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Connectivity plans for region require careful coordination

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A general view of the annual meeting of the Asian Infrastructure Investment Bank in Luxembourg in July. The theme of the 2019 meeting was cooperation and connectivity in recognition of the economic and social benefits to be gained by Europe and Asia. Photo - EPA

As an evolving platform for regional architecture and economic growth, the Indo-Pacific got a constructive nod from the leaders of 18 countries at the 14th East Asia Summit in Bangkok last month. The summit statement reaffirmed support for a peaceful, stable, resilient, dynamic, and inclusive ASEAN Community and emphasised ASEAN centrality in the evolving regional architecture. ASEAN has achieved consensus on the ASEAN Outlook on Indo-Pacific (AOIP), based on the principles of transparency, inclusivity, good governance and complementation of existing cooperation frameworks.

ASEAN has clearly brought out its intention to use the AOIP as a guide for its effort to contribute to peace, stability, freedom and prosperity in the Asia-Pacific and Indian Ocean regions. Its next task is to bring important partners and infrastructure plans under an institutional framework that can help develop and implement the shared principles of governance, standards and sustainable financing of connectivity for economic growth. Connectivity plans in the Indo-Pacific are competing for space, resources, influence and results.

Seeking convergence among competing connectivity plans may be a desirable policy objective, but it is based on the notion that all connectivity plans have similar objectives. Most connectivity plans are different in terms of their origin, partnerships, resources and the political and economic priorities of the promoters.

For example, the ASEAN approach to connectivity relies on community building and a well-established network. It strives for a more competitive and resilient ASEAN community. The Master Plan for ASEAN Connectivity 2025 broadens this vision to achieve a seamlessly and comprehensively integrated ASEAN.

India and Japan, supported by several African and Asian countries, launched the Asia Africa Growth Corridor (AAGC) in 2017 with the aim of facilitating and enhancing economic growth on both continents. Here, the priority is placed on developing institutional and human resource capacity, connecting institutions with people, facilitating trade and improving technology and infrastructure.

Unveiled by the Chinese government in 2013, the Belt and Road Initiative (BRI) has an overarching goal to promote connectivity among the Asian, European and African continents and their adjacent seas. This is to be pursued by establishing and strengthening partnerships among countries and realising diversified, independent, balanced and sustainable development. The BRI is mostly backed by strong financing by China.

Japan bases its economic partnerships in the region on plans for quality infrastructure and sustainable development. Quality infrastructure is one of the four pillars of the AAGC. In the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure, the European Union and Japan would work together on connectivity, bilaterally and multilaterally, taking into account the partners' needs, demands, fiscal capacity and debt sustainability. They would coordinate their cooperation with partner countries in the Western Balkans, Eastern Europe, Central Asia, Indo-Pacific, and Africa.

In the north, the Greater Tumen Initiative (GTI) is a regional cooperation mechanism among China, South Korea, Mongolia, and Russia supported by the United Nations Development Programme (UNDP). The GTI prioritises development and economic cooperation in the Greater Tumen Region through eight transport infrastructure plans and a logistical network among member countries. Similarly, the Central Asian Regional Economic Cooperation offers more connectivity between northern and central Asia.

South Korea's New Southern Policy sees ASEAN and India as its key regional partners and a strategic priority for Seoul.

As a significant partner of Asia, the EU has put in place concrete policy proposals and initiatives toward an "EU Strategy on Connecting Europe and Asia." It will be an important factor for the Indo-Pacific as it seeks to improve and standardise the regulations around sea, air and land connections between Europe and Asia. The EU approach to connecting Europe and Asia is sustainable, comprehensive and rules-based. The initiatives aim to improve connections between Europe and Asia by establishing partnerships based on commonly agreed rules and standards and addressing the sizeable investment gaps through improved mobilisation of financial resources and strengthened international partnerships.

The United States has initiated the Infrastructure Transaction and Assistance Network, which provides capacity-building programmes to improve partner countries' project evaluation processes and project implementation, and advisory services to support sustainable infrastructure and coordinate US assistance support for infrastructure in the region. The US has deployed the Transaction Advisory Fund and Global Infrastructure Coordinating Committee in the region for technical assistance and development finance. The Asia Reassurance Initiative Act of 2018, which will provide US\$1.5 billion by 2023, is an important part of US policy in the Indo-Pacific.

If the Indo-Pacific architecture is to ensure a secure, stable and prosperous region for its people, then putting the strength of different connectivity plans behind shared principles of financing, development goals and governance mechanisms is imperative. This will create commonality of purpose and synergy among the different plans. Common governance rules and standards will address issues of sustainable financing and quality infrastructure, transparency in project preparation, and accountability in project execution.

Besides these pivotal issues, the transformational changes in global governance, international relations, the aspirations of a young demography, technological connectivity, and the future of work are also driving this approach to connectivity.

If connectivity is to be the strategy for growth in the Indo-Pacific, it is essential that governance mechanisms should reach and monitor its various aspects and actors. The practical aspects of trans-regional connectivity also call for a unified or common regime for the carriage of goods and people across continents.

Agreeing to global/regional cooperation mechanisms for regulatory standards and sustainable financing will be a challenge. The objective here is to enhance economic and social well-being among people and create trust among partners.

ASEAN must quickly initiate the process of creating an institutional mechanism that would support the convergence of connectivity plans in Indo-Pacific around common standards, principles and sustainable financing. Most if not all of the promoters of connectivity plans agree to the need for accountability, transparency and sustainability in connectivity plans. An institutional mechanism monitoring the principles and financing patterns will also ensure that connectivity plans are not used as leverage for regional leadership.

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