japan.



The ASEAN Student Exchange Programme has successfully accomplished its primary objective of raising awareness of ASEAN-Japan relations among Japanese children. This initiative has played a vital role in promoting cultural exchange, understanding, and mutual respect between Japan and ASEAN countries. The interactive activities have sparked curiosity, broadened horizons, and nurtured a sense of global citizenship among students.

### The way forward

- To further enhance and expand the ASEAN Student Exchange Programme, AJC is determined to pursue ambitious development goals. The aim is to transcend the current level of exchange and foster a relationship of continuous cooperation for sustainable green growth. To achieve this, AJC recognizes the importance of securing broader support and engagement from various stakeholders, including parents, teachers, school principals, board of education members, local government heads, and the Ministry of Education, Culture, Sports, Science, and Technology.
- By actively involving and seeking buy-in from all relevant parties, AJC will adopt a comprehensive approach to promote the value and impact of the exchange programme among young people in both ASEAN and Japan. This inclusive effort will pave the way for sustained cooperation, deeper cultural understanding, and enduring friendships between Japan and ASEAN countries.



*"People-to-people exchanges is the key to realizing ASEAN-Japan heart-to-heart relationship. ASEAN Introductory Classes have provided numerous valuable opportunities and contributed to fostering sense of affinity and building friendship between ASEAN and Japan. I believe this project will bring about a better and stronger ties between the two regions for future prosperity for both in many ways."*

**Mitsuo WATANABE**  
Programme Coordinator



# Goal 5: Advocacy, Communication, Social Mobilisation, and Partnership for Change



*Turning words into action, we are the voice of change.*

**Goal 5: Advocacy, Communication, Social Mobilisation and Partnership**

**Story 17 "Pioneering a New Era of ASEAN-Japan Engagement": ASEANPEDIA Project**

In an increasingly interconnected world, fostering understanding among neighbouring nations has become increasingly important. Recognizing this need, the ASEANPEDIA project was launched as a distinctive initiative by AJC to offer extensive and easily accessible information about ASEAN and its Member States. Through its pamphlet and website, the project primarily targets young Japanese individuals, aiming to provide them with a comprehensive resource.

The ASEANPEDIA project is designed to serve as a valuable resource for a diverse range of users, including individuals, businesses, researchers, and anyone seeking to expand their knowledge about ASEAN and its member countries. By utilizing the wealth of information provided by ASEANPEDIA, users can gain insights into various aspects of ASEAN, such as its economy, culture, tourism, trade, investment, and business opportunities.

The project not only offers an in-depth understanding of the ASEAN Member States but also encourages cross-cultural exchange and collaboration between ASEAN and Japan. Through the dissemination of accurate and up-to-date information, the ASEANPEDIA project plays a vital role in strengthening the ties between these regions.





## Key achievements

- **Successfully revamped ASEANPEDIA website in the fiscal year 2021:**  
An all-encompassing platform crafted by AJC, to provide comprehensive information about ASEAN and its Member States to young Japanese people. The project has been fostering wide-ranging appreciation and understanding of the charms of the ASEAN Member States and importance to Japan among all generations since 2018. The new website offers easier accessibility on smartphones and is designed for a more interactive experience. The website features unique content including short introductory movies to the ASEAN Member States, introductions to ASEAN's diverse people and their traditional clothing, and an animation showcasing the connections between the daily life of Japanese students and ASEAN countries.
- **Celebrated a significant increase in the website's popularity,** with a 65% rise in visitor numbers and a 92% increase in page views annually from fiscal year 2021 to fiscal year 2022.

- **Issued a renewed ASEANPEDIA pamphlet in 2022:** The renewed ASEANPEDIA pamphlet, issued in 2022, not only features a fresh design to attract our target readership (junior high to university students) but also offers unique, interactive content such as pixel puzzles and crossword puzzles.
- **Successfully distributed more than 76,000 copies of the ASEANPEDIA pamphlet** across Japan since its first issuance in 2014, predominantly reaching out to student communities.

Moving forward, AJIC is not only committed to distributing an additional 10,000 pamphlets in 2023 but also to continuously improving ASEANPEDIA's content and interactivity. In line with the celebration of the 50th Year of ASEAN-Japan Friendship and Cooperation, we will seek new ways to deepen the understanding and appreciation of ASEAN in Japan, ensuring our platform remains an engaging and educational resource for all.



"How can I get young Japanese people to pay attention to Japan's important partner, ASEAN and its Member States? How can I convey to them the interesting, diverse, beautiful, and advanced nature of the ASEAN Member States? These questions or motivation drive me to run the ASEANPEDIA project. As the celebration of the 50th Year of ASEAN-Japan Friendship and Cooperation began in 2023, I will take advantage of this momentum to raise awareness of ASEAN in Japan utilizing ASEANPEDIA, one of the greatest assets of the AJC succeeded from the predecessors."

**Tomoko MIYAUCHI**  
Lead Public Communication Officer



**Goal 5: Advocacy, Communication, Social Mobilisation and Partnership**

**Story 18 "Unity for Prosperity": ASEAN-Japan's Special IGA Dialogue for Actions on the Indo-Pacific**

On December 19, 2022, AJC played host to a landmark event: the Special IGA (Industry-Government-Academic) Dialogue for Actions. The forum's central theme was "Acceleration of ASEAN Outlook on the Indo-Pacific (AOIP) Mainstreaming for Peace, Stability and Prosperity in the Indo-Pacific".

At the 34th ASEAN Summit in 2019, ASEAN Leaders adopted AOIP to "guide cooperation", "promote an enabling environment for peace, stability and prosperity," "enhance ASEAN's Community building process," and further strengthen implementation of "ASEAN priority areas of cooperation, including maritime cooperation, connectivity, the Sustainable Development Goals (SDGs), and economic and other possible areas of cooperation. Japan has expressed its full support for the AOIP. Since then AJC recognizes that enhancing cooperation on AOIP toward the 50th Year of ASEAN-Japan Friendship and Cooperation in 2023 is very important; thus, the AJC organized a special Dialogue Forum by inviting senior government officials and experts from Japan and Indonesia, an incumbent chair of ASEAN. Ambassador Swajaya, special advisor to the Minister for Foreign Affairs of Indonesia, emphasized that Indonesia, as a chair of ASEAN, has translated the AOIP into a concrete plan of actions to further promoting constructive dialogues and cooperation with a spirit of mutual respects in the face of challenging situations.

**ASEAN-JAPAN CENTRE** [www.asean.or.jp](http://www.asean.or.jp)

**Special IGA Dialogue for Actions**  
**Acceleration of AOIP**  
 Mainstreaming for Peace, Stability and Prosperity in the Indo-Pacific  
**Monday, December 19, 2022**  
**14:00 - 18:00 (GMT +9)**  
**Venue: ASEAN-Japan Hall & Zoom**

**Commemorative Speeches**

 <b>M. Sidharto R. Suryodipuro</b> Director General of ASEAN Cooperation, Ministry of Foreign Affairs, Indonesia	 <b>H.E. Ambassador KIYA Masahiko</b> Ambassador of Japan to ASEAN	 <b>Dr. HIRABAYASHI Kunihiro</b> Secretary General ASEAN-Japan Centre	 <b>Mr. ISHIKAWA Koichi</b> Special Research Fellow Institute of Asian Studies Asia University
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**Panel Discussion**

 <b>H.E. Ambassador Ngurah Swajaya</b> Special Advisor to the Minister on Regional Issues, Ministry of Foreign Affairs, Indonesia	 <b>Dr. Fithra Faisal Hastiadi</b> Executive Director of NEXT Policy, Indonesia	 <b>Professor SHINODA Kunihiro</b> Professor, Executive Advisor, National Graduate Institute for Policy Study	 <b>Mr. MIYAJI Shinji</b> Chairman, Policy Sub-Committee, Committee on Asia and Oceania, Keidanren Representative Director, Senior Executive Vice President of AJC Inc.
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**Registrar Now**  
<https://bit.ly/3EFTGxz>  
 Contact: ASEAN-Japan Centre, Country Strategic Support Team, info\_cs@asean.or.jp

**Facilitator**  
  
**Ms. Joanne Lin**  
 Co-coordinator at the ASEAN Studies Centre, Yusof Ishak Institute, Singapore



The event also facilitated follow-up dialogues between the experts and representatives of Japanese Generation Z. They were three young individuals in their twenties aspiring to start businesses in ASEAN countries and Japan, and a high school student.

Their perspective on the ASEAN region offered a different angle from those of the experts, giving the impression that they are indeed neighbours to grow together with. For instance, Ms. Karen, a high school student who has decided to advance to a university in Malaysia next year, shared her insights drawn from her past experience living in Thailand with her family. She spoke of the allure of the ASEAN region's diverse traditions and cultures, particularly the unique food culture that has been cultivated. Moreover, she expressed that young individuals of her age find the rapid development of the ASEAN, such as their adept use of IT technology, very appealing. Karen herself voiced her aspiration to serve as a bridge to peace and prosperity in the dynamic ASEAN region through her education.

### Zen-G panelists



*"AJC is making great contributions by organizing the ASEAN Outlook on the Indo-Pacific, (AOIP) forum, which is one of the major topics in the region today. The forum has made the most out of this opportunity to commemorate the Golden Jubilee of long-standing ASEAN-Japan relationship. The forum involved the civil society, academia, industries, high-rank government officials as well as representatives of Japanese Generation Z who contribute to the society, to exchange their diverse views and ideas, so that, it was great momentum to further strengthen ASEAN - Japan cooperation towards acceleration of AOIP Mainstreaming.*

### Key Results

- **Comprehensive Perspectives on AOIP Mainstreaming:** Participants were privileged to hear from esteemed speakers from a broad-spectrum including government, academia, industry, and civil society. The diverse insights presented a well-rounded view on accelerating AOIP implementation and mainstreaming.
- **Identified Priority Actions for Strategic Alignment:** Several priority actions were underscored during the discussions, including the necessity for strong partnerships on inclusive digital transformation, sustainable and green growth, and strengthening connectivity. Further emphasis was placed on human resource development and fostering people-to-people linkages to enhance ASEAN-Japan strategic alignment.
- **Involvement of Generation Z in Dialogue:** Notably, the dialogue also saw participation from Japanese Generation Z representatives who have made significant societal contributions and spearheaded organizations that promote various causes including gender equality and environmental issues. The dialogue underscored the importance of incorporating the perspectives of young people in the mainstreaming of AOIP to create a peaceful, prosperous, and sustainable Indo-Pacific region.
- **Way Forward:** The cooperative efforts between ASEAN and Japan will undeniably lead to a more competitive, resilient, connected, and sustainable ASEAN, well-equipped to tackle the challenges of the present and the future. It's crucial to sustain this comprehensive dialogue, involving not only government-to-government communications but also including other stakeholders – the industry, civil society, academia, the grassroots and young people.

**Retno Supeni**  
Assistant Director, Strategic Country Support





## Embracing Challenges, Inspiring Progress

In the face of unforeseen circumstances, widening geopolitical risks, and volatile currency exchange and inflation, our commitment to accountability remains unwavering.

Through prudent financial management and a commitment to transparency, we optimized the utilization of resources, enabling us to allocate more to our core activities. Despite unavoidable pandemic disruptions, we embraced innovation, replacing travel with online activities to ensure every contribution spent made a meaningful impact.

We proudly share that 91% of the FY2021 budget and 89% of the FY2022 budget were thoughtfully utilized. Administrative costs were streamlined, empowering us to allocate funds efficiently. In parallel, we have diligently advanced results-based planning and budgeting, refining desired outcomes and aligning the Center's resources with the AJC 5.0, leveraging newly developed costing tools. Additionally, we have introduced a system to tag expenditures, affording us a visual representation of budget allocation. This would enable us to focus and allocate resources more effectively to priority areas of the ASEAN-Japan partnership.

The essence of our journey lies in the collective vision of progress.

We remain committed to fostering the ASEAN-Japan partnership, empowering and serving for the people of the ASEAN Member States and Japan through impactful initiatives. With deep appreciation to our member states for their generosity, trust, and guidance bestowed upon us, we forge ahead into a future filled with possibilities.

Together, we write the story of progress.

**Junko NUKIYAMA**  
Head of General Affairs



# A Focus on Result-Based Practices

- AJC has, from 2022, intensified its promotion of Result-Based Management to ensure more efficient and effective budget execution. This includes the formulation of 'AJC 5.0 2022-2025', the organization's first-ever mid-term strategic plan in its 40-year history. It also encompasses the adoption of Result-Based Budgeting and Planning, including the Theory of Change, staff training, and the establishment of individual and team accountability frameworks.

## Re-designed programmes

Develop a roadmap to ensure planned projects and interventions are aligned with the desired impact, based on the results of the theory of change.

## Theory of Change

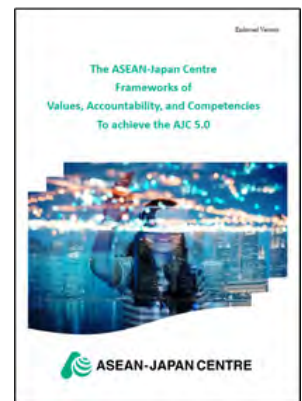
Identify the critical bottlenecks, underlying assumptions, causal pathways, and relationships between activities, outputs, outcomes, and impacts.

## Result-based budgeting

Emphasize the desired outcomes and impacts of the AJC programmes and activities to shift the focus from inputs to the desired results. Revised standardised costing tools were fully utilised.

## Enhanced accountability

Each staff member has clear written ToRs, that outline the specific roles, responsibilities, and tasks of programme staff members.

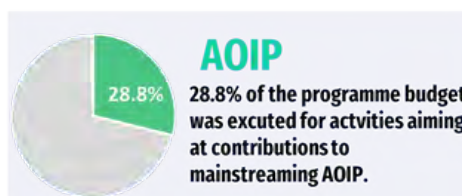
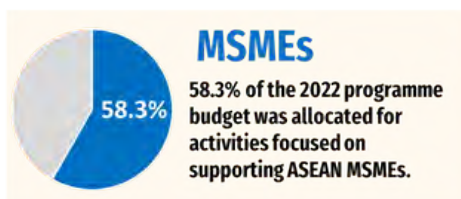


# Strategic Budgeting for Four Core Priorities

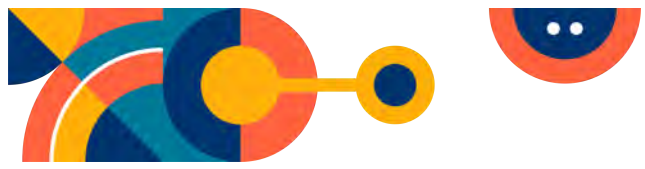
- AJC has identified MSMEs, women, ASEAN Outlook on the Indo-Pacific (AOIP), and the ASEAN Comprehensive Recovery Framework (ACRF) as the most critical cross-cutting issues for 2021-2023, and has been actively promoting engagement in these areas.

- To achieve further results, and monitor progress from a budget execution perspective, tags were applied to four priority areas for each program's budget execution starting in 2022. Below is the situation as of 2022, with plans for further improvements in the future.

## Our priorities-MSMEs, Women, AOIP and ACRF



Note: The data is based on overlapping tag information provided by each responsible official. Due to the presence of numerous activities being carried out for multiple priority areas, the total for the four priorities' expenditures does not sum up to 100%.



## **FY 2021 Final Progress Report**

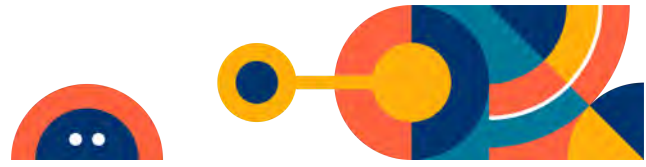


## **FY 2022 Final Progress Report**



## **Financial Statement**





AJC National Activities



For the best interest of  
people in ASEAN

## List of ASEAN National Activities for FY 2021



## List of ASEAN National Activities for FY 2022



"ASEAN National Activities", also known as "AJC National Activities", is a specialized programme for all ASEAN Member States, designed to implement priority projects and activities that are strategic importance in each country.



# Our values

We do the right thing for the best interest of people in ASEAN and Japan.

We create a positive, collaborative, and inclusive culture that fosters equal, heart-to-heart, open, and meaningful relationships among ASEAN and Japan.

We all become a decent person who has the skill, good judgement, and polite behaviour. We work and behave in such a way that others think of us as competent, reliable, and respectful.

We listen to, consider, and understand others' feelings, thoughts, perspectives, and circumstances whether we agree with others or not.

We work and behave with compassion, and we pay attention to the needs of others.



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