

**Office of
the President**



In Fiscal Year (FY) 2020, the office of the president of ERIA deepened its policy relations activities through extensive research and cooperation for policy development conducted by the policy relations unit for member countries of ASEAN and East Asia, the Dialogue Partners of ASEAN, and for inter-regional government platforms. The research and policy development engagements were aimed at deepening the economic integration amongst members of East Asia, and for extending the economic and social linkages to partners in the European Union (EU), post Brexit United Kingdom (UK), Africa, Canada, and the US.

The activities in the policy relations unit in 2020 were marked by three important features. First, the onset of COVID-19 pandemic and its continued prevalence and adverse effects on economic linkages around the world created a demand from governments for evaluation of the resiliency of and likely rebuilding strategies for production and distribution (supply-chains) links, and for investments and international cooperation plans. Second, the Dialogue Partners of ASEAN displayed a serious need for developing the economic architecture in the Indo-Pacific region, with ASEAN at the center. Third, the cooperation and communication amongst the multilateral organisations to support the governments in dealing with the economic, social, and institutional capacities increased to become both facilitative and timely. The three features of the work in policy relations unit were maximised through research and policy writings, and through the interactive features of internet which facilitated exchange of works and ideas with governments and international organisations.

The demand for work came mainly from Trade and Foreign Affairs Ministries for facilitating their trade and economic policies with ASEAN and East Asia. Other important partners were the multilateral and Intergovernmental Organisations (G20, ASEM, OECD, AIIB, ADB, ADBI, AMRO, ERIA Research Network) who sought collaboration for research and policy pathways on trade and economic cooperation with ASEAN during the current economic and health crisis, new frontiers of global value chains such as digital economy, skilled demography, supply-chain integration, south-south cooperation, multilateralisation of infrastructure development etc.), and for international cooperation for rebuilding and recovery in the post-COVID phase. Work on concrete plans for greater connectivity of Asia with Africa and Europe, and within the Indo-Pacific region was continued in 2020.

The outcomes of the 2020 activities resulted in one book, four research studies, two reports, two peer-reviewed policy briefs, and policy inputs into regional action plans and intergovernmental dialogues.

A. Research and Policy Support for EAS Members and Dialogue Partners

The policy relations office completed three studies for East Asia Summit (EAS) member countries and the Dialogue Partners of EAS.

Greater connectivity between **India and ASEAN** is both an economic and strategic objective for the ASEAN-India partnership. The ASEAN-India Meeting mandated India to commission ERIA to conduct

a study on developing an economic corridor along the Trilateral Highway and the feasibility of its extension to Cambodia, Lao PDR, and Viet Nam. With contributions from economists from Japan, India, Myanmar, Thailand, Lao PDR, and Viet Nam, the study 'Trilateral Highway and its Possible Extension to Cambodia, Lao PDR, and Viet Nam' was edited and finalised in 2020. The study was presented to the Senior Economic Official's meeting and to the ASEAN–India ministerial meeting. The study is being used for developing the plans for new supply-chain linkages in other regional and inter-regional architecture such as the Australia–Japan–India and the Asia–Africa Growth Corridor.

The book '**Asia–Africa Growth Corridor: Development Cooperation in Indo–Pacific**' was published by Routledge in October 2020. This book is the second major policy research and publication on the Asia–Africa Growth Corridor (AAGC) since the AAGC Vision Document was prepared by ERIA and RIS, India and presented at the Africa Development Bank Meeting in 2017. The President of ERIA has written the forward to the book. It is an important contribution to **India and Japan's** joint vision of economic linkages between Asia and Africa, and contributes to the new economic architecture for the Indo–Pacific.

The plenary study for the **13th Asia Europe Meeting** (ASEM) Summit in Cambodia has been developed and edited on the theme of 'multilateral cooperation for a resilient, sustainable, and rules-based future for ASEM'. The study has contributions from academics and practitioners from Asia and Europe. The Deputy Prime Minister of Cambodia has acknowledged and approved the book. At his request, the book is being translated into Khmer

language, and both versions will be presented at the ASEM Summit in Cambodia in the fourth quarter of 2021. The study is in continuation of ERIA's long term contribution to the Asia–Europe relations and to the ASEM Summit process since 2016.

The UK has applied to ASEAN for Dialogue Partner status. The first **UK–ASEAN Economic Ministers meeting** was held in 2020. The meeting noted the Hanoi Plan of Action on Strengthening ASEAN Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic. The action plan includes cooperation on enabling trade of important goods (food, medicines, medical equipment, and other related products), as well as assisting with production of and improving access to COVID-19 medicines and vaccines through the strengthening of supply chain connectivity and policy convergence/agreements.

Following the joint UK–ASEAN statement and the Hanoi Action Plan as an existing template to enhance the trade and economic cooperation mechanisms within ASEAN and between ASEAN and UK, the UK has requested the policy relations unit for a **UK–ASEAN supply chain research** titled 'UK–ASEAN Trade: Strengthening the Supply-Chain Linkages.' The study analyses current UK–ASEAN supply chains (both UK–ASEAN and UK firms operating intra-ASEAN) and trade flows, and supply chain resiliency during the COVID period, looking for areas and sectors of strength and areas for potential improvement. The study will especially utilise ERIA's survey of ASEAN and UK firms and their business activities during the pandemic. The study will be presented to the ASEAN–UK Economic Ministers meeting in 2021.

The policy relations unit is also conducting a study on 'Dynamics of GVCs in Asia' which looks into the issues of patterns of investments in **GVCs in Asia**, particularly East, Southeast, and South Asia and finds evidence for vertical integration, offshoring/ re-shoring, etc. of GVCs. The study will also explore Asia's current preparedness for and participation in the GVCs of the digital economy. The policy recommendations will be presented to the ASEAN, and other dialogue partners through the research network.

The policy relations unit is participating in the writing of the **Comprehensive Asia Development Plan 3.0** where it is contributing to the theme of connectivity. The multiple connectivity plans in Asia and their governance and investment facilitation issues are the important inputs under this theme.

B. Support for EAS Countries in Economic Architecture in the Indo–Pacific

The policy relations office contributed towards the works of the Policy Analysis and Development Agency of the Ministry of Foreign Affairs of Indonesia in developing the 'ASEAN Outlook on Indo–Pacific' which was acknowledged by the East Asia Summit. In 2020, the work was continued through policy briefs and seminars bringing important partners such as Australia, India, Japan, and ASEAN in the framework development of Indo Pacific, with special emphasis on supply chains, trade and investment, and international cooperation. The policy writings were published under the theme of '**Emerging Architecture in Indo–Pacific.**'

C. Support for the G20

The policy relations office has contributed to policy works for the T20/G20 since 2016. In 2020, a policy brief contribution to Saudi Arabia's Task Force 3 on Infrastructure Investment and Financing was made through a peer reviewed report titled 'Multilateral Cooperation for Investment Facilitation can Mobilise Infrastructure Funds and Link Needs of Investors, Governments, and People.' The Italy chair of the G20 has taken over from Saudi Arabia, and the policy relations office is working in collaboration with the ISPI, Milan to facilitate the works of the T20 Task Forces. Supporting the Italy chair in establishing linkages with the East Asia research network, especially with Indonesia, the next chair of G20 has been done until the time of reporting. Other activities for supporting the Indonesia chair in 2022 and India chair in 2023 have been initiated with respective governments and Ministerial tracks. A G20 Study Forum for continuing the priorities of the Indonesia and India chairs, and for carrying out the developmental priorities of the G20, is being established in 2021.

Joint work between India, OECD, and ERIA for the G20 chair in Italy, Indonesia, and India has been planned, starting in May 2021.

D. Collaboration with Multilateral Organisations

Organisation for Economic Co-operation and Development (OECD)

The policy relations office of the president of ERIA has supported the Organisation for Economic Co-operation and Development (OECD) in its preparatory works for the G20 in Trade and

Agriculture matters, through its collaboration with and participation in the meetings of the Trade and Agriculture Directorate. It helped the Global Relations Secretariat (GRS) of OECD to develop the theme and the concept paper of the 6th annual meeting of the OECD Southeast Asia Regional Programme (SEARP) held on 6 October 2020 on the theme of 'Southeast Asia Regional Programme: Ensuring Sustainable Recovery through Resilient and Effective Infrastructure.' ERIA's presentation on 'Investment in Infrastructure and ASEAN's participation in GVCs of Digital Economy' was central to the theme of the meeting. The steering committee statement recognised and encouraged the OECD's SEARP secretariat to strengthen cooperation with ERIA and other regional organisations. On this occasion, the ERIA–OECD Development Center's joint work on the OECD Economic Outlook on Southeast Asia, China, and India was also presented. The policy relations office of the President also contributed to the OECD reports through findings from ASEAN and East Asia, and ERIA's research and policy support activities.

In 2020, ERIA's work with OECD Development Center was further strengthened through multiple policy engagements and activities related to the theme of reconstruction and rebuilding the development agenda in the post-COVID period, especially from the perspective of international cooperation. The DevTalk (Development Talk) series was an important platform for cooperation of ideas where ERIA presented on the theme of opportunities and constraints for regional integration in East Asia. The policy relations office represented the President of ERIA in the 6th High Level Meeting (HLM) of the Development Centre's Governing Board and spoke on the theme of

regional cooperation and development in Southeast Asia.

The policy relations office organised an ERIA–OECD webinar for presenting the OECD's 'Economic Outlook for Southeast Asia: Coping with COVID-19 in ASEAN – Challenges of digitalization' in Jakarta. Besides OECD, Dr Alladin Rillo, DSG, ASEAN, and Pak Iman Pambagyo, Director General, International Trade, Indonesia were the two speakers in the webinar.

The policy relations office of the president organised the 8th OECD–ERIA–ADB–ADBI–AMRO roundtable in Tokyo on 13–14 February 2020. In 2020, the ERIA–OECD MOU for joint works and activity in the next 5 years has been renewed by the president's office. The joint signing however has been postponed until COVID-19 travel restrictions are no longer in place.

UN @75

The policy relations office led ERIA in the United Nations 75th Anniversary Initiative (UN75) and participated in the dialogue on the current and future state of global cooperation launched by the UN Secretary-General by providing research and surveys from Southeast and East Asia. A presentation was made in the ISA–UN75 Dialogue on the contribution of the Global South to the future of multilateralism. The Dialogue proceedings will be published in 2021.

Asian Infrastructure Investment Bank (AIIB)

The policy relations office of the President of ERIA continued supporting the annual meeting of the Asian Infrastructure Investment Bank (AIIB), held online in 2020. ERIA also participated in the

second Asian Infrastructure with the aim of working closely with the AIIB on multilateral cooperation for development finance (MCDF). The framework will also be helpful in developing the institutional mechanisms for financing the connectivity plans in the Indo–Pacific.

E. Connectivity

The policy relations office of the President has been working on physical and institutional aspects of connectivity in ASEAN and East Asia, as well as between Asia and Africa, and Asia and Europe. In 2020, ERIA was requested by Cambodia, the current chair of Asia Europe Meeting (ASEM), to prepare a plenary study for the 13th ASEM Summit in November 2020 where the President of ERIA will present the study to the ASEM leaders in the fourth quarter of 2021. The ASEM study is being conducted by several authors from Asia and Europe on diverse elements of physical and economic connectivity; trade and value chains; trade facilitation and NTMs; e-commerce, digital economy and taxation; energy cooperation and climate change; movement of people, gender, and youth roles in a future-ready economy; and institutional cooperation.

ERIA and the Joint Research Centre (JRC) of the European Commission jointly organised the Asia Europe Sustainable Connectivity Scientific Conference (AESCON), bringing together researchers and policy analysts working in the fields of international connectivity and globalisation and their impacts on sustainable development, with a particular focus on Asia–Europe connections. The conference was held online over a period of 3 days from 22–25 September, and attended by

over 70 scholars. AESCON provided an academic forum to discuss global challenges on transport infrastructure, energy transition, climate change, digital economy, trade and investment flows, security, people mobility, and cultural exchanges as tools of sustainable connectivity. The conference was held in continuation of the results of ASEM Sustainable Connectivity Monitor 2018, which was launched at the 12th ASEM Summit. High-level officials from Asia and Europe addressed the conference. The policy relations office facilitated the organisation of the conference and also presented a paper in the political connectivity session.

The policy relations office has been actively engaged with promoting EU–ASEAN connectivity over the years. In 2020, it participated and presented in the ASEAN–EU Connectivity Seminar on ‘Connecting our Connectivities: EU and ASEAN approaches to connectivity and possible synergies.’ ERIA is a principal stakeholder in EU’s newly established EU–Asia Knowledge Hub through its writings and publications on EU–Asia connectivity. The knowledge hub is part of the EU’s International Cooperation Plan with Development Partners.

After drafting the vision document of the Asia Africa Growth Corridor (AAGC) in 2017, the president’s office has been continuously engaged with the development of the AAGC with other members in ASEAN, Asia, and Africa. In 2020, Director of Policy Relations co-authored the book ‘Asia Africa Growth Corridor: Development Cooperation in Indo Pacific’ with RIS, Delhi, which was published in October 2020.

F. South–South Cooperation

ERIA's network organisation in India, Research and Information System for Developing Countries (RIS), organises the Delhi Process on South–South Cooperation to further the goals of Buenos Aires Plan of Action. ERIA participated in Delhi Process VI, held in New Delhi on 16 February 2021. The conference was themed 'UN @75 and South–South Cooperation: Evolving Roles and Responsibilities' to assess and identify the future challenges and their implications for South–South Cooperation and Triangular Cooperation, and develop a roadmap in tune with the consensus arrived at BAPA+40 in Buenos Aires. The president's office will continue to share its work and findings in the next initiatives of South–South and Triangular cooperation in the coming years.

G. Support to Stakeholders

The policy relations office is committed to bringing the countries of EAS and the dialogue partners together through greater economic and social interlinkages. In furtherance of this objective, it participated in several workshops and symposiums across Asia and the Pacific, and in Europe to bring the stakeholders in, and bring partners of ASEAN and East Asia closer, through dissemination of East Asian economic cooperation experience and through demonstrating the values of free trade and economic cooperation. It has written extensively in several regional newspapers and online platforms on the issues of multilateral governance, connectivity, and sustainable financing and development issues faced by East Asia. In 2020, the focus of its activities have been on international cooperation for rebuilding and recovery from the economic and health crisis of COVID-19. It is expected that such advocacy and research dissemination activities will support the policymaking on trade and economic cooperation amongst the members of EAS, and the important Dialogue Partners in Africa, Europe, and North America.