

NEAT MEMORANDUM No.19
NETWORK OF EAST ASIA THINK-TANKS (NEAT)

I. INTRODUCTION

As a track two process of the ASEAN Plus Three (APT), the Network of East Asia Think Thanks (NEAT) provides intellectual support for East Asia cooperation. NEAT reaffirms that the goal of community building in East Asia is to promote the well-being of the people and realize the East Asian Vision of Peace, Prosperity and Progress. Community building should be based on universal values, including good governance, the rule of law, democracy, human rights, and international law and norms.

II. NEAT ACTIVITIES IN 2022

Amidst pandemic, NEAT has virtually organized its core activities as follows:

1. NEAT Country Coordinators' Meeting (CCM)

The 35th and 36th NEAT CCMs were held on 27 April 2022 and 6 September 2022 respectively via Zoom platform under the host of NEAT-Laos. These meetings were participated by NEAT Country Coordinators with their delegation.

2. NEAT Working Group (WG) Meetings

In addition, 6 WGs were organized under the following themes:

- 1) Digital Transformation as a New Driver for Socio-Economic Development (7 June by NEAT-Vietnam).
- 2) Sustainable, Inclusive and Resilient Socio-Economic Recovery and Growth in the Midst of Pandemic (9 June by NEAT-Laos).
- 3) Deepening APT Third-Party Market Cooperation (23 June by NEAT-China).
- 4) Strategic Communication Lessons from the COVID-19 Pandemic: ASEAN Plus Three Countries (APT) Experiences, Best Practices and Ways Forward (12 July by NEAT-Philippines).
- 5) The Sustainable Development Goals and East Asian Cooperation (21 July by NEAT-Korea).
- 6) Toward Carbon Neutrality in East Asia (26 July by NEAT-Japan).

III. RECOMMENDATIONS

Based on the outcomes of NEAT activities in 2022, NEAT respectfully submits key recommendations in six following areas to the APT leaders for consideration.

1. Digital Transformation as a New Driver for Socio-Economic Development

The digital transformation plays a critical role in economic recovery and development. Nevertheless, to maximize the benefits of digital technologies, APT should overcome the challenges, such as: inadequate ICT-related legal frameworks, the lack of digital infrastructure, limited digital literacy, the digital gap between urban and rural areas, inadequate transport infrastructure and poor delivery system among others. Thus, the following recommendations are provided:

- 1) Strengthen the solidarity among APT countries and demonstrate political will and commitment to a more robust regional cooperation in the digital economy.
- 2) Strengthen cooperation and sharing of information, providing technical expertise in training and promoting dialogue on how to set up relevant policies on digital transformation and signing digital economic agreements so as to address the technology divide and fragmentation.

- 3) Improve both the business environment and policy framework for digitalization and digital transformation, which would require holistic changes in corporate culture and business operations.
- 4) Develop policies for the digital transformation of the APT member countries, and develop policy measures to ensure this transformation will not damage our achievement of poverty reduction.
- 5) Strengthen science and technology cooperation and transfers on technologies proven to be essential in dealing with pandemics, such as AI, robotics and drones, and digital and mobile technologies.

2. Sustainable, Inclusive and Resilient Socio-Economic Recovery and Growth in the Midst of the Pandemic

The COVID-19 has disastrous socio-economic impacts in all regions of the world including in the APT. In order to accelerate the process of recovery from the COVID-19 in a sustainable, inclusive and resilient manner, recommendations are made as follows:

- 1) Accelerate digital transformation by investing in digital infrastructure and strengthening digital literacy.
- 2) Reconnect and enhance the disrupted supply chain by further developing the planned infrastructure while upgrading the existing infrastructure for connectivity as well as lowering trade barriers while re-boosting tourism among APT countries and beyond.
- 3) Finance MSMEs by providing better access to funding through credit facilities and financing scheme for the most impacted MSMEs while lowering tax rate to counter the increasing inflation rate and the soaring global commodity prices, especially oil, gas and food prices. This will help to speed up recovery process.
- 4) Design pro-poor policies and apply local or community-based approach to development to ensure that the vulnerable groups of citizens can benefit from the process of recovery.
- 5) Further strengthen public health system aiming at creating a more robust, resilient and transparent health system in order to prepare for the future pandemics.
- 6) And invest in clean energy infrastructure development. This will create new employment opportunities, which will enable people to generate income to restore their livelihoods that have been impacted by the pandemic.

3. Deepening APT Third-Party Market Cooperation

The APT countries have recognized the importance and potentials of Third-Party Market Cooperation (TPMC). In order to maximize its benefits for all APT countries in both economic and social aspects, the following recommendations are put forward:

- 1) Long-term cooperation mechanism as well as rule-based and market-based business environment: Create APT-TPMC Mechanism or Working Group to share trust and resources. It is also essential to enhance transparency to ensure equal and fair treatment for every TPMC participant.
- 2) Intra-regional policy coordination and development convergence: Uphold ASEAN centrality and RCEP can be an ideal platform to promote TPMC. In addition, synergy among intra-regional cooperation frameworks and national development programs is also crucial.
- 3) Cooperation with financial support: priority areas for TPMC should be selected as pilot programs, including not merely infrastructure and green economy. Besides, sustainable financial support with diversified sources is urgent, and feasibility of APT-TPMC Fund could be considered.
- 4) Society-centered approach with multi-objective optimization: prioritize the well-being and livelihoods of people as well as strive to balance between economic and environmental issues for sustainability. Small and beautiful livelihood projects need to be programmed further for social

4. **Strategic Communication Lessons from the COVID-19 Pandemic: ASEAN Plus Three Countries (APT) Experiences, Best Practices and Ways Forward**

The APT countries highlighted the crucial role of strategic communication lessons from the COVID-19 pandemic in response and the way strategies are communicated affects the responses of each stakeholder to policies. Thus, the APT governments need to ensure that the communication channels are transparent and timely; actively address falsehoods and fake news, and empower the stakeholders. It is equally important that leaders are able to set a good example to their constituents to ensure that the reaction to policy is positive. The recommendations are as follows:

- 1) **Strengthening Collaboration between the Government itself and its Stakeholder in Communication Crisis Response.** This can be done through improving close collaboration at the national and subnational level for information sharing and response decision-making, Organizing government's risk communications to support public understanding and satisfaction ; and Strengthen the capacity of officer through conducting trainings on risk communication and crisis communication across government agencies and local governments; and partnering with media organizations, academic institutions, civil society organizations, and youth groups. Moreover, establish channels to collect and consolidate public issues solicited from individuals and the private sector; Empower local communities and vulnerable sectors through learnings gleaned from the COVID-19 response.
- 2) **Promotion of Utilization of Regional Networks and Deeper Cooperation among APT countries.** This can be done through strengthening multi-sectoral and global responses, establishing a standard framework for communication flows outlining protocols and guidelines by using both traditional and digital tools to ensure that communication is inclusive.
- 3) **Creating Transparent and Effective Communication Systems** by Ensuring that information disseminated by central and local governments to the public is clear and transparent; Providing candid and detailed explanations of facts and data as well as, the decision-making process leading to a better understanding of the public of policies adopted by the government; and Accelerating inclusive digital transformation of communication channels but also adopt different communication channels such as websites, social media, e-letters, Maintain legacy media to ensure information is disseminated in rural and traditional areas.

5. **The Sustainable Development Goals and East Asian Cooperation**

Considering the urgency of the SDGs, regional cooperation is an essential part of realising the SDGs, the SDGs needs to be incorporated into the East Asian community-building process. Therefore, recommendations are put forwarded as follows:

- 1) It is important that the APT leaders pay more attention to APT cooperation to meet the SDGs and acknowledge the growing challenges amidst pandemic and significant disparity in progress made by the member states.
- 2) To incorporate SDGs implementation into APT cooperation to share good practices of SDGs. i.e. climate change, capacity building, and human capital/resources development shall be considered to ensure no one is left behind.
- 3) Form APT SDGs multi-stakeholders committee, including national and local governments, businesses and CSOs to share development model and related technology, and to provide finance and investment based on the bottom-up approach.
- 4) For further collaboration among the APT countries conduct joint voluntary national reviews and organize a special session at the UN High-Level Political Forum.

6. Toward Carbon Neutrality in East Asia

The globe is vulnerable to the climate crisis. To avoid the worst impacts of the crisis, the Paris Agreement has set the goal of limiting the average global temperature well below 2°C or even striving achieve 1.5°C above pre-industrial level. To achieve such a global, massive action for emissions reduction is a must. However, striving to achieve this goal remains a huge challenge for most countries including those in East Asia due to their different national capacities and conditions. Therefore, recommendations were made as follows:

- 1) In spite of a large variety in the economic development levels, social condition and resource endowment, the APT governments, which have not yet done, LT-LEDS should be formulated at the earliest to define their pathways toward carbon neutrality by or around this mid-century, as well as to set policy agenda for achieving the aligned mitigation targets in medium term, thereby sending strong signals to the market and society.
- 2) In order to strengthen capacity for LT-LEDS formulation, the APT countries should enhance experience sharing and mutual learning, and strengthen the capability for integrated modelling analysis to create scientific basis for scenario setting and emissions pathway development.
- 3) In order to promote the awareness and ownership of various stakeholders, the APT governments should enhance the involvement of related ministries, local governments, businesses, NGOs and general public in the process of LT-LEDS formulation. A national consultative process among various sectors and stakeholders should be applied to strengthen the existing institutional arrangements and transparency of climate policy framework.
- 4) The APT governments should take advantage of diversity in the region in order to promote regional cooperation in the pursuit of raising climate ambition and practices. In particular, the three large economies in Northeast Asia, including Japan, China and the Republic of Korea, may provide experiences and technical assistance for the formulation and implementation of climate transparency system and LT-LEDS in the developing countries of Southeast Asia.

The detailed recommendations refer to the WG reports in the Annexes.

IV. CONCLUSION

NEAT greatly appreciates serious consideration by the APT SOM, Ministers and Leaders of the recommendations in this Memorandum, and welcomes opportunities to interface further with decision-makers. We reiterate our continued support to build a sounder, healthier and flourishing East Asian Community. We look forward to make further contribution towards the socio-economic development of the community in the region.

V. Annexes