

Mapping an EAEC Blueprint: For an Open and Innovative East Asia

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The idea of the “East Asia Economic Community” (EAEC) has originated in the building of “East Asia Community” (EAC), which was proposed in a report named “Towards an East Asia Community: Region of Peace, Prosperity and Progress” by the East Asia Vision Group (EAVG I) in 2001. The report expected that “the economic field, including trade, investment and finance, is to serve as the catalyst in this community-building process”. Ten years later, in the light of significant progress in ASEAN Plus Three (APT) cooperation and the new situation faced by the region, the EAVG II, which was established under the proposal of South Korea, produced a new

report titled “Realizing an East Asia Economic Community (EAEC) by 2020”. This report, based upon the stock-taking of all of the APT cooperation activities and recommending the realization of an EAEC by 2020 as the main pillar of the new vision for regional cooperation and community building, was adopted by all the leaders at the ATP Commemorative Summit in 2012 in Cambodia.

However, without a blueprint and means of implementation as follow-ups, the pathway for the EAEC 2020 is not clear and thus no corresponding review of its process has ever been carried out in the past six years. Furthermore, with only two years left towards 2020, more questions arise: will EAEC 2020 end up with nothing or with a revival? If a revival is a consensus, what should be the future direction and pathway of regional integration and community building in East Asia? Drawing upon ASEAN’s successful experience and its practice of ASEAN Economic Community (AEC) blueprints, and taking stock of past APT cooperation, it is high time now East Asia pinpointed a new vision for post-2020 era as a successor of EAEC 2020 and mapped an EAEC blueprint for the new vision. That is why this working group is established.

On 10 July 2018, NEAT China hosted the Working Group meeting on “**Mapping a Blueprint for the East Asia Economic Community**” in Dalian, China. Around 30 participants from the APT countries attended the meeting and discussed the topic in a thorough and outspoken manner. Based upon the enlightening perceptions and suggestions contributed by all the participants in the meeting, we came up with this WG report, which consists of four sections. Section One provides an overview of the prospective EAEC new vision, including its background, aim and significance, guiding principles and key elements. Section Two discusses the main characteristics and elements of the prospective EAEC blueprint. Section Three explores the possible mechanisms of implementation and review for the prospective EAEC blueprint. Section Four proposes some policy recommendations on mapping the prospective EAEC blueprint. As a tentative step, we hope this report will provide a preliminary and rough idea on the outline of the prospective EAEC Blueprint for our governments.

I . Overview

As a successor, the post-2020 EAEC shall, on one hand, inherit the legacy of EAVG II Report and take over the unaccomplished goals and measures set in EAEC 2020, and on the other hand, integrate the new elements which can make East Asia better embrace both the opportunities and challenges posed by the new era. Therefore, this section provides an overview of the prospective EAEC new vision.

1. Background

1.1 The APT Process is the main vehicle towards community building in East Asia

The APT framework came into being in the midst of the Asian financial crisis. Having stood the test of the international financial crisis, and covering both Northeast and Southeast Asia with 57% of Asia's population, 88% of Asia's GDP and 50% of Asia's total trade, the APT has become an important element for fostering East Asian regionalism and been recognized as the main vehicle of regional cooperation. Now the APT process has evolved into a full-fledged cooperation framework and institutionalised cooperation in political-security, economic-finance, socio-cultural realms, with 67 mechanisms (1 summit, 15 ministerial, 20 Senior Officials, 1 ASEAN CPR Plus Three, 2 Director-General, 23 technical level meetings and 5 other track meetings) coordinating APT cooperation. Undoubtedly, the APT Process remains the main vehicle towards the long-term

goal of building an East Asian community.

The APT Cooperation Work Plan (2007-2017), formulated to serve as the master plan to enhance APT cooperation in a comprehensive and mutually beneficial manner for the next ten years, was endorsed in 2007. A mid-term review of the APT Cooperation Work Plan (2007-2017) was conducted in 2013, based on which the APT Cooperation Work Plan was revised with the new timeframe of 2013 – 2017. The revised Work Plan was adopted by the 16th APT Summit held on 10 October 2013 in Bandar Seri Begawan. The current Work Plan (2018-2022) was adopted by the 20th APT Summit on 14 November 2017 in Manila.

1.2 Economic cooperation has made substantial achievements in the APT process

In comparison with political-security and social-cultural realms, APT cooperation in the economic realm has achieved more substantial progress. In the past six years, East Asia has witnessed the start of the ASEAN-centered Regional Comprehensive Economic Partnership (RCEP) negotiation, the launching of the Chiang Mai Initiative Multilateralization (CMIM) as an essential part of the regional financial safety net, the transition of the APT Macroeconomic Research Office (AMRO) to an international organization, and the endorsement of a new Medium-term Road Map of the Asian Bond Market Initiative (ABMI) to further foster the development of local currency bond markets in order to promote financial stability and meet the long-term investment needs of the region.

Besides, The APT countries conducted robust cooperation in sectors such as **tourism, food, agriculture, fisheries and forestry, energy, minerals, etc.**, continued to work closely for the **development of SMEs** in the region as a primary driving force for regional economic growth, and implemented a lot of cooperation programmes and projects on **environment, climate change, and sustainable development**.

1.3 EAEC 2020 is now at crossroads

According to the EAVGII's report, EAEC 2020 is composed of four key elements: (1) single market and production base; (2) financial stability, food and energy security; (3) equitable and sustainable development; and (4) constructive contribution to the global economy. Obviously, the four elements almost contain all the above APT cooperation activities. However, due to the absence of an EAEC blueprint 2020 and corresponding means of implementation and review, EAEC 2020 failed to consolidate the above fragmented efforts of regional cooperation into its framework in a more synchronized and concerted manner. This has caused waning of momentum for the process of EAEC building and weakening of EAEC awareness.

2018 is a crucial year for EAEC building as 2020 is approaching quite near and if East Asia is to churn out a post-2020 EAEC by 2020, actions must be taken this year. At least, a high-level task force must be designated by the APT leaders meeting this year, to give a review of EAEC 2020 first and then draft a post-2020 EAEC with a blueprint before 2020. Otherwise, EAEC 2020 will only end up with nothing.

2. Aim and Significance

2.1 Aim

The EAEC aims to realize an open community of shared future featuring equitable, inclusive, balanced and sustainable development through enhancing regional economic integration, which facilitates freer movement of goods, services, investment, technology and people within the region.

2.2 Significance

Potential gains of implementing the EAEC are enormous, such as embarking East Asian region on a path of higher level of and more sustainable growth, reducing vulnerability and volatility, and leveraging diversity through integration and narrowing the development gap within and between member states, etc. Especially in an era of re-globalization, East Asia, as a region which benefited a lot from the past globalization and still has an intrinsic demand for globalization, may play a very significant role in leading the process of re-globalization.

2.2.1 To maintain economic momentum of East Asia's rise

Integrating into global production networking has been an integral part of East Asia's economic landscape since the end of Cold War. The development of regional production networks has contributed to the rise of successive waves of "newly industrialized economies", especially the emergence of the latest wave (e.g. Thailand, Malaysia, the Philippines, then China and Vietnam). EAEC building shall, on one hand, create new impetus for sustained high-speed growth in the region by strengthening regional production networks to higher efficiency and quality, and further expanding trade in intermediate products. On the other hand, EAEC building shall facilitate the shaping of a huge consumption market in East Asia, which will help reduce the region's overwhelming dependence on extra-regional trade in final goods, and transform East Asia from the growth pattern of "we produce, they consume" to a more balanced growth model of "we produce, we consume". Thus, economic growth in East Asia will become more resilient against external turbulence and shocks.

2.2.2 To jointly embrace opportunities and challenges posed by the new era

The world is now moving into an era of remarkable changes. The unfolding new industrial revolution and energy revolution stand out most strikingly because they are giving radical shifts to the way that people produce, consume, trade and work. Furthermore, some major economies in East Asia are getting older than ever. For example, according to the US Bureau of the Census, China, South Korea and Japan will have a median age of respectively 47.1, 51.2 and 54.1 by 2040, versus the world average of 35.7. In this highly globalized world, all the above issues are no longer those that individual country can tackle timely and properly but can only be addressed through joint efforts and co-governance. EAEC building provides a proper framework for the APT countries to work together, seize the opportunities and face up to the challenges posed by the new era in a synchronized and concerted manner.

2.2.3 To play a leading role in the new tide of economic globalization

Economic globalization is an irreversible trend and is intensified by both technological and market forces, which calls for more deliberate global governance. In this context, East Asia, being the center and engine of world economic growth and a region adopting "open regionalism with East Asia characteristics", will play a leading role in guiding economic globalization towards a process of shared future with open, inclusive, innovative and sustainable development. The hope of the future is now resting in the hands of people in East Asia. With joint hands, we can shape a world of peace, stability and prosperity; otherwise, the world will suffer from turbulence and disaster.

3.Guiding Principles

3.1 ASEAN Centrality

Regional cooperation and integration is a complex, expensive and slow-moving process that requires not only convergence of interests and values but also momentum and leadership. ASEAN Centrality means that ASEAN is in the center of regional integration, facilitating the process and enriching its substance. In 2017, Manila Declaration on the 20th Anniversary of APT Cooperation reaffirmed APT's continued support for the central role of ASEAN in the evolving regional architecture and stressed the shared view that the APT would continue to support the implementation of the ASEAN Community Vision 2025 to pave the way towards deeper regional integration in East Asia. Therefore, it is more feasible for the process of EAEC building to converge with that of the AEC in terms of aims and pathways.

3.2 The ASEAN Way

The "ASEAN Way" can be summarized into three characteristics. First, it refers to a methodology or approach to solving issues that emphasizes consultation, consensus, and non-interference. Second, to make the process of integration more inclusive and equitable, it allows for some forms of flexibility and comfort (i.e. avoidance of strict reciprocity, hard legalization and rigid implementation time-frame) in pursuing regional cooperation, providing special and differential treatment for the least-developed ASEAN Member States. Third, the "ASEAN Way" ensures that regional integration in East Asia is an open process rather than a closed one. East Asia's successful practice in the past years shows that open regionalism does work in such a way as to enhance the competitiveness of the countries in the region by promoting regional integration and strengthening regional production networks, while constituting a building block for a more open global economy by complying with current rules set by the multilateral trading system under the WTO/GATT and further supporting the WTO's new efforts in facilitating global trade, such as the Trade Facilitation Agreement (TFA).

It is ASEAN Centrality and the "ASEAN Way" that distinguish the process of EAEC building from the conventional way of community building which is usually centered on the most powerful regional economy (or economies).

3.3 Development-oriented and forward-looking

A development-oriented process of EAEC building should pursue synchronized development of economy, (people-centered) society and environment in a harmonious and sustainable manner. A forward-looking approach is to ensure that the post-2020 EAEC is relevant, contemporary and responsive to the challenges of the times.

4.The post-2020 EAEC: a New Vision

Regional economic integration is a dynamic, ongoing process as the economies as well as domestic and external environments are constantly evolving. The process of EAEC is now in need of a new vision in order to properly handle the new opportunities and challenges posed by the new era. To highlight ASEAN centrality and better support the implementation of the ASEAN Community Vision 2025 so as to pave the way towards deeper regional integration in East Asia, the new vision needs to align with the AEC 2025. The overall vision articulated in the EAEC 2020 will remain relevant. Therefore, built upon the EAEC 2020 and the AEC 2025, the post-2020 EAEC shall consist of five interrelated and mutually reinforcing characteristics, namely: (i) single

market and production base; (ii) a region of innovative growth; (iii) priority cooperation areas; (iv) equitable, inclusive and sustainable development; and (v) constructive contribution to the global economy. Among others, single market and production base provide the basis for the community building, hence the most important pillar. Currently, the RCEP is the most feasible framework to shape the single market and production base in East Asia.

II. Elements and Measures of the Post-2020 EAEC Blueprint

Compared with EAEC 2020, innovation is a new independent element added to the post-2020 EAEC which makes it a brand-new vision. Innovation, covering a wide range of domains with science and technology innovation as the core, has always been a driving force for globalization and regional integration. In the coming decade, this force will be even strengthened with further unfolding of the 4th Industrial Revolution (4IR) and exert a far-reaching influence on the humankind and nature as well. In order to seize the historic opportunities presented by technological breakthroughs and address issues caused by technological disruptions, proactive measures need to be taken as a whole for East Asia. For example, through joint efforts, East Asia can embrace the evolving digital technology as leverage to enhance trade and investments, provide an e-commerce platform and facilitate the use of green technology within the region. The following elements and measures are still quite preliminary, which are drawn mainly in light of the AEC 2025 and the part of economic and financial cooperation in the APT Cooperation Work Plan (2018-2022).

1. Single market and production base

The main objective of this characteristic is to facilitate the seamless movement of goods, services, investment, and capital within East Asia in order to enhance regional trade and production networks as well as to establish amore unified market for regional firms and consumers.

The APT shall promote trade and investment through:

(a) Promoting the full utilization of ASEAN Plus One FTA with China, and the Republic of Korea as well as the ASEAN-Japan Comprehensive Economic Partnership;

(b) Promoting attractive environment for investment and mutual investment, for conducting capacity building activities, and for sharing best practices and experiences;

(c) Speeding up the negotiations of FTAs, including RCEP and CJKFTA;

(d) Improving customs procedures and expediting customs clearance and release, using ASEAN Single Window as a basis;

(e) Conducting studies to promote mutually beneficial trade and investment cooperation to all APT countries;

(f) Strengthening the role of the East Asia Business Council (EABC) through private sector recommendations in promoting business interaction in the region and where relevant to continue to support the initiatives by the EABC;

(g) Enhancing the role of the ASEAN-China Centre, ASEAN-Japan Centre and ASEAN-Korea Centre in promoting trade and investment in the context of the APT cooperation;

(h) Encouraging collaboration among the EABC, ASEAN-China Centre, ASEAN-Japan

Centre and ASEAN-Korea Centre to promote trade and investment in the APT context; and

(i) Encouraging cooperation between the ASEAN + 1 Business Councils, the EABC and the Trilateral Cooperation Secretariat to explore areas of mutual interest with a view to promoting deeper regional integration and further enhancing the work and initiatives of APT cooperation.

2. A region of innovative growth

The main objective of this characteristic is to tap mid-to-long term growth potential through a commitment to innovative growth in East Asia. The concept of innovation encompasses actions in support of innovation, the 4th Industrial Revolution and the digital economy. To enable a thriving and dynamic regional economy, the APT countries resolve to strengthen cooperation in science, technology, and innovation (STI) through:

(a) Encouraging the adoption of pro-innovation strategies, policies and measures and supporting investment in science, technology and innovation (STI), and creating an online East Asia Community of Practice for innovation policy;

(b) Building a digital single market, which will remove the key differences between online and offline worlds to unlock online opportunities for both consumers and businesses, enabling them to have better access to online goods and services across East Asia;

(c) Strengthening communication and cooperation on the 4IR and relevant research, facilitating ways for SMEs to benefit from the 4IR, addressing necessary employment and workforce skills challenges, enhancing cooperation on standards, deepening exchanges and cooperation on new industrial infrastructure, and supporting industrialization in developing countries;

(d) Exploring cooperation in human resource development and networking on STI and promoting public-private partnership;

(e) Exploring joint capacity building activities, exchange of information, and sharing of best practices in areas of mutual interest such as STI policies, technology transfer, commercialisation, products and scientific standards, investment and IPR management;

(f) Encouraging communication and cooperation among universities, training providers and businesses with respect to the content of curricula, skill requirements, and promoting skill dissemination, digital skills in particular;

(g) Strengthening communication and cooperation on intellectual property rights (IPRs) protection;

(h) Promoting research and technology development in areas with potential for commercial applications such as biotechnology, food technology, new materials, microelectronics and information technology, marine resources, new and renewable energy, life science, medical devices and technology, and space technology;

(i) Facilitating the application of scientific and technological innovations of the oceans.

3. Priority cooperation areas

The main objectives of this characteristic are to enhance economic connectivity involving various sectors, namely, transport, telecommunication and energy, as well as to further integrate and cooperate in key sectors that complement existing efforts towards creating an integrated and sustainable economic region, with the aim to maximize their contribution to improving the overall competitiveness of East Asia and strengthening soft and hard networks in the region.

3.1 Promoting infrastructure connectivity through:

(a) Exploring a master plan for East Asia connectivity that comprises land, sea, air and cyber links based on greater synergy of China's Belt and Road Initiative, Japan's Expanded Partnership for Quality Infrastructure, South Korea's New Southern Policy, and ASEAN's Connectivity Master Plan;

(b) Establishing an integrated, efficient and globally competitive logistics and multimodal transportation system, for seamless movement of passengers and cargos within and beyond East Asia, and furthering regional transport facilitation cooperation, especially on sharing of all-round logistic information to enable efficient logistic networking in East Asia; and

(c) Seeking financial support for regional connectivity from various sources, including, among others, the World Bank, the ADB, the AIIB and the Silk Road Fund.

3.2 Enhancing tourism and cultural people-to-people connectivity through:

(a) Implementing the Memorandum of Cooperation between the Governments of the Member States of ASEAN and the Government of the Plus Three Countries on Strengthening Tourism Cooperation;

(b) Developing quality, responsible, sustainable, accessible, inclusive and balanced tourism;

(c) Establishing information sharing mechanisms on tourism statistics and strategic planning, investment opportunities, economic data and tourism-related risk management, as well as the involvement of private sector in tourism in the region;

(d) Strengthening tourism education, capacity building and personnel training to support quality, sustainable, inclusive and balanced tourism;

(e) Promoting the exchanges among media agencies and journalists among ASEAN Plus Three countries;

(f) Upgrading tourism-related infrastructure and services in order to attract new and additional resources for tourism investment; and

(h) Developing joint tour programmes and intra-regional travel through visa facilitation.

3.3 Maintaining financial market stability in the region through:

(a) Strengthening the CMIM as an essential part of the regional financial safety net;

(b) Supporting the ASEAN+3 Macroeconomic Research Office (AMRO) to strengthen its conduct of regional economic surveillance and its operational capacity to support the implementation of CMIM as a reliable and effective regional financing facility;

(c) Supporting the Asian Bond Markets Initiative (ABMI) in its contribution to the development of the local currency bond markets across the region; and

(d) Promoting the issuance of government and corporate bonds denominated in local currency and strengthening the functions of the Credit Guarantee and Investment Facility (CGIF).

3.4 Enhancing cooperation in food, agriculture and forestry through:

(a) Conducting dialogue, exchanges of information, capacity building, and sharing of best practices in key areas;

(b) Supporting the effective implementation of the ASEAN Integrated Food Security (AIFS) Framework and the Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS), 2015-2020 and collaboration with relevant ASEAN bodies in implementing the ASEAN Food Safety Policy (AFSP);

(c) Ensuring food security within the region through further implementation of the Tier 3 program and encouragement of the utilization of Tier 1 and Tier 2 programs of the Agreement on

APT Emergency Rice Reserve (APTERR);

- (d) Convening the regular APT Food Security Cooperation Strategic Roundtable Conference;
- (e) Strengthening the monitoring and forecasting related to the supply and demand of rice within the region;
- (f) Exchanging information on major food commodities by strengthening the ASEAN Food Security Information System (AFSIS);
- (g) Providing opportunities for ASEAN farmers, including young farmers, and those engaged in agribusiness to learn and develop more efficient farming practices and management skills;
- (h) Conducting activities under the APT Bioenergy and Food Security Framework 2015–2025 to assist ASEAN member states to ensure sustainable, food-secure and climate-friendly bioenergy;
- (i) Facilitating the cooperation on fisheries and forest products development, as well as promoting the regional Code of Conduct for Responsible Fisheries and combating illegal, unreported and unregulated (IUU) fishing;
- (j) Engaging private sector in policy discussions, programmes and project formulation, research and development (R&D);
- (k) Providing incentives and fostering an enabling environment for public-private partnerships (PPPs) towards enhancing productivity and quality;
- (l) Developing new and appropriate technologies, best practices, and resource management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing aquaculture, livestock and horticulture sub-sectors;
- (m) Implementing the policies to ensure a level playing field for producers and MSMEs and prevent unfair exploitation by large firms with market power in integrated supply chains, particularly in the food, agriculture and forestry sector;
- (n) Supporting ASEAN to establish regional agreements on timber trade and promote cooperation with ASEAN's external partners in the global timber trade; and
- (o) Strengthening forest law enforcement and governance.

3.5 Enhancing energy security and cooperation through:

- (a) Exchanging information and research outcomes on alternative, new and renewable energy;
- (b) Creating a more favorable market environment for efficient energy markets, regional energy production and trade, investments in energy infrastructure and facilities;
- (c) Promoting a competitive, transparent and flexible market of natural gas and supporting the implementation of ASEAN Plan of Action for Energy Cooperation (APAEC) 2016-2022;
- (d) Promoting greater cooperation and market transparency;
- (e) Exploring ways to support the national rural electrification programmes of ASEAN member states;
- (f) Capacity building on the improvement of energy safety management systems;
- (g) Supporting the implementation of activities and programs in coordination with the ASEAN Plan of Action of Energy Cooperation 2016-2025 (APAEC) and the work of the ASEAN Centre for Energy; and
- (h) Conducting collaborative activities to exchange best practices, share experiences and build capacity on the use of clean and environmentally friendly energy technologies.

3.6 Enhancing cooperation in minerals through:

(a) Facilitating trade and investment in the mineral sector for mutual benefits, as well as closer cooperation in capacity building in the mineral sector;

(b) Encouraging private sector participation and public-private sector collaboration in conducting programmes and activities related to the sustainable development of mineral resources in the region;

(c) Promoting the technical information exchange, share experiences and best practices on, among others, the development of the ASEAN Mineral Database, scientific and technological research and development of geosciences, the sustainable development of mineral resources.

4. Equitable, inclusive and sustainable development

The EAEC building aims to create a region of equitable, inclusive and sustainable development, with more attention given to the least developed countries and vulnerable groups. This should be attained through:

(a) Further sharing of knowledge, financial resources and technological skills to promote development of industrial capacity and human capital in the least developed countries in the region;

(b) Carrying out joint projects in such areas as industrial capacity cooperation, poverty reduction, disaster management and energy saving in the region;

(c) Implementing the United Nations 2030 Agenda for Sustainable Development and East Asia's Cooperation Initiative on Poverty Reduction;

(d) Highlighting and supporting the role of youth and women in innovation and entrepreneurship for job creation, and expanding their access to quality skills training and education;

(e) Forging green supply chain in the region and studying policies to encourage green government purchase, green technology and green products;

(f) Conducting joint consultations between the APT SME agencies to strengthen the exchange of information and best practices among the relevant authorities and institutions of SMEs, to encourage market expansion, to discuss investment opportunities, and to identify new areas of cooperation;

(g) Supporting the implementation of the ASEAN Strategic Action Plan for SME Development (2016-2025), including sharing of best practices, experiences, on the development of MSMEs as well as convening of capacity building programmes, seminars, workshops, and symposiums;

(h) Exploring the proposal for an APT SMEs service alliance in consultation with relevant sectors; and

(i) Empowering the SMEs through better access to financing and markets as well as other relevant means of support.

5. Constructive contribution to the global economy

The APT countries aim to rally their efforts to make East Asia a robust engine in driving world economic growth, a firm supporter, contributor and pioneer in keeping open world economy and multilateral trading system, the best practitioner in supporting co-development of less-developed economies and the United Nations' 2030 Agenda for Sustainable Development,

and the best model in handling climate change and harmonious development relationship between people and nature. Thus, the APT is continuing to make steady progress towards integrating the region into the global economy through:

(a) Proactively contributing to the development of the multilateral trading system centering on the WTO, maintaining its authority and efficacy, and fully implementing the WTO's Trade Facilitation Agreement (TFA);

(b) Continuing to promote engagement with global and regional institutions;

(c) Closely coordinating and providing more support and assistance to the less-developed countries in the region and the world at large; and

(d) Implementing the multilateral environmental agreements, climate change in particular, chemical and chemical waste-related conventions and partnerships.

III. Mechanisms of Implementation and Review

Drawing upon the experiences of the AEC 2015 and AEC 2025, the post-2020 EAEC Blueprint also needs corresponding arrangements involving mechanisms of implementation and review.

1. Implementation Mechanism

To ensure effective implementation of the post-2020 EAEC Blueprint, a strategic action plan will be developed comprising of key action lines that will operationalize the strategic measures in the Blueprint. The strategic action plan will take into account the relevant sectorial work plans, and will be reviewed periodically to account for developments in each sector. Now that the APT Cooperation Work Plan (2018-2022) has been recently adopted by the 2017 APT Leaders Meeting and most of its economic contents, by and large, comply with the Blueprint's key elements, it is feasible to consider a two-phase action plan in order to avoid starting from scratch: a short-term implementation plan and a medium- and long-term implementation plan. At the same time, it is also necessary to raise people's awareness of EAEC in the region.

1.1 Short-term Implementation Plan

A short-term action plan can be worked out of the APT Cooperation Work Plan (2018-2022) by retaining its main contents to keep continuity and adding some necessary amendments, and aligning with the process of AEC 2025. For the sake of implementation and monitoring/tracking of implementation, the following institutions and resources need to be put in place:

(a) In this phase, the Committee of Permanent Representatives to ASEAN and the Ambassadors to ASEAN of the People's Republic of China, Japan, and the Republic of Korea (CPR+3) shall be the principal body accountable for the overall implementation of the strategic measures in the post-2020 EAEC Blueprint, monitoring and enforcing compliance of all measures agreed in the Blueprint and reporting the progress of implementation to the annual APT Leaders Meeting through APT Foreign Ministers' Meeting and Senior Officials' Meeting;

(b) Relevant APT's sectorial bodies will coordinate the implementation of their work plans, while relevant government agencies will be responsible for following up on, and overseeing, the implementation and preparation of more detailed action plans at the national level;

(c) Promote the expansion of "10+3 office" in the ASEAN Secretariat in terms of both staff and capacity and upgrade it to be an "EAEC Unit", enabling it to provide for effective implementation of ASEAN projects and activities, especially to conduct the monitoring/tracking

of the implementation and compliance of strategic measures/action lines agreed upon; and

(d) Maintain the sustainability of efforts, initiatives, or projects, and established mechanisms by mobilizing resources in the form of funds, expertise, or knowledge assets.

1.2 Medium-and long-term Implementation Plan

On the basis of a review of the short-term EAEC Work Plan, the second-phase action plan shall be worked out to fulfill the remaining tasks of the post-2020 EAEC and align with the process of AEC post-2025. In this phase, more institutional arrangements can be made based upon the prior experience:

(a) Based on the preliminary work conducted by the CPR+3, now an East Asia Economic Community Council (EA ECC) can be established as the principal body accountable for the overall implementation of the strategic measures in the EAEC Blueprint. The EA ECC shall monitor and enforce compliance of all measures agreed in the Blueprint. The EA ECC shall also establish special task forces/committees to assist the Council in facilitating resolution of non-compliance related to implementation of measures agreed upon; and

(b) The “EAEC Unit” will continue to monitor as well as evaluate, for the EA ECC, the progress and impact of EAEC Blueprint measures, tapping on internal resources as well as external expertise or stakeholders, as appropriate.

1.3 Promoting Regional Awareness of EAEC

In order to raise regional awareness of EAEC, it is necessary to:

(a) Bring about greater awareness of the importance of building an EAEC, including the economic community that contributes to the overall economic development, sustainable and equitable growth, and well-being of the people in the region;

(b) Explain to stakeholders within and outside the region on the approach taken to promote regional economic integration and address any misconception on the economic integration model undertaken by the APT; and

(c) Obtain feedback from the various stakeholders, through the communication networks, on the outcomes and possible impact of economic integration on the people in the region.

The measures include but are not limited to:

(a) Encourage both regional and non-regional investors to be spokesperson/advocate to highlight East Asia’s integration initiatives and how businesses can benefit from these initiatives;

(b) Promote awareness through regular publication of updates on economic activities and opportunities using online communication, print and other media mechanisms, including social media; and

(c) Undertake dedicated programmes, including highlighting success stories of MSMEs aimed at promoting awareness among youth, women and MSMEs to facilitate their participation and benefit from the economic integration in the region.

2. Review

The EAEC Blueprint shall be reviewed periodically as decided by the CPR+3 or the East Asia Economic Community Council (EA ECC). Mid-term and end-of-term evaluations covering the two periods will be conducted to monitor progress and evaluate outcomes/impacts, including achievements and challenges from the implementation of the EAEC Blueprint, with a view towards enhancing the level of economic integration in East Asia. The mid-term and end-of-term evaluations may be complemented with more regular monitoring and reporting of implementation

progress.

IV. Policy Recommendations

In line with the spirit of an East Asian community developed through the East Asian Vision Group Report I and II composed of political-security, economic and socio-cultural pillars, we emphasize the need to strengthen existing plans of regional cooperation. It is highly recommended to pinpoint a new vision for the post-2020 EAEC era and map an EAEC blueprint for it, aiming to realize an open community of shared future featuring inclusive, innovative and sustainable development through enhancing regional economic integration which facilitates freer movement of goods, services, investment, technology and people within the region. Here are some policy recommendations for mapping an EAEC blueprint.

1. Initiating a task force on EAEC in 2018

With only two years towards 2020, 2018 is a key year to decide the future of EAEC for if no actions were taken this year. Therefore, if the EAEC is to continue its set voyage towards the final goal of regional integration, a **High-Level Task Force (HLTF)**, comprising of representatives from both governments and think-tanks of the APT countries, must be designated by this year's APT Summit to work on drafting the EAEC Blueprint and start its operation immediately after the authorization. Only by doing so can we expect that a new vision and its blueprint for the EAEC post-2020 will come into being in a timely manner and with thorough discussion among the member states and sufficient feedback from various stakeholders before it is submitted to the 23rd APT Summit for adoption.

2. Reinforcing ASEAN's centrality role in EAEC building

ASEAN centrality has played a key role in shaping East Asia's regional cooperation framework, with ASEAN at the center and a variety of mechanisms mutually reinforcing common development. The rapidly changing geostrategic landscape continues to present both opportunities and challenges which require ASEAN to respond proactively. In order to remain relevant as well as to maintain ASEAN centrality and role as the primary driving force in the evolving regional architecture, ASEAN's role in promoting EAEC building should be reinforced through joint efforts of both ASEAN and the Plus Three countries. As a central and foremost facilitator and driver of regional economic integration in East Asia, ASEAN should actively integrate the process of AEC building with the process of EAEC building and align measures in the AEC 2025 with the EAEC as much as possible, making the two parallel and correlated processes benefit from each other in a symbiotic way. As the regional major economies, the Plus Three countries should stand and work together to provide stronger support for the realization of the AEC and ASEAN capacity building, especially human resources development in the least-developed AMSs.

3. Strengthening institutional capacity building

To meet the need of implementing the prospective EAEC Blueprint, East Asia should strengthen institutional capacity building through improved EAEC work processes and coordination, increased effectiveness and efficiency in the work of EAEC organs and bodies, including establishing an EAEC and an EAEC Unit in the ASEAN Secretariat. Especially, ministerial cooperation mechanism in STI should be strengthened on the basis of the current

ministerial mechanisms in finance and central banks, food, agriculture, forestry and fishery, tourism, energy and minerals, etc. Furthermore, The ASEAN Secretariat and the Trilateral Cooperation Secretariat (TCS) play an important role in respectively promoting the building of an ASEAN Community and China-Japan-South Korea cooperation, both of which are the foundations for EAEC building. Therefore, East Asia should, on one hand, strengthen independent functioning of the two secretariats and on the other hand, deepen coordination and cooperation of the two secretariats in terms of information and data sharing in order to make the EAEC Unit in the ASEAN Secretariat function as smoothly as possible.

4. Enlisting more input for EAEC building

In order to set up necessary organs and bodies, substantiate necessary posts and recruit necessary staff, more input including people, physical facilities and fund should be put in place for the purpose of EAEC building. Therefore, it is suggested that APT Cooperation Fund be expanded as the very first step to provide sufficient financial support for the building of EAEC. Besides, East Asia should also develop and maintain effective partnerships with external parties and international organizations such as the World Bank, the ADB and AIIB to support the process of EAEC building in the form of funds, expertise, or knowledge assets.

5. Setting up an EAEC database

One of the most outstanding experiences in the AEC building is the successful building of ASEAN database, which provides a reliable regional database for key sectors to support ASEAN policies and programmes and for ASEAN as a whole to monitor progress and evaluate outcomes/impacts, including achievements and challenges from the implementation of the AEC Blueprint 2015 and 2025. Based on this experience, it is sensible for East Asia to set up an EAEC database and form this database by integrating the ASEAN database with the Plus Three database. This can also fall within an area for the ASEAN Secretariat and the TCS to cooperate.