



**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN**



**MEMORANDUM**

**FOR/TO :** **The Undersecretary**  
Finance, Information Systems and Climate Change

**The Administrator**  
National Mapping and Resource Information Authority

**The Executive Director**  
National Water Resources Board

**The Directors**  
Biodiversity Management Bureau  
Climate Change Service  
Environmental Management Bureau  
Foreign Assisted and Special Projects Service  
Forest Management Bureau  
Geospatial Database Office  
Knowledge and Information Systems Service  
Legal Affairs Service  
Mines and Geosciences Bureau

**FROM :** **The Undersecretary**  
Policy, Planning and International Affairs

**SUBJECT :** **POLICY MEMORANDUM FROM THE ASEAN THINK TANKS  
SUMMIT**

**DATE :** **NOV 06 2024**

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This has reference to the letter from the Assistant Secretary Daniel R. Espiritu, Office of the ASEAN Affairs of the Department of Foreign Affairs (DFA) dated 21 September 2024 relative to the subject line above.

The inaugural ASEAN Think Tanks Summit (ATTS) was convened in Jakarta, Indonesia, on 10-11 September 2024. It was organized by the Singapore Institute of International Affairs (SIIA) on behalf of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), and supported by the ASEAN Secretariat. The ATTS marks a pivotal moment in the ASEAN region's efforts to address emerging geopolitical and economic challenges. It aims to synergise efforts across the region, providing a significant platform to contribute strategic ideas that address ASEAN's most pressing priorities.

MEMO NO. 2024 - 986

In this light, the ASEAN-ISIS prepared a Policy Memorandum titled, "ASEAN's Connectivity and Centrality — Priorities for Action" as a summary of the key points and recommendations discussed during the inauguration.

Attached is a copy of the Policy Memorandum for your information and reference, please.



ATTY. JONAS R. LEONES

*Copy furnished:*

**The Assistant Secretary**  
Policy, Planning, International Affairs, and Climate Change



DEPARTMENT OF FOREIGN AFFAIRS  
KAGAWARAN NG UGNAYANG PANLABAS



OFFICE OF ASEAN AFFAIRS

Our Ref. No. : DIV3-435-ASEAN-2024  
Subject : **Policy Memorandum from the ASEAN Think Tanks Summit**  
Date : 21 October 2024

Dear Sirs/Mesdames,

The Department transmits a copy of the attached letter from the Permanent Mission of the Republic of Singapore dated 3 October 2024 from Singapore's Permanent Representative to ASEAN Ambassador Gerard Ho, conveying a copy of a Policy Memorandum prepared by the ASEAN Institute of Strategic and International Studies (ASEAN-ISIS) titled "ASEAN's Connectivity and Centrality – Priorities for Action."

The Policy Memorandum is a summary of the key points and recommendations discussed at the inaugural ASEAN Think Tanks Summit held in Jakarta, Indonesia on 10-11 September 2024.

Thank you for your usual support and cooperation on matters of mutual interest.

Very truly yours,  
For the Secretary for Foreign Affairs:

**DANIEL R. ESPIRITU**  
Assistant Secretary

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PERMANENT MISSION OF THE REPUBLIC OF SINGAPORE

PERMANENT REPRESENTATIVE

LTR-2024/040

3 October 2024

Committee of Permanent Representatives

**ASEAN Institute of Strategic and International Studies (ASEAN-ISIS)  
Policy Memorandum on “ASEAN’s Connectivity and Centrality —  
Priorities for Action”**

Excellencies,

I have the honour to share with you a Policy Memorandum prepared by the ASEAN Institute of Strategic and International Studies (ASEAN-ISIS), titled “*ASEAN’s Connectivity and Centrality — Priorities for Action*”. This Policy Memorandum is a summary of the key points and recommendations discussed at the inaugural ASEAN Think Tanks Summit held in Jakarta, Indonesia, from 10 to 11 September 2024.

I avail myself of this opportunity to renew to Your Excellencies the assurances of my highest consideration.

Sincerely Yours,

**GERARD HO**

## **ASEAN Institute of Strategic and International Studies (ASEAN-ISIS)**

### **Policy Memorandum**

#### **“ASEAN’s Connectivity and Centrality — Priorities for Action”**

##### **EXECUTIVE SUMMARY**

ASEAN is at a critical juncture. At 57, and having survived several crises to emerge stronger, there are rising expectations for ASEAN to do more to become an integrated and dynamic ASEAN community that can deliver on peace and prosperity.

With rising expectations also come an increasing chorus of criticisms at the perceived slow pace of implementing the commitments made on ASEAN’s integration and the lack of unity in confronting several challenges – from the crisis in Myanmar to rising tensions in the South China Sea.

Furthermore, rising tensions between the US and China and climate emergencies have amplified risks to ASEAN’s centrality and its post-2025 community-building efforts.

Two words sum up the mega tasks that ASEAN has to undertake if it is to remain relevant to its people and become a stalwart of stability for the region – **Connectivity and Centrality**.

This policy memo addresses some of these challenges and put forth a list of priorities for ASEAN as it moves towards its post-2025 vision. The memo is a summary of the key points and recommendations discussed at the inaugural ASEAN Think Tanks Summit held in Jakarta on 10-11 September 2024.

##### **ON CONNECTIVITY AND COMMUNITY BUILDING**

ASEAN has to take bold steps to reboot its integration efforts. It needs to leverage the great opportunities offered by digitalisation to build a dynamic and competitive digital economy and society, and it needs to work more intensely and collectively to address the climate and green energy agenda.

##### **Digital Agenda – Towards a Digital ASEAN**

- Ensure the timely conclusion of a high-quality ASEAN Digital Economy Framework Agreement (DEFA)
- Enhance investments in digital infrastructure and connectivity with concerted effort to build a trusted digital ecosystem
- Leverage on digital technology and the digitalisation of trade to build a resilient supply chain ecosystem

- Develop ASEAN's digital proficiency and talent ecosystem to support the socio-economic digital transformation

#### **Climate and Energy Agenda – Towards a Green and Sustainable ASEAN**

- Hasten efforts towards an ASEAN Power Grid
- Establish an ASEAN carbon market
- Mobilise green and transition financing schemes
- Develop green skills in ASEAN workforce for an inclusive and just green transition

ASEAN's security and resilience as a community can only be enhanced through connectivity not only in its socio-economic infrastructure but also greater institutional and people-to-people connectivity. There need to be greater policy and political coordination, and ASEAN agencies should be strengthened to address regional crises.

#### **Institutional & Political Connectivity – Towards a Resilient ASEAN**

- Ensure the commitment of all ASEAN Member States (AMS) to mainstream and strengthen relevant ASEAN mechanisms and forums.
- Strengthen the capacity of ASEAN agencies and institutions such as AHA Centre and ASEAN-IPR to deal with humanitarian and political crises
- Examine civil-military cooperation in humanitarian assistance and disaster relief
- Enhance cooperation with Dialogue Partners on non-traditional security issues

#### **ON CENTRALITY AND MAINTAINING RELEVANCE**

To be able to play a central role in the Indo-Pacific region and keep the region open for development, and stable through dialogue and cooperation, ASEAN needs to proactively engage all its dialogue partners and stakeholders in the region.

ASEAN has to operationalise its Outlook on the Indo-Pacific (AOIP) and strengthen the ASEAN-led regional architecture. The ASEAN Regional Forum (ARF), East Asia Summit (EAS) and ASEAN Defence Ministerial Meeting Plus (ADMM Plus) are platforms and forums for ASEAN to pursue the priorities identified in the AOIP.

ASEAN should also develop broad strategic gameplan to manage the different crises and tensions in the region.

#### **Maintaining ASEAN's Centrality**

- On tensions in SCS: Collectively stand firm and speak with one voice on fundamental rule of law issues (support UNCLOS, DOC and other universally recognised international law) and reiterate the principles in TAC (particularly with regards to "Settlement of differences or disputes by peaceful mean" and "Renunciation of the threat or use of force")
- On crisis in Myanmar: Hold the Myanmar junta accountable to the 5 points consensus (5PC) agreed in April 2021, while engaging immediate neighbours of



Myanmar (India and China) and Japan to talk the different parties in Myanmar as the first concrete step towards finding a political solution to the crisis.

- On great-power rivalries in the region: Maintain an open and inclusive approach and actively engage all dialogue partners in different dimensions of cooperation. ASEAN should also consistently speak up against zero-sum mentality and false binary choices and worked with like-minded partners to enlarge the space for dialogue and diplomacy.

**Operationalising the ASEAN Outlook on the Indo-Pacific (AOIP)**

- ASEAN has to implement its AOIP and strengthen ASEAN-led regional architecture.
- Establish independent funding mechanisms to allow it to control priorities of action and to proactively facilitate regional dialogue and influence the principles and norms of engagement in the region
- Integrating the various connectivity strategies of its dialogue partners and understanding the different Indo-Pacific strategies.

**ASEAN Institute of Strategic and International Studies (ASEAN-ISIS)  
Policy Memorandum**

**“ASEAN’s Connectivity and Centrality — Priorities for Action”  
(FULL TEXT)**

***Introduction***

Since its founding in 1967 as an inter-governmental association to promote confidence building amongst its founding members, ASEAN has come a long way. From its early days with emphasis on informal meetings and dialogue to manage differences and engender cooperation, to present day emphasis on a more formal process of community-building, ASEAN has grown from 5 to 10 members and achieved a number of milestones. It had cohered as a diplomatic community to manage the strategic challenges during the Cold War era. When the Berlin wall came down, ushering in the post-Cold war period of intense economic competition and political changes, ASEAN was quick to respond and to move towards greater economic integration through AFTA (ASEAN Free Trade Area). It was also proactive in initiating forums such as the ASEAN Regional Forum (ARF) and East Asia Summit (EAS) to bring entrenched and emerging powers to the same table for important political and security dialogues.

Many of ASEAN’s achievements were forged through crises that it faced over the years. It has defied the predictions of many political pundits and doomsayers of its demise — whether it was in its early formative years or during the Asian Financial crisis in the 1990s. Most recently, critics have argued that the geostrategic rivalry between the US and China has threatened the unity of ASEAN. The rise of mini-laterals such as AUKUS and QUAD led by the US has the potential to undermine the centrality of ASEAN. Together with the challenges posed by its own member-state Myanmar following the coup in Feb 2021, there is again rising chorus of criticisms against ASEAN and the questioning of its relevance.

To address the twin paradoxical challenges of rising expectations and increasing scepticism, ASEAN needs to step up efforts in building connectivity towards a truly

integrated community and to strengthen its agency and institutions to retain its centrality in shaping developments in the region.

This policy memo urges ASEAN to prioritise:

1. Enhancing digital connectivity to achieve a competitive, digital ASEAN;
2. Strengthening energy connectivity and cooperation on climate goals towards a sustainable ASEAN climate community;
3. Building institutional and political connectivity for a resilient ASEAN;
4. Maintaining ASEAN's centrality by fostering unity and proactively managing regional tensions; and
5. Implementing ASEAN's Outlook on the Indo-Pacific (AOIP) and finding concret synergies between AOIP and the Indo-Pacific strategies and regional policies of major powers to rebuild strategic trust and enhance regional cooperation.

## **1. DIGITALISATION FOR ASEAN'S CONNECTIVITY — TOWARD A HIGHLY INTEGRATED AND COMPETITIVE DIGITAL ASEAN**

According to Forrester's Global Digital Economy Forecast, 2023-2028, the digital economy is forecasted to be valued at US\$16.5 trillion and will account for 17% of global GDP by 2028. ASEAN has made good progress in its digital journey. ASEAN's digital economy aided by the adoption of the ASEAN Digital Economy Framework Agreement (DEFA) could potentially reach \$2 trillion in 2030. There is immense opportunity for ASEAN to grow its digital economy with a relatively young and digital-savvy population.

DEFA offers a comprehensive roadmap for ASEAN stakeholders to accelerate regional digital trade (expected to grow to US\$1 trillion by 2030), boost interoperability, create a safe online environment and increase participation by Micro, Small and Medium Enterprises. DEFA negotiations were officially launched at the 23<sup>rd</sup> ASEAN Economic Community (AEC) meeting in September 2023, and negotiations are expected to conclude by 2025. According to the 2024 ISEAS-Yusof Ishak Institute's State of Southeast Asia Survey, 38% of respondents indicated that they believe DEFA would

“significantly contribute to raising digital capabilities and enhancing regional digital trade”.

Notably, DEFA does not start on a blank page but builds on ASEAN’s existing frameworks such as the ASEAN Digital Masterplan 2025, the ASEAN Digital Integration Framework. As part of the negotiations, ASEAN is streamlining and reviewing existing digital agreements and pushing commitments to a higher level.

## Recommendations

### 1. Ensuring a high-quality DEFA that is consistent with global norms

In negotiating its own regional digital economy framework, ASEAN can look at existing bilateral Digital Economy Agreements adopted by its member states, regional DEAs such as those of the European Union (EU) so as to accelerate the process and also ensure that DEFA will be consistent with global norms.

- The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) agreement which contains provisions on e-Commerce and has been adopted by four ASEAN member states could also be referenced. CPTPP could in fact be the basis for ASEAN to create a more forward-looking strategy that not only facilitates intra-regional trade but also positions ASEAN as a competitive player in the global digital economy.
- Once the DEFA negotiations are concluded, ASEAN should also consider the need for an oversight body for the implementation of DEFA.

While the DEFA is being negotiated, member states can prioritise and take measures to address the following:

### 2. Enhance investments in digital infrastructure and connectivity with concerted effort to build a trusted digital ecosystem

- In order to reduce the digital gap in ASEAN, there is a need to enhance investments in digital public infrastructure such as broadband connectivity, mobile network, digital identities, interoperable payment systems and cybersecurity infrastructure, to support the growth of the digital economy, especially in less developed member countries.

- Beyond access, concerted effort across ASEAN to build trust is vital to maintain momentum of digital adoption gains achieved during the pandemic.

### 3. Digitalising the wider supply chain ecosystem

- To create an enabling environment for businesses, efforts must be focused on digitalising trade processes across the entire supply chain. This involves not only adopting new technologies but also ensuring that these digital solutions are interoperable across member states.
- A crucial aspect of this digitalisation process is overcoming the inertia and barriers to adopting common standards for digital trade facilitation, which has seen progress over recent years. By addressing these challenges, ASEAN can streamline cross-border transactions, reduce administrative burdens and the cost of doing business, as well as enhance the overall efficiency of the region's trade networks.

### 4. Developing ASEAN's talent ecosystem:

- To ensure trusted adoption of digital technologies, digital literacy needs to evolve to a new level of proficiency to reflective of ASEAN digital landscape that is largely cloud-native, AI-native and mobile-native.
- To build ASEAN's talent pipelines, it is essential to introduce digital skills, such as coding, data analytics, and digital design, as mandatory subjects in schools. This foundation in education is essential for preparing students to meet the demands of the digital economy.
- ASEAN member states should also invest in future-proofing the workforce and invest in training centres to reskill and upskill workers for the digital economy.
- Efforts to foster digital talents should extend beyond the national level, with ASEAN Member States sharing best practices, conducting boot camps, and offering exchange programs.
- To accelerate the development of ASEAN's talent ecosystem, fostering public-private partnerships is crucial. By forming strategic alliances with tech companies, educational institutions, and global organisations, ASEAN can align educational programmes with industry needs, ensuring that the region's talent

pool is equipped with the skills necessary for future job markets and remains competitive in a rapidly evolving digital landscape.

- Talent mobility across ASEAN should be enhanced through mutual recognition of qualifications and creation of a digital nomad visa.

For the digital economy to flourish, trust is paramount, and this trust can only be built and sustained if all members take cybersecurity and data protection seriously. Hence, ASEAN also need to strengthen its regional capacity to respond to cyberattacks and build resilience against digitally-enabled scams and frauds.

Beyond the digital economy, it is important to highlight that digitalisation is a driver towards greater connectivity and will be instrumental in helping ASEAN achieve cross-pillar goals – in political and security, economic, and socio-cultural community pillars – towards a highly integrated ASEAN.

## **2. BUILDING AN ASEAN CLIMATE COMMUNITY — TOWARD A GREEN AND SUSTAINABLE ASEAN**

With ASEAN setting course for a carbon-neutral future, balancing economic growth with climate action is no longer optional. Sustainable development is key to long-term competitiveness of ASEAN. A critical opportunity lies in embracing regional circularity as a cornerstone of the green economy, which could unlock significant economic growth and create green jobs. Moreover, climate adaptation is essential for ensuring the region's resilience, as inaction could jeopardise food and water security, affecting millions across ASEAN.

While ASEAN currently emits less than 10% of global emissions, its rapidly growing economies and populations will make it a significant contributor in the future. The Southeast Asian Green Economy Report 2023 projects a 42% increase in energy consumption between 2020 and 2030, driven by urbanisation, manufacturing as part of supply chains, and the demands from rapid digitalisation requiring more capacity from data centres. Given this, prioritising green energy transition in the region is an imperative.

In 2023, ASEAN Economic Ministers endorsed a visionary ASEAN Strategy for Carbon Neutrality, providing a roadmap that fosters cross-border collaboration to reduce emissions by leveraging the region's diverse but unevenly distributed renewable energy resources and technological advancements. The Strategy emphasises regional cooperation in overcoming these disparities and prioritises the development of a regional green financing framework to attract both public and private investments for renewable energy projects in resource-abundant countries with limited capital.

### **Recommendations**

ASEAN must move from announcing strategies to concrete implementation. For this to happen, ASEAN has to garner the political will and work together to deliver common solutions and leverage each Member States' comparative advantages. Three action points deserve focus:

#### **1. Working towards an ASEAN Power Grid (APG) for renewable energy**

- While ASEAN aims to fully operationalise the APG by 2045, currently only 9 of 18 interconnections are complete. To achieve full operationalisation, ASEAN needs political leadership to overcome the roadblocks, attract multilateral investment, and set a collective net-zero target for power generation.
- It is important to remind political leaders that failure to develop the APG could lead to wasted renewable energy resources, undermining both economic and environmental goals.
- To build investor confidence, ASEAN should increase pathfinder existing projects (e.g. LTMS-PIP) to demonstrate feasibility and bankability. This would require a crucial first step in increasing resilience of old grid infrastructures against climate extremes. A cascade of such subregional and bilateral projects will lend greater credibility to and confidence in the concept of a wider APG.
- ASEAN should also explore an ASEAN Common Energy Market to facilitate electricity trade, starting with pilot projects with streamlined regional methodologies for transmission charges and consistent green finance across the region.

#### **2. Establishing an ASEAN Carbon Market**

- A well-functioning regional carbon market is a good way to leverage the region's untapped potential to incentivise circular practices, create green jobs, and drive sustainable growth. However, only individual carbon markets (in Singapore, Indonesia, and Malaysia) have been established currently.
- To establish a credible regional carbon market that attracts investment, ASEAN must invest in developing a robust regionally interoperable infrastructure, carbon pricing mechanism, transparent regulatory framework, and safeguards against greenwashing.
- Strong collaboration with more mature carbon markets is needed for sharing of best practices and capacity building.

### 3. Enabling Green and Transition Financing

- Green and transition projects often require innovative financing models to manage risks and ensure their viability. Leveraging blended financing (from public, private, and philanthropic sources) and strengthening public-private partnerships is crucial.
- Government subsidies (e.g., fuel subsidies) could be better reallocated to encourage transition from coal to low-carbon technologies, as well as supporting green projects and better policy reforms for waste management and industrial waste treatment.
- Ensuring that the real market catches up with the financial market is also key.
- Integrating ESG principles into investment decisions is crucial in changing the mindset of investors and market players, thus prioritising financial resources to scale up bankable green projects. Consistency in green investment practices across financial institutions and industries is important, and this can be done via promoting ASEAN Taxonomy for Sustainable Finance.

### 4. Developing Green Skills in ASEAN Workforce

- As ASEAN shifts towards greener, more sustainable economic practices, new green job opportunities, such as in renewable energy and sustainable agriculture, will require that workforce be trained with the necessary skills.
- Such training needs to be lifelong to enable workers to remain nimble and adaptable, especially with the rapid development in green technologies.



- Not only will this equip the workforce to effectively engage in and ensure the success of green and transition projects, but this will also ensure that the transition is inclusive and just, benefiting the people and economy.

### **3. INSTITUTIONAL AND POLITICAL CONNECTIVITY TOWARDS A RESILIENT ASEAN**

Building a resilient ASEAN requires robust institutions, strong political ties, and extensive people-to-people connections. Climate and health emergencies, along with political and humanitarian crises, can disrupt supply chains and impact livelihoods. To manage these disruptions, ASEAN must enhance institutional connectivity and capacity and strengthen political and policy coordination.

Recent crises, such as the Covid-19 pandemic and the Myanmar military coup in 2021, have tested ASEAN's political capacity and institutional readiness. The pandemic, which severely disrupted economic growth, led to uneven recovery and increased inequality and political polarisation, despite ASEAN's efforts to coordinate regional responses. The Myanmar crisis, while initially addressed with the Five-Point Consensus (5PC), has undermined ASEAN's credibility due to the junta's non-compliance.

Critics often blame the ASEAN way and principle of non-interference for ASEAN's ineffectiveness, but this view overlooks the region's complex geopolitical realities. The principle of non-interference was a "safety net" for ASEAN Member States, but non-interference does not mean indifference. ASEAN's Charter also includes principles like "shared commitment and collective responsibility" that can guide responses to Member States' actions, especially via ASEAN's organs and instruments. Therefore, ASEAN should strengthen the roles and resources of the ASEAN Coordinating Centre for Humanitarian Assistance and Disaster Management (AHA Centre) and the ASEAN Institute for Peace and Reconciliation (ASEAN-IPR). The AHA Centre and ASEAN-IPR can become effective instruments for responding to potential political crises and humanitarian emergencies provided they are given the appropriate mandate and equipped with the right resources.

## **Recommendations**

ASEAN must develop better institutional connectivity, capacity and political and policy coordination. This involves a careful balance between upholding the principle of non-interference and embracing collective responsibility to ensure regional peace and stability. Three action points deserve focus:

### **1. Strengthening AHA Centre and ASEAN-IPR**

- ASEAN needs to prioritise improvements in intra-ASEAN political consultation and policy coordination. The ASEAN-IPR and the AHA Centre — the two institutions that were mandated under the ASEAN Political and Security Community (APSC) and the ASEAN Socio-cultural Community respectively — should have their roles strengthened and resources enhanced to respond to political and humanitarian crises.

### **2. Examine Civil-Military Cooperation in humanitarian assistance and disaster relief**

- Southeast Asia is prone to natural disasters from earthquakes to typhoons. With climate change, ASEAN should be prepared for more frequent and highly destructive climate events that would require complex responses increasingly involving military personnel and equipment. It is important for ASEAN to start developing a proper framework to foster civil-military cooperation for quick and successful operations in response to humanitarian assistance and disaster relief.

### **3. Enhanced cooperation with Dialogue partners on Non-traditional security issues**

- ASEAN's dialogue partners from the European Union (EU) to Japan and Australia have all expressed interest in strengthening their security engagement and cooperation with ASEAN. ASEAN should reiterate the importance of non-traditional security threats arising from environmental and climate emergencies, and bolstered cooperation and developed mechanisms and frameworks with dialogue partners to address non-traditional security threats to the region.
- Within this broader context of security cooperation, Malaysia's upcoming chairmanship presents an opportunity to rejuvenate the Zone of Peace, Freedom and Neutrality (ZOPFAN). Ongoing discussions are already exploring ways to

expand ZOPFAN's scope to include non-traditional security threats, aligning with the region's evolving security landscape and ensuring ASEAN remains prepared to address new security challenges.

#### **4. MAINTAINING ASEAN'S CENTRALITY**

Terms like "ASEAN in the driver's seat" and "ASEAN's centrality" highlight ASEAN's proactive role in engaging external partners and fostering an ASEAN-centric, open, and inclusive regional architecture. Since the end of the Cold War, ASEAN has successfully convened inclusive forums like the ASEAN Regional Forum (ARF) and engaged in "ASEAN Plus" dialogues (e.g., ASEAN + 1, ASEAN + 3) and ASEAN + 6 which evolved into the East Asia Summit (EAS). These forums focus on confidence-building, dialogue, and cooperation to promote regional peace, stability, and economic development.

ASEAN's credibility as a regional development driver grew through internal community-building efforts, particularly with the 2003 Bali Concord II, which established the ASEAN Community with three pillars: Political and Security, Economic, and Sociocultural. However, ASEAN's centrality has been threatened by rising tensions among major powers, and alternative forums like QUAD, AUKUS, and BRICS. Internal challenges, such as the situation in Myanmar, further exacerbate perceptions of division and undermine ASEAN's ability to manage Indo-Pacific tensions.

To maintain its centrality, ASEAN must enhance its integration and coherence. The 2019 ASEAN Outlook on the Indo-Pacific (AOIP) offers a development-focused, open, and inclusive vision, but realising this vision is challenging due to the proliferation of competing Indo-Pacific strategies from other major actors in the region.

#### **Recommendations**

Achieving internal unity and coherence would help ASEAN confront questions of how it intends to proceed with the following issues:

##### **1. Tensions in the South China Sea (SCS)**

- The SCS tensions stem from complex territorial claims among China, Vietnam, the Philippines, Malaysia, and Brunei, and overlapping claims to maritime rights in parts of SCS among related parties.
- ASEAN has maintained that it does not take a position on the complex territorial claims. However, when disputes between claimant states impact regional security, ASEAN must remind all claimants of the principles in the Treaty of Amity and Cooperation (TAC) that call for “Settlements of differences and disputes by peaceful means”.
- ASEAN must also take a collective stand on fundamental rule of law provisions, upholding the United Nations Convention on the Law of the Sea, Declaration on the Conduct of Parties in the SCS (DOC) and other related international laws.
- Despite the long-standing negotiations, ASEAN has to persevere on its negotiations with China on the Code of Conduct (COC) in the SCS. Pending the conclusion of COC. ASEAN must remind all claimants of what has been agreed in the 2012 Declaration on the Conduct of the Parties in the SCS (DOC) that reiterated the adherence to UNCLOS, TAC and the Five Principles of Peaceful Co-existence. The DOC also called for intensifying efforts to seek ways, in the spirit of cooperation and understanding, to build trust and confidence between and among them.
- Additionally, ASEAN and China should consider more ad-hoc and sectoral cooperation in the disputed areas while aiming for a comprehensive and binding COC. This has been tried for instance in the adoption of the Code for Unplanned Encounters at Sea (CUES). CUES, while non-binding, helps reduce tensions by setting engagement rules for unexpected encounters at sea and help prevent miscommunication and avoid miscalculation by parties involved. This approach could be extended to less sensitive issues like search and rescue operations, disaster response, and maritime environmental protection.

## 2. Managing political crisis in Myanmar

- Following the February 2021 coup, ASEAN called for immediate implementation of a Five-Point Consensus peace plan, but Myanmar’s political and humanitarian conditions continue to deteriorate. The crisis has become a critical test of

ASEAN's relevance and impact, drawing criticism from external partners and its own citizens.

- To regain credibility, ASEAN must address the complexities of the Myanmar situation directly. Recent developments offer a chance for ASEAN to reiterate the Five-Point Consensus (5PC) and to hold the Myanmar junta accountable to the 5PC that they had agreed to. The military junta faces increased pressure from ethnic armed groups, the People's Defence Forces, and discontent from neighbouring states because of spillover effects from the military conflict.
- Therefore, it is timely for ASEAN, especially for its frontline member state Thailand to take the lead, step up engagement with Myanmar's neighbouring states such as China, India and dialogue partners such as Japan (who is hosting the NUG's office) to coordinate efforts for humanitarian relief and facilitate dialogue among various ethnic and political groups, aiming to build momentum towards peace and reconciliation.

### 3. Managing great power rivalries

- ASEAN's claim to centrality hinges on its ability to remain relevant, such as in managing the strategic competition between the US and China and facilitating dialogue among all major powers in the region. To achieve this, ASEAN should reinvigorate the ASEAN Regional Forum (ARF) as a primary platform for confidence-building and preventive diplomacy. The ARF can test functional leadership by organising working groups led by various members, focusing on emerging threats that need transnational and international cooperation. These groups should tackle common issues to build trust and confidence among regional actors.
- Furthermore, ASEAN should include non-state actors, such as UN agencies and NGOs, in these working groups to focus on practical solutions rather than competing for influence. This approach would enhance the effectiveness of the ARF in addressing common challenges.
- Additionally, ASEAN should leverage the East Asia Summit (EAS) and ADMM Plus to manage great power relations and contribute to resolving conflicts like the

Ukraine war. This will help ASEAN maintain its central role and effectiveness in regional diplomacy.

- ASEAN could also explore the possibility of inviting Brazil and South Africa to join the EAS, recognising that the three other original BRICS members – Russia, India and China – are already participants. ASEAN could then use EAS to foster collaboration with BRICS and positioning the EAS as an open and inclusive forum to enhance dialogue amongst all major old and emerging powers, and amplifying the voices of the Global South.

## **5. OPERATIONALISING THE ASEAN OUTLOOK ON THE INDO-PACIFIC (AOIP) — TO REBUILD STRATEGIC TRUST**

Besides managing the above issues, ASEAN must review and operationalise its 2019 Outlook on the Indo-Pacific (AOIP). The AOIP was a diplomatic effort to advocate for a more inclusive and open regional order amid various Indo-Pacific strategies from ASEAN's dialogue partners. It calls for strengthening ASEAN-led mechanisms and emphasises connectivity as crucial for peace and development.

The AOIP reiterates the need for ASEAN to enhance its mechanisms by actively engaging dialogue partners to improve their effectiveness. It identifies four key areas for cooperation: Maritime Cooperation, Connectivity, the UN Sustainable Development Goals 2030, and economic collaboration.

At the recent 57th ASEAN Foreign Ministers Meeting in Vientiane, ASEAN reaffirmed its commitment to promoting the AOIP with dialogue partners. To reinforce its centrality, ASEAN needs a strategic plan to develop initiatives that strengthen ASEAN-led platforms like the ARF, EAS, and ADMM Plus, aiming to enhance dialogue, cooperation, and trust among members.

### **Recommendations**

To operationalise AOIP as the defining Indo-Pacific strategy to rebuild strategic trust, ASEAN must find ways to work with its dialogue partners on the 4 priority areas identified

– in Maritime cooperation, Connectivity, Sustainable Development and Economic cooperation. ASEAN must consider the following:

1. Establishing an independent funding mechanism

- ASEAN should consider an independent funding mechanism to enhance its neutrality and centrality, allowing it to control its priorities and project execution, and shaping the principles and norms of engagement in the region. The resources and modality of such an independent funding mechanism should be looked into by the High-Level Task Force on ASEAN Community Post-2025 Vision.

2. Integrating the various connectivity strategies

- ASEAN must implement the AOIP including but not limited to connecting its Master Plan on ASEAN Connectivity 2025 (MPAC 2025) with other global connectivity strategies, and by mainstreaming these into the activities and initiatives of relevant ASEAN sectoral bodies and their cooperation with other dialogue and development partners.
- Integrating the various connectivity strategies from China's Belt and Road initiative to the EU's Global Gateway strategy, the US Blue Dot Network, etc would require ASEAN to be proactive in finding synergies between its own MPAC 2025 and the connectivity strategies of its dialogue partners. Bringing the different dialogue partners to support ASEAN's connectivity agenda would not only serve ASEAN's needs but provide a platform for major powers to work together on common projects and build trust and confidence.

3. Creating linkages between the different Groups working on Maritime security within ARF and ADMM Plus.

- To ensure that the highest priority is accorded to maritime security issues as tensions rise in the seas around the region, a more concerted effort to create linkages and communication channels between the different working groups, emphasizing dialogue and cooperation on the myriad of issues – from upholding UNCLOS, to Search & Rescue at Sea, to marine protection and managing tensions at sea.

### ***Concluding Remarks***

As ASEAN approaches its post-2025 vision, it stands at a pivotal juncture. To navigate the complexities of an increasingly interconnected world and meet the rising expectations of its citizens, it is imperative that the recommendations outlined here be considered within the broader context of regional connectivity and people-to-people ties. ASEAN's continued relevance and effectiveness in addressing the complex challenges of the coming decades will rest significantly on its ability to enhance both physical and interpersonal connections throughout Southeast Asia.

A critical aspect of this connectivity is the development of robust infrastructure across the region. Improved air, sea, and land connections will not only facilitate economic integration but also strengthen ASEAN's collective resilience against geopolitical and environmental uncertainties, as well as enhance people-to-people linkages. Good infrastructure supports trade, investment, and mobility, making it a cornerstone of ASEAN's vision for an integrated and dynamic region.

Furthermore, fostering stronger people-to-people ties through cultural, educational, and social exchanges is crucial for reinforcing a shared regional identity and mutual understanding. More importantly, think tanks and research communities in ASEAN can work together more and in synergy to actively provide inputs and ideas on how ASEAN can deal with the complex challenges amidst the geopolitical tensions and geo-economic uncertainties.

The inaugural ASEAN Think Tanks Summit (ATTS) held on 10-11 September in Jakarta with the support of the ASEAN Secretariat was an important step taken to connect the think tanks and policy researchers and harness their research and thought leadership to support ASEAN's community building agenda and development.