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**NEAT Working Group on the Revitalization of ASEAN Plus Three:
Towards Stronger Functional Cooperation and Greater Visibility**

Co-organized by NEAT Korea and NEAT Indonesia

Seoul, 23 June 2023

Rationale

The ASEAN Plus Three (APT) has been instrumental in fostering cooperation among East Asian nations towards the realization of an East Asian community since its establishment in 1997. Over the past two decades, the APT has emerged as a prominent driver of regional cooperation in East Asia, serving as a crucial platform for functional collaboration within the region. It has made significant strides across its political-security, economic, and socio-cultural pillars, effectively addressing numerous challenges.

The APT has achieved notable milestones, leading to the institutionalization of functional cooperation initiatives such as the Chiang Mai Initiative Multilateralization (CMIM) and the ASEAN Plus Three Emergency Rice Reserve (APTERR), in addition to numerous ongoing cooperative programs.

However, in recent years, the APT has become increasingly overshadowed by other burgeoning regional architectures and the intensifying strategic competition among major powers. The

emergence of new regional frameworks, such as the Belt and Road Initiative (BRI), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the ASEAN Outlook on Indo-Pacific (AOIP), the Regional Comprehensive Economic Partnership (RCEP), and the Indo-Pacific Economic Framework (IPEF), has brought about overlapping and contentious dynamics. The strategic competition among superpowers has diverted the attention of regional countries away from the fruitful functional cooperation offered by the APT. Consequently, individual countries are reallocating resources towards responding to superpower rivalry, resulting in diminished enthusiasm and effort towards functional cooperation under the APT.

Recent developments and ongoing crises have necessitated a revitalization of functional cooperation in the region. First, the pandemic has had severe repercussions on the healthcare system and has exposed inequalities based on income, age, gender, and geographic location at both the national and regional levels. The experience during the pandemic has underscored the need to reassess the preparedness and resilience of the regional cooperation system. Second, the ever-growing climate crisis, reaching a critical point, poses one of the most significant threats to our world and the region. Climate change and subsequent environmental challenges, coupled with the costs associated with energy transition and the adoption of renewable energy sources, present a substantial burden to post-COVID-19 economic recovery and growth, especially on less developed economies. Third,

since the outbreak of the war in Ukraine, regional countries have faced increasing pressure and negative impacts, particularly concerning food and energy security. Disruptions to food and energy supplies caused by the war pose significant questions regarding regional economic prosperity and the stability of ordinary people's daily lives. Finally, there is a growing trend of trade protectionism, which not only jeopardizes individual countries' economic growth by enabling unfair competition, but also risks the regional and global economic order.

Given these developments and threats, concerted joint efforts by regional countries are imperative. East Asian countries must intensify their endeavours to rebuild and reinforce regional functional cooperation. Amidst various multilateral cooperation frameworks, the APT has demonstrated its value as a meaningful and effective regional mechanism for addressing the grave multifaceted crises faced by regional countries. However, the APT has fallen short on acting on its potential to form common positions and coordinated actions among its members on these issues.

Against this backdrop, NEAT Korea and NEAT Indonesia organized the NEAT Working Group on the Revitalization of APT: Towards Stronger Functional Cooperation and Greater Visibility. The purpose of this working group was to identify current functional challenges and crises, and to explore ways to revitalize the APT. The working group convened in Seoul on June 23, 2023, with representatives from all 13 NEAT countries in attendance. The meeting reflected on the value of the APT,

examined the nature of the challenges faced by the APT, and discussed strategic responses and policies to revitalize the APT.

On the Discussion

During the discussion, the working group acknowledged the significance of the APT as the central platform for regional cooperation in East Asia across political-security, economic, and socio-cultural domains. The APT has successfully established a high-level mechanism between the ten ASEAN countries and China, Japan, and Korea, while also providing an avenue for trilateral engagement among the three northeast Asian nations.

Furthermore, with the existence of 65 cooperative mechanisms, the APT has institutionalized a wide range of collaborations among governments and people in the region. Before the COVID-19 pandemic, economic, and environmental cooperation were crucial focal points for APT stakeholders. The APT health sector was the first platform to respond to the global crisis in January 2020 and subsequently in April 2020. The APT also formulated the Plan of Action on Mitigating the Economic Impacts of the pandemic. Amidst the pandemic, the APT ministers expedited relevant customs procedures to facilitate cross-border trade and collaborated on reinstating regional economic growth, culminating in the conclusion of the Regional Comprehensive Economic Partnership (RCEP) in the same year. The APT's cooperation in the

agriculture sector has yielded agreements on critical matters such as the Strategy on Food, Agriculture, and Forestry (APTCS) in 2016, and the APT Emergency Rice Reserve (APTERR) has played a vital role in addressing emergencies in some ASEAN countries.

However, the APT faces multifaceted challenge which the working group discussed. Firstly, bilateral relations between ASEAN and ASEAN Plus One countries (China, Japan, and Korea) have taken precedence over fully utilizing the APT as a platform. Additionally, the APT has suffered from a lack of leadership and commitment, which, even after more than two decades of its inception, hampers its ability to respond to crises as a united and cohesive bloc.

The underlying cause of these challenges is the escalating geopolitical rivalry among major powers at both the global and regional levels. This rivalry has created a complex environment within the APT region and brought significant implications for ASEAN centrality. The APT has largely remained silent on geopolitical issues, which leaves it at risk of being marginalized as a key regional framework. Further, such an approach does not align with the APT's objective of maintaining the region's peace, stability, and prosperity. The APT needs to express its geopolitical concerns and ensure its relevance and visibility.

To enhance APT cooperation, the participants of the working group meeting identified realistic and substantive areas of collaboration to revitalize the APT's functionality, including but not limited to climate change, energy security, tourism, food security, and the digital economy.

Moreover, innovative ideas were proposed to address multidimensional challenges through creative approaches such as digital agriculture, cross-border payment systems, cybersecurity to safeguard the East Asian cyber community, and artificial intelligence cooperation to support the APT's fourth industrial revolution.

To allow for the emergence of multipolar structures and alternative cooperative mechanisms within the APT, the dominance of superpower politics should be mitigated. Instead, greater emphasis should be placed on enhancing cooperation and leadership among small and middle-power countries through a norm-based approach, rather than one driven solely by power dynamics.

Recommendation of the Working Group

In pursuit of revitalizing the ASEAN Plus Three, the working group acknowledges the intersecting challenges that could impact community building. Therefore, the working group proposes the following recommendations:

- 1) Establish the East Asia Vision Group III to review ASEAN Plus Three cooperation in general and the Work Plan 2023-2027 in particular, as well as to recommend concrete measures and directions for further enhancing, expanding, and deepening ASEAN Plus Three cooperation in the future. This initiative is

timely and crucial, considering the evolving regional and global order since the aftermath of COVID-19.

- 2) Prioritize functional cooperation within the APT to address emerging challenges to peace and prosperity, encompassing both traditional and non-traditional security issues such as climate change, digital transformation, cybersecurity, health security, food and energy security, supply chain disruption, financial cooperation, preventive diplomacy, transnational crimes, and trafficking, by maximizing existing mechanisms. This should be facilitated by the engagement of broader stakeholders, including tracks II and III, in the APT's functional cooperation process to make APT Framework be truly people-oriented.
- 3) Integrate ASEAN Plus Three economic cooperation into existing regional architectures, including the ASEAN Outlook on Indo-Pacific (AOIP) and the Regional Comprehensive Economic Partnership (RCEP).
- 4) Enhance ASEAN centrality in the regional architecture as well as effective coordination between ASEAN and the Trilateral Cooperation Secretariat, and harmonize the ASEAN Plus One initiatives with China, Japan, and Korea, which should serve as building blocks towards revitalizing the APT process.