

Minutes of the Economic Research Institute for ASEAN and East Asia Research Institute Network Meeting (RINM) held in Bangkok, Thailand on 29th January, 2010.

The RINM for Economic Research Institute for ASEAN and East Asia (ERIA) was held in Bangkok, Thailand on 29 January 2010 under the Chairmanship of Mr. Hank Lim from Singapore Institute of International Affairs (SIIA). Mr Lim chaired the meeting in lieu of Dr. Hadi Soesastro of Indonesia. All Network institution members, except China, attended the meeting. The list of attendees is at **Annex 1**. The minutes of the meeting are as follows:

Session I:

1. Mr. Mitsuhiro Kagami, DG, BRC JETRO, briefly described the developments at ERIA since the last RINM Meeting held in August 16, 2009. In particular, he explained the developments since the last general election in Japan.

2. **Agenda Item No 1:** Prof. Fukunari Kimura, Chief Economist ERIA, made a presentation to the Network Institutions about the Research Projects being carried out by ERIA in the year 2009-10. He also made a detailed presentation on the Comprehensive Asia Development Plan (CADP).

3. The Network had the following observations to make on CE's presentation:

(i) Most of the members were of the view that the reports/presentations should be sent to them in advance of the meeting. This would help the members to follow the presentations.

(ii) As the CADP is a joint project, the members were keen to know the respective responsibilities of Asian Development Bank (ADB), ASEAN Secretariat (ASEC) and ERIA. They also inquired as to how the end result/ project would be shared by these organizations.

(iii) Mr. Hank Lim of Singapore led the discussion on Peer Review processes of the projects/ research work of ERIA. The members agreed that a Peer Review Mechanism should be put in place which would not only include the Network Institutes but also external organizations e.g. IMF, ADB etc. for purpose of legitimacy and acceptance of research outcomes.

(iv) The Network Members also inquired about the status of ASEAN Economic Community (AEC) scorecard.

(v) The CE commented on observation at (ii) above and explained that for CADP, the roles of the associate organisations have not been allocated as such. Though ERIA has developed substantial material for the plan, both at the conception and development stage, the roles of associate organisations are still evolving. The Executive Director (ED) of ERIA added that the initial mandate by the East Asia Summit (EAS) on Global Economic and Financial Crisis in June 2009 placed the three organizations jointly to prepare a coherent master plan. However, the 4th EAS has now put ERIA in a steering position by requesting it to complete this development plan. The CE informed the network members that the final report will be submitted to the 5th EAS in October 2010.

(vi) On a specific query from Mr. Josef Yap of Philippines the CE clarified that ADB has so far been agreeable to the details of the project.

(vii) Mr. Daiki Kasugahara, General Manager (GM) ERIA, explained (iv) above that the findings of the AEC scorecard project will be presented to the EAS summit. However, initial findings of the project will be presented to the ASEAN Economic Ministers (AEM) Meeting in August 2010.

(viii) On the issue of Peer Review, as observed at (iii) above, the CE explained both he and Prof. Shujiro Urata, Senior Advisor to the ED, as well as the Academic Advisory Committee (AAC) of ERIA are presently involved in the critical review of research outcomes at ERIA. Mr. Hank Lim, nevertheless, reiterated that an external Peer Review Mechanism would give additional exposure to ERIA's research papers.

(ix) Ms. Jenny Corbett (Australia) inquired about the processes for inviting research proposals for the next year. Mr. Kasugahara informed that a letter from ERIA inviting research proposals for year 2010-11 has been sent to all the members of Research Network as well as the Country Permanent Representatives (CPRs) at the ASEAN Secretariat.

(x) Prof. Gary Hawke (New Zealand) emphasized that external communication of ERIA's work and policy recommendations are very important. Especially now, when the East Asia is rebalancing itself between import and export markets, the role of ERIA and its research outputs need to be communicated to the Network as this would enable the Network to influence the national stakeholders. This would also clear any clouds of perception regarding ERIA's international character and its relevance in policy decisions/debates in the member countries.

(xi) Ms Corbett suggested that a monthly newsletter from ERIA through RINM would be helpful to engage the communication process on a constant basis. **(Action: GM, Director Policy Relations).**

Session II:

4. A free discussion on ERIA's activities and achievements took place in this session. Some of the important observations made by the Network members are as follows:

(i) Mr. Josef Yap (Philippines) wanted to know the relation of CADP with other ERIA projects. He also advised ERIA to arrange the sequence of research projects in a manner that would maximise the impact of these studies.

(ii) Ms Tutiaty Hj Abd Wahab (Brunei) requested that ERIA website may be made more interactive, informative and updated. Ms Corbett added that providing quick messaging service may also be useful. **(Action: Director Public Relations).**

(iii) Mr. Chang Jae Lee (Korea) commented that a Peer Review of ERIA's projects may be done more often (3 times a year) by RINM. He also supported that description of ongoing projects should be posted on ERIA's website.

(iv) Mr. Hank Lim, as the Chair, suggested an early role of RINM in selection of research projects. Mr. Raymond Atje Homau (Indonesia) requested ERIA to suggest the broad themes for research proposals to be submitted by RINM. The CE explained that research proposals may be worked out around the three pillars of research at ERIA.

(v) Ms Corbett added that the process of initiating research proposals needs to be started well in advance so as to establish an early connection between policy makers' task and research proposals/ research models.

(vi) The ED informed the Network that financial commitment for ERIA has come from New Zealand, India and Australia. However, similar commitments are also needed from ASEAN countries. He informed that Thailand would be coming up with its financial commitments even though it is project based. Singapore, Brunei and Vietnam could be in the pipeline. All the members agreed that a commitment from the stakeholders is important for ERIA and this would be conveyed back to their respective countries.

Session III

5. Agenda item No 2: Capacity Building Activities of ERIA in 2010

(i) Prior to the presentation by Mr. Mitsuhiro Kagami, President, BRC, IDE-JETRO on the Capacity Building Activities of ERIA in 2010, the ED, ERIA called for Vietnam's support as the new Chair of ASEAN, towards ERIA's and its research works, particularly the ASEAN Master Plan on Regional Connectivity mandated by the 15th ASEAN summit. The ED informed the Network that ERIA is quite ready to present

the three components of the Regional Connectivity Plan, namely, the AEC Scorecard, the Comprehensive Asia Development Plan and the Transport Strategic Plan to the EAS. For this, it sought cooperation with Vietnam to plan the strategy for the Summit. This issue will also be taken up in the CPR meeting with ERIA on 10th January 2010.

(ii) Mr. Hank Lim, as the moderator, also noted that the Japan Mekong Summit has mandated ERIA to develop a matrix of the cooperation initiatives in the Mekong region which is a part of the Comprehensive Asia Development Plan.

(iii) Mr. Norodom Sirivudh (Cambodia) suggested that ERIA research should focus on poverty reduction in CLMV countries and infrastructure development. On the latter, while he regretted the absence of China in this meeting, he stated that so far Japan's cooperation in this area has been very supportive. He particularly emphasized that ERIA should take up studies on economic security issues as a part of its larger economic research activities.

(iv) Mr. Kan Zaw (Myanmar) stated that for the narrowing of the development gaps, ERIA should focus on Capacity Building Activities and Seminars.

(v) Mr. Leeber Leebouapao (Lao PDR) was of the view that ERIA should look at the post AEC (2015) scenario for the less developed countries in ASEAN. With the onset of free flow of goods and labour etc. from 2015, the less developed countries will require special attention through research and studies for narrowing of development gaps in the context of AEC.

He also added that a capacity building of research institution in Lao PDR should be undertaken by ERIA.

Mr. Hank Lim, as the moderator, advised that both ERIA as well as Institute of Developing Economies (IDE, Tokyo) can be used for such capacity building programs.

(vi) Ms. Dinh Hien Minh (Vietnam) stated that Vietnam is in the process of preparing a 10 year (2010-2020) plan for restructuring of Vietnam's economy with ERIA's support. Such long term plan is particularly important after the financial crisis. She requested ERIA's support for similar projects as a development strategy for CLMV.

She added that Climate Change is another issue that ERIA must work upon, especially for CLMV and prepare practical recommendations to the ASEAN summit.

(vii) Mr. Hank Lim suggested that CIEM should make concrete proposals on these issues to ERIA. HE also asked ERIA to work closely with CIEM and Vietnam.

(viii) Ms Corbett suggested that the ongoing ERIA study on "Linkages between Real and Financial Economies" can be extended towards a capacity building programme for rebalancing of economic growth in Australia and she would be proposing such an extension of the project to Australia. She also stated that she would arrange for ERIA's research output to be included/ mentioned in the agenda of Finance Ministers' Meeting.

(ix) Mr. Zakariah Rashid (Malaysia) also added that information dissemination of research projects should be on a regular basis and should be done through an established forum.

(x) Mr. Hank Lim suggested that a country level/ institutional level feedback on their activities and/ or engagements with policy makers could be provided on a monthly basis by the Network members. Mr. Chang Jae Lee stated that concrete information on ERIA's financial and budgetary statement should also be presented to the RINM.

(xi) Mr. Biswajit Dhar (India) suggested that the Network Institutions should be kept abreast about research project's developments in the year. He also suggested maintaining an open network as this would invite the possibility of bringing other institutions also on the table.

6. Mr. Mitsuhiro Kagami presented his report on ERIA's Capacity Building Activities in the CLMV

(i) Mr. Daisuke Hiratsuka (IDE Japan) invited participants from individual countries to IDE Tokyo for purpose of attending Capacity Building Programs. He mentioned that this initiative would be carried out at IDE's cost together with some budgetary support from ERIA.

7. Agenda Item No 3: RINM's Recommendations to the ED, ERIA

Mr. Hank Lim, as the Chair of the RINM, summarized the comments of the Network members and made the following recommendations to ED, ERIA.

(i) The Network is of the view that most of the work at ERIA is on the right tract. The CADP is to be done in a timely manner as it is an inclusive growth strategy.

(ii) The progress of activity and allied reports pertaining to both research and administration at ERIA should be circulated well before RINM meeting.

(iii) The project works for narrowing of development gaps in the CLMV should be followed up not only at regional level but at country level as well. The network members of CLMV will fill up these details in the Request for Proposal Form circulated by ERIA.

(iv) Natural disasters and issues of climate change should be included in the research agenda of ERIA.

(v) As security issues lie outside the mandate of ERIA and are with ASEAN, ERIA should look at non traditional security approach to this issue for purpose of research. This is of importance to the economic security in the region.

(vi) For funding, Singapore and Brunei should come to the fore front. However, all countries have to come forward either through direct funding or through projects.

(vii) ERIA should make full use of the Australian funding by extending the research on “Linkages between Real and Financial Economies”.

(viii) A Chiang Mai Initiative kind of dedicated fund may be established for studies on natural disasters and which may be termed as the “Natural Disaster Emergency Fund”.

(ix) ERIA should address these issues and also undertake strengthening of its website.

8. The ED, ERIA concluded the meeting with the following remarks:

(i) ERIA is now a fully established International Organization with a long list of publications including policy briefs and discussion papers.

(ii) The financial statement of ERIA would be shared with RINM after the information therein has been firmed up. This may be done in a one-day meeting of RINM which would be convened at ERIA.

(iii) The research proposal for works on Economic Security can be provided through the format circulated for this purpose.

(iv) The issue of natural disaster dedicated fund could be considered by ERIA at an appropriate time.

(v) The progress report of ERIA is always updated and posted on its website for reference.

(vi) In the end, the ED invited RINM for its next meeting in Nara, Japan on 4th July 2010, which was agreed by the Network members.

9. The chairman thanked all the participants for attending the meeting. The meeting came to an end with a vote of thanks to the chair.