

ASEAN Focus

A BIMONTHLY PUBLICATION PROVIDING CONCISE ANALYSES AND PERSPECTIVES ON ASEAN MATTERS

RCEP: Pivotal to
ASEAN's Indo-
Pacific Future

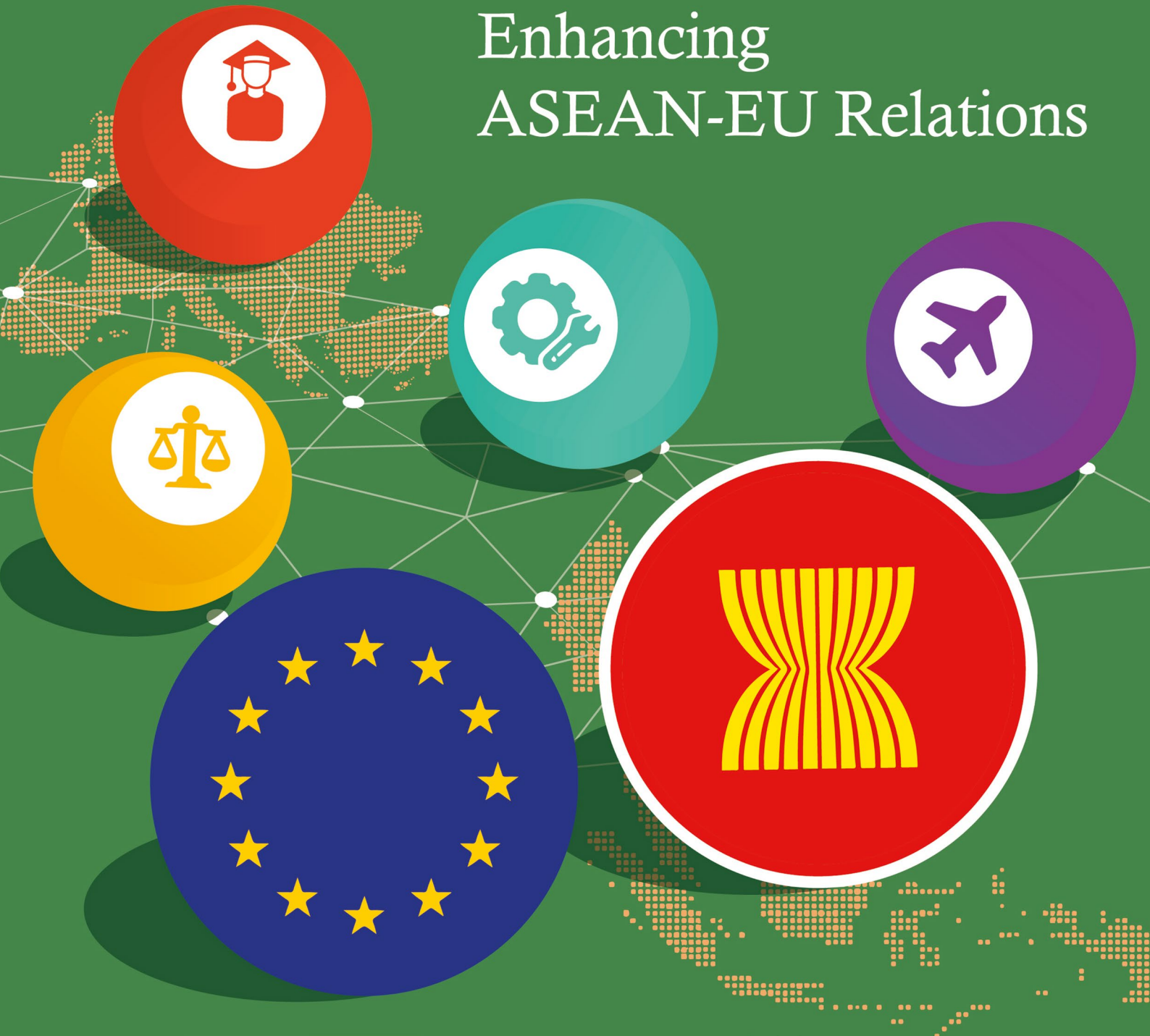
Assessing the
Upgraded ASEAN-
China FTA

ASEAN-EU
Relations: It Takes
Two to Tango

Towards
ASEAN-EU
Strategic Partnership

Street Art in
Southeast Asia

Enhancing ASEAN-EU Relations



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ISEAS-Yusof Ishak Institute (formerly Institute of Southeast Asian Studies) is an autonomous organisation established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are grouped under Regional Economic Studies (RES), Regional Social and Cultural Studies (RSCS) and Regional Strategic and Political Studies (RSPS). The Institute is also home to the ASEAN Studies Centre (ASC), the Nalanda-Sriwijaya Centre (NSC) and the Singapore APEC Study Centre.

Editorial Notes

Uncertainties continue to swirl around the world as we cross the half-year mark of 2019. The much anticipated US-China trade deal did not come to pass in May, opening the floodgates for a new round of tit-for-tat tariffs, company bans and blacklists, and an upsurge of nationalist sentiments from both sides of the Pacific. The battle for technological supremacy has come to the centre stage of US-China strategic competition, starting with the Trump Administration's Huawei sanctions that have shaken the global tech industry to its core. Meanwhile, a real war with arms was almost at the doorstep of the Middle East after Iran's downing of a US drone on 20 June. Caution and reason thankfully prevailed at the last minute as President Trump's reversal from a planned retaliatory strike pulled both sides back from the brink of war.

While dealing with the fall-outs of these external headwinds, ASEAN member states continue to fly their flags high in various international fora. Indonesia presided over the United Nations Security Council (UNSC) in May, with Vietnam set to join the body as a non-permanent member next January. Indonesia, as a member of the G20, and Singapore, Thailand, and Vietnam, as guest countries, will attend the G20 Summit on 28-29 June in Osaka, Japan. This month, the region also bore witness to a host of high-level events, including the 18th Shangri-La Dialogue on 30 May-2 June in Singapore and the 34th ASEAN Summit on 20-23 June in Bangkok. High on the agenda of the Summit were initiatives to cultivate an ASEAN Community that would be sustainable in economic, security, and environmental dimensions. Another highlight at the Summit was the adoption of the ASEAN Outlook on the Indo-Pacific (AOIP) which provides a common ASEAN script and reasserts ASEAN centrality amidst many competing narratives on the emerging Indo-Pacific architecture. In this issue, Dr. Tang Siew Mun argues that it is the Regional Comprehensive Economic Partnership (RCEP) that would provide the ballast to ASEAN's Indo-Pacific future.

At the 34th Summit, the ASEAN leaders reiterated their commitment to conclude by the end of this year the Regional Comprehensive Economic Partnership (RCEP). Upon completion, the RCEP would serve as ASEAN's safeguards against rising protectionism and the looming breakdown of the global trading system. Another encouraging development in this regard is the full implementation of the upgraded ASEAN-China Free Trade Agreement (ACFTA) which will begin in August 2019. In this issue, Dr. Jayant Menon and Ms. Anna Cassandra Melendez outline the key amendments in the Upgrading Protocol, and evaluate the extent of their impacts on ASEAN-China trade and investment flows.

Further afield, the past two months have witnessed momentous events in Europe. The election of 751 members of the European Parliament in May 2019 revealed the political pulse of Europe that would define the future directions of the European Union (EU). As the clock is ticking closer to Brexit – with or without a deal – EU leaders continue to reaffirm their determination to pursue the EU Global Strategy, including through enhanced engagement and strategic partnership with ASEAN. This issue shines *Spotlight* on ASEAN-EU relations, highlighting the value and constraints of this partnership. Dr. Fraser Cameron sees grounds for optimism in the future of ASEAN-EU relations even as he acknowledges serious mismatches between the two organisations. Mr. Patrick Rueppel calls for a deepening of the EU's security role in Asia through practical security cooperation with ASEAN. Ms. Hoang Thi Ha suggests that greater empathy and a focus on mutual interests could help ASEAN and the EU move towards a substantive strategic partnership.

To supplement these articles, *ASEANFocus* convened a roundtable on how ASEAN and the EU could overcome existing constraints to deepen bi-regional cooperation in a new strategic environment. The roundtable features diverse perspectives of prominent experts and diplomats coming from both regions, namely Mr. Ernesto H. Braam, Mr. Francisco Fontan Pardo, Mr. Evan A. Laksmana, Dr. Maaïke Okano-Heijmans, Dr. Nguyen Hung Son, Dr. Eva Pejsova, Dato' Steven Wong, and Dr. Yeo Lay Hwee. *ASEAN in Figures* enriches this discussion by providing statistics that illustrate the breadth and depth of ASEAN-EU economic engagement. This is followed by an informative explainer shedding light on the EU's generous and long-standing support for ASEAN community building and economic integration, and how it has touched the lives of many people in the region.

Descending from the heights of international relations, this issue's *Sights and Sounds* takes readers into the nooks and crannies of Southeast Asia's natural and built environments. Ms. Hayley Winchcombe's expedition to the tranquil and jungle-clad archaeological site of Sambor Prei Kuk unearths the ancient history of Cambodia, while Ms. Anuthida Saelaow Qian follows the colourful trail of street art in Southeast Asia, charting the art form's evolution and success.

Last but not least, we welcome into our fold Mr. Glenn Ong who joins us as Research Officer at the ASEAN Studies Centre. 🇲🇻

RCEP Is Pivotal to ASEAN's Indo-Pacific Future

Tang Siew Mun gives a critique of the ASEAN Outlook on the Indo-Pacific and suggests how it can be substantiated through RCEP.

By tradition, the first ASEAN Summit of the year focuses primarily on its “domestic” agenda, while the year-end meeting carries a heavier “external” content. However, the 34th ASEAN Summit held in Bangkok on 23 June has blurred this distinction, as the unveiling of the ASEAN Outlook on the Indo-Pacific (AOIP) and the views of some ASEAN leaders on the Regional Comprehensive Economic Partnership (RCEP) vied for equal footing with its important work in furthering ASEAN community-building. In fact, ASEAN’s outlook on the Indo-Pacific and its management of the RCEP negotiations were instructive in providing glimpses on how ASEAN views the evolving regional order.

Unsurprisingly, the AOIP took top billing at the Summit. In the week since its release, it has been criticised as “unsatisfactory”, to put it mildly. Criticisms abound that it sounds like a broken record and sings the old tunes of ASEAN centrality, respect for and adherence to international law, inclusivity and openness. In ASEAN’s defence, the AOIP was not intended to be prescriptive or to introduce new mechanisms to manage the new regional order.

The AOIP has two objectives. First, as suggested from the term “Outlook” itself, it is exactly a statement of how ASEAN sees the Indo-Pacific. It makes no pretence of either supporting or rejecting the concept and existing parallel proposals. Second, it seeks to inject ASEAN’s voice into the prevailing discussions on the Indo-Pacific. In asserting ASEAN’s voice, it is also staking a strong claim of ASEAN’s role as the bedrock of regional cooperation, and providing a timely reminder to all relevant stakeholders of the futility in reinventing the wheel when ASEAN-led processes are already in place to facilitate regional cooperation.

To be sure, it is not ASEAN’s responsibility to build the new entity that is the Indo-Pacific, especially since it is still a contentious and relatively opaque concept. From a geographical perspective, “Indo-Pacific” consists of at least five components – the Indian Ocean, the Pacific Ocean, Oceania, Northeast Asia and Southeast Asia. Where do Oceania, Northeast Asia and Southeast Asia fit into the Indo-Pacific framework? To complicate matters, does the Indo-Pacific tent include eastern African states which share a coastline with the Indian Ocean? The same

ASEAN leaders in ASEAN handshake at the 34th ASEAN Summit in June 2019



question can be applied to the South Asian and Middle Eastern states. Who is included in the new formulation? Who will be entrusted to decide on its membership?

ASEAN took the correct approach to skirt these contentious issues and wisely limited its remit to offering its view on the Indo-Pacific from a Southeast Asian angle. Staying close to a tried and tested script, it sees existing ASEAN-led processes and mechanisms as offering the best hope for promoting regional cooperation. The “defensive” underpinning of the AOIP through the assertion of ASEAN centrality was intended to avoid entanglement in the US-China strategic rivalry, and to keep the regional cooperation agenda centred on the interests of ASEAN and its member states.

Notwithstanding its imperfections, ASEAN has a proven track record in fostering regional cooperation and will continue to feature prominently in the region’s future. The challenge for ASEAN is to refrain from complacency. Past glories do not guarantee future successes. Fundamentally, the various Indo-Pacific proposals are signs of dissatisfaction with existing mechanisms and ASEAN has to heed these grumbings of discontent to avoid spiralling into irrelevance. ASEAN recognises this threat and has pledged that the AOIP “involves the further strengthening and optimisation of ASEAN-led mechanisms.”

The debate on the Indo-Pacific will be long-drawn, and ASEAN would be wise not to be mired in its polemics. Instead, ASEAN should sharpen its focus on the immediate and more pressing concern of the RCEP which is inherently Indo-Pacific in its membership composition. Negotiations for the 16-member economic pact, which commenced in 2012, had not progressed as hoped. Reflecting on the frustrations of many parties, Malaysia’s Prime Minister Mahathir Mohamad commented that he is “willing to conclude a mega Asia-Pacific trade agreement without India” and shared his preference for a “13-nation” deal, a reference to his long-cherished ideal of an East Asia Community based on the ASEAN Plus Three (APT) membership.

Prime Minister Mahathir’s views are not representative of ASEAN, but they should not be dismissed either. His comments are intimately linked to the longstanding question about ASEAN’s vision for the future of the region – should it look towards a broader Indo-Pacific horizon or should it be content with the narrower but more manageable scope of “East Asia”? A 2018 ISEAS-Yusof Ishak Institute survey noted that 49.2% of the respondents think the “13-nation” configuration in the form of the East Asia Economic Caucus (EAEC) was “irrelevant as the EAEC has been superseded by the EAS and the future RCEP.” But if RCEP does not materialise, would support for an APT economic platform increase?

The revival of the EAEC idea or any variant would signal a change in ASEAN’s regionalism, moving from a measured and incremental outward expansion to a narrower geographical scope bearing an “exclusive” Southeast and Northeast Asian imprint. It bears

reminding that the significance of RCEP transcends trade and economics. RCEP is the economic arm of the EAS and has the potential to become the most tangible form of Indo-Pacific regional integration. Leaving out India goes against the grain, as ASEAN had consciously included the world’s seventh largest economy as part of the “East Asian” configuration when the East Asia Summit was established in 2005 to provide ballast for the enlarged regional framework.

On the other hand, India has to weigh the political and strategic consequences that its withdrawal from RCEP will have on its credibility as a major power in the region and the sustainability of Prime Minister Narendra Modi’s “Act East” policy. India does not have any other viable mechanisms to anchor its strategic weight in the region if it misses the RCEP train. Furthermore, what future does Indo-Pacific hold for India if it turns its back on RCEP?

At the same time, the proposal to revisit the APT 13-nation deal as the replacement to RCEP is just as worrisome. In the first instance, leaving out Australia, India, and New Zealand effectively rolls back ASEAN’s open and inclusive approach to regionalism. Second, ASEAN may not be prudent to put most of its economic eggs in the same basket dominated by countries with whom ASEAN runs trade deficits (China, Japan, and Korea), and concomitantly downgrading economic ties with countries it has healthy trade surpluses (Australia, India, and New Zealand). Fundamentally, ASEAN has to decide if its interests are better served within a larger and more inclusive configuration such as RCEP or through an arrangement with a narrower membership.

As ASEAN and its Dialogue Partners grapple with the Indo-Pacific concept, they should not lose sight of the bigger picture. Speculations of the revival of the EAEC or a “RCEP minus X” formula have significant geostrategic consequences in defining who ASEAN’s partners are. The stakes for Australia, India, and New Zealand are just as high, if not higher. The collapse of the RCEP negotiations followed by the revival of any APT economic pact will put considerable distance between these important stakeholders and ASEAN, a proposition that will surely not be palatable to New Delhi, Canberra, and Wellington. The single-mindedness of striving for a gold standard trade pact may derail the regional trade agenda which would have the effect of redrawing the region’s geostrategic boundaries. To paraphrase Voltaire, we should not let the perfect be the enemy of the good.

The RCEP provides a tangible and meaningful medium for ASEAN to exercise its oft-proclaimed right to centrality, and for the relevant Dialogue Partners to stake their roles and interests in an open and inclusive regional order. This is a unique opportunity for both ASEAN and its partners to define the parameters and substance of regional cooperation in an enlarged framework, and give meaningful effect to the Indo-Pacific concept. 🇲🇻

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The Upgraded ASEAN-China Free Trade Agreement: What's New, and Will It Matter?

Jayant Menon and Anna Cassandra Melendez examine the potential benefits from the Upgraded ASEAN-China FTA.

It has been almost two decades since China first broached the idea of creating a free trade area with ASEAN. This proposal came on the back of growing economic ties between ASEAN and China since the establishment of the ASEAN-China dialogue relations in 1996. The Framework Agreement on the ASEAN-China Comprehensive Economic Cooperation was signed at the ASEAN-China Summit in 2002. This agreement provided for the creation of an ASEAN-China Free Trade Area (ACFTA) covering trade in goods by 2010 for the original ASEAN-6, and 2015 for the newer members (CLMV).

The Agreement on Trade in Goods was signed in 2004, with revisions adopted in 2006 and 2010, providing for progressive tariff elimination and removal of quantitative restrictions and non-tariff barriers. Tariff elimination was to be achieved through three tracks: the Early Harvest Program (EHP), the normal track, and the sensitive track. The Agreement on Trade in Services was signed in 2007, while the Investment Agreement followed in 2009. The Agreement on Trade in Services provided for improved market access and substantial elimination of discriminatory measures in sectors/subsectors where commitments were made. China's market access commitments covered 26 branches of five service areas (commerce, construction, environmental protection, sports and transportation), while ASEAN's commitments covered construction, education, finance, medical treatment, telecommunication, and tourism. The Investment Agreement laid out provisions for investor protection and investment facilitation and cooperation.

At the 17th ASEAN-China Summit in October 2014, leaders committed to a joint target of two-way trade of US\$1 trillion, and US\$150 billion in investments by 2020. The following year, ASEAN and China signed an upgraded protocol to improve the original Framework Agreement for ACFTA, as well as the Agreements on Trade in Goods, Services and Investment. The Upgrading Protocol entered into force in July 2016 and has been ratified by all. However, full implementation will only start from August 2019 after the completion of domestic regulatory procedures in the Parties.

Key amendments introduced by the ACFTA Upgrade Protocol

Area/Agreement	Amendment
Agreement on Trade in Goods	<ul style="list-style-type: none"> Upgrades and simplifies the Rules of Origin (RoO) provisions by revising the Product Specific Rules and introducing a new <i>De Minimis</i> rule. The review of Product Specific Rules (PSRs) was completed in 2018, and the PSRs are slated for implementation by 1 January 2019. Clarifies the Operational Certification Procedures (OCP) for applying and obtaining an ACFTA Preferential Tariff Certificate of Origin (CO) "Form E". Form E verifies the eligibility of an export product for preferential treatment. Introduces a new section on Customs Procedures and Trade Facilitation.
Agreement on Trade in Services	<ul style="list-style-type: none"> Improves services commitments from China covering the following sectors (i) engineering services; (ii) integrated engineering services; (iii) construction services; (iv) sporting & other recreational services; (v) securities services; and (vi) travel agency and tour operator services.
Investments	<ul style="list-style-type: none"> Strengthens provisions for investment promotion and facilitation.
Economic Cooperation and Technical Cooperation	<ul style="list-style-type: none"> Introduces policies aimed at building e-commerce capabilities, with focus on assisting Micro, Small and Medium Enterprises (MSMEs).

Sources: *Protocol to Amend the Framework Agreement on Comprehensive Economic Cooperation and Certain Agreements between ASEAN and the People's Republic of China*; Ministry of Trade and Industry, Singapore. 2016. *Guide to the upgraded ASEAN-China Free Trade Area (ACFTA)*.

There is no denying that trade and investment flows between ASEAN and China have increased in the two decades since the ACFTA was first proposed. China's share of ASEAN total merchandise trade increased from 8% in 2004 to 20% in 2017, making it ASEAN's biggest trading partner with trade amounting to US\$441.6 billion. China's importance as an FDI partner has also grown. Although the US, Japan, and the European Union have historically been the biggest investors in ASEAN, China rose from being the fourth to the third largest source of FDI in 2017, with flows amounting to US\$11.3 billion.

But how much of these improvements can be directly attributed to the ACFTA? The answer to this question is important because it will help determine the impacts that the upgrading of the agreement is likely to have. The findings are mixed. While most studies show that ACFTA has had a positive impact on ASEAN's exports to China and vice-versa, firm-level surveys suggest that non-tariff barriers (NTBs) continue to suppress trade. Importantly, the Upgraded Protocol does not do much to address the difficult but growing problem of NTBs.

Even for tariffs, studies point to low utilisation rates for ACFTA tariff concessions. If low utilisation rates are mainly due to difficulties in complying with Rules of Origin (RoOs), for instance, then the impact of the upgrading of the agreement could see a significant increase in trade flows, as they aim to simplify such rules. But if it is mainly because margins of preference (or the difference between Most-Favoured-Nation (MFN) and ACFTA preferential tariffs) are low, then the likely impacts are more complex. Margins of preference are likely to be low, or even zero, for trade in parts and components and other intermediate goods, because of various tariff exemption schemes. For instance, for trade in electronic parts and components that dominate supply chains in Southeast and East Asia, the WTO's Information Technology Agreement provides duty exemption, even for countries that are not signatories.

For trade in other types of parts and components, various duty-drawback schemes like bonded warehouses or the location of multinationals in duty-exempt export processing zones also make these tariff preferences redundant. Even if this was not the case, it is very difficult to design RoOs for supply chain-driven trade, which by its nature involves limited value-addition or transformation. Therefore, simplification of RoOs and other related reforms in the upgraded ACFTA is likely to affect trade in final rather than intermediate goods, which constitutes a smaller share.

But improvements to the agreement on trade in services have the potential to significantly strengthen trade relations, since barriers remain high. This is also a rapidly growing area of trade. The trade dispute between China and the US has already affected supply chains, with investment being diverted away from China and towards some countries of the region. The strengthening of provisions that promote or facilitate investment between China and ASEAN could increase flows from the former to the latter in an attempt to avoid punitive tariffs, especially if the dispute is viewed as being more than transitory. Even if the dispute is resolved anytime soon, the restructuring may continue in an attempt to diversify risk, including by Chinese firms.

All of this assumes, however, that the agreements are implemented faithfully. This is no easy task when considering that domestic laws may have to be amended to accommodate these new accords. Ever since ACFTA was first mooted, there has been concern over the potential negative impacts on production and employment in sensitive sectors in ASEAN member states. Indonesian producers, for instance, had requested a delay in the implementation of the original ACFTA tariff reductions for some 228 items, without success. Although some of these fears may have since subsided, they have not been eliminated. For example, there have been delays in the enactment of national laws and regulations to implement the Upgraded Protocol. Domestic industry lobbies continue to push for protection, and some wield significant influence over governments. In this environment, the flexibility that characterises ASEAN cooperation and institutional arrangements, the so-called ASEAN Way, could hand members a convenient pretext for non-compliance. How to enforce the accords remains an issue.

If implementation issues can be overcome, these amendments, together with the new provisions on Customs Procedures and Trade Facilitation, present new opportunities for further increasing trade between ASEAN and China. It is more important now than ever that the Upgraded ACFTA succeeds, given the growing uncertainty relating to the rules that govern global trade and commerce, and the threat that it poses to future growth and stability of the region. 🌱

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Flags of ASEAN member states and China at the 14th ASEAN-China Business and Investment Summit in 2017



ASEAN-EU Relations: It Takes Two to Tango

Fraser Cameron holds hope for the future of ASEAN-EU partnership despite the recent setbacks.

The EU feels like the jilted lover in its relations with ASEAN. It has wooed and invested in the ten-member Southeast Asian bloc for some time while seeking a strategic partnership with ASEAN and membership at the East Asia Summit. It was hoped a strategic partnership would be agreed at the January 2019 ASEAN-EU Ministerial Meeting in Brussels but it did not happen, partly due to disputes over palm oil and human rights. The EU meanwhile has hedged against impediments in inter-regional partnership by placing more emphasis on relations with individual ASEAN member states. Far-reaching free trade agreements (FTAs) have been signed with Singapore and Vietnam while others are under negotiation. While the idea of a region-to-region FTA remains a future aspiration, the EU is still keen to support ASEAN economic integration and provides considerable FDI and technical assistance to ASEAN. The EU also remains ASEAN's second largest trading partner but somehow the ardour has gone out of the relationship. This is partly due to exaggerated expectations about the nature of ASEAN and what it can deliver.

ASEAN in EU Foreign Policy

Relations with ASEAN have traditionally been a key pillar in the EU's overall relations with Asia that involve multiple approaches and layers. First, the continent-to-continent relationship through the Asia-Europe Meeting (ASEM), generally regarded as a useful talk shop, but

little more. Second, the EU-ASEAN relationship that has been built up during more than four decades. Regional integration is part of the EU's DNA, hence the desire to support other regional groupings to develop. The third element is bilateral relationships between the EU and individual ASEAN member states. And the fourth element is bilateral relationships between the member states of both organisations.

ASEAN is probably near the top of the third tier of EU foreign policy priorities. The first is the EU's difficult and tense neighbourhood dealing with Russia, Ukraine, the Western Balkans, Turkey and North Africa. The second is the EU's strategic partners, particularly the US, China, Japan and India. Then comes ASEAN, and the increasing importance of the bloc for the EU was demonstrated by the appointment of a resident EU ambassador to ASEAN in 2015. The EU, however, often fails to see how different ASEAN is in its construction and mission. It also often fails to understand the relevance of European colonialism in Southeast Asia to contemporary politics.

The EU has always viewed ASEAN as a potential supporter of its vision of a liberal, democratic, rules-based, multilateral system. This world view has been increasingly challenged by the advent of strong nationalist leaders from Vladimir Putin and Xi Jinping to Donald Trump and Recep Tayyip Erdoğan. The EU's hopes for a more liberal



ASEAN and EU leaders at the ASEAN-EU 40th Anniversary Commemorative Summit in 2017

democratic Southeast Asia have also been dashed with President Rodrigo Duterte's election in the Philippines, the military takeover in Thailand, the expulsion of the Rohingya in Myanmar and continuing one-party rule in several other countries. Indonesia, the largest country in the region, has proven its democratic credentials but has been reluctant to take a leadership role or be supportive of EU positions, for example on Ukraine and Syria at the United Nations.

The EU is also disappointed that ASEAN has failed to become more coherent because of its internal structures and procedures, policy differences among the member states and China's divide-and-rule tactics. Despite these developments, until recently EU-ASEAN relations were on an upward trend with both sides apparently looking forward to signing a strategic partnership. This in itself would not have changed the bilateral ties much but it would have been a useful symbolic statement. But at the January ministerial meeting in Brussels, this was put on hold due to differences over the environmental impact of palm oil production in Malaysia and Indonesia. There have also been differences over human rights in Myanmar and Cambodia with the EU threatening to suspend the two countries' tariff-free access to EU market. Brunei's recent decision to introduce brutal punishment for gay sex and adultery also caused widespread revulsion in Europe. But as some Southeast Asian experts point out, the EU has not been as vocal in its criticism of Saudi Arabia.

Where Now and Next?

Given these recent developments, the EU has found it difficult to maintain enthusiasm for deepening its commitment to ASEAN as opposed to individual member states. Nevertheless, negotiations for an aviation agreement are nearing completion and should give a boost to two-way tourism. Trade and investment are flourishing: EU-ASEAN trade increased from US\$230.7 billion in 2015 to US\$261.4 billion in 2017, and the EU remained the largest FDI source to ASEAN with an inflow of US\$25 billion in 2017. The EU continues to provide technical assistance to ASEAN in trade and transport, environment, education and culture, harmonisation of standards, protection of intellectual property rights and disaster management. A key goal is to improve connectivity between ASEAN member states through sustainable, inclusive economic integration and trade. The EU has also promoted a number of dialogues covering human rights, maritime cooperation, peace and reconciliation, migration and mobility, development goals, health and communicable diseases.

When the EU's foreign policy chief, Federica Mogherini, attends the ASEAN Regional Forum (ARF) in August this year, she may gently point out the EU's disappointment if it is not admitted as an observer to the ADMM-Plus Experts' Working Groups (EWGs) activities. The EU considers that its soft power and overall comprehensive approach to security is something that would be of relevance to Southeast Asia. It has, for example, held a number of training seminars on maritime security in the region, but without any follow-up on the ASEAN side. Too often it seems the



EU and ASEAN talk past each other when it comes to security issues.

Looking to the future, the EU and ASEAN should broaden their existing ARF security dialogue to discuss human security – specifically vulnerable groups such as refugees – and exchange expertise to better address social drivers of radicalisation and how to tackle cybersecurity. Data is another hugely important and complex issue that should be on the agenda.

Meanwhile, Brexit is another cloud hanging over the relations. If and when the UK leaves the EU, it will weaken the Asia lobby within the EU. The UK has talked about Asia as a priority for its post-Brexit trade strategy and plans to send an ambassador to ASEAN. But it first has to negotiate its future trading arrangements with the EU before embarking on deals with third countries.

Conclusion

The EU has put forward many recommendations in recent years to deepen the relationship but has not received a comprehensive response from ASEAN. The EU has a strong track record in promoting the development of ASEAN, including the ASEAN Secretariat, and has provided €200 million in funding in the past five years. The EU is rather disappointed that ASEAN has not been more vocal in defending the liberal, rules-based, international order; nor has ASEAN been overly enthusiastic about EU plans to improve EU-Asian connectivity. The EU is also moving forward with a pilot project to deepen security ties with a number of Asian countries including some individual ASEAN members as opposed to the group as a whole. From a Brussels perspective, ASEAN has to decide what kind of actor it wishes to be in a very uncertain world and who its friends are. The EU has not given up on ASEAN but it considers that the ball is now in ASEAN's court and future relations will depend on how ASEAN wishes to develop the relationship. The EU also has other priorities and a jilted lover does not wait for ever. 🚩

Dr. Fraser Cameron is Director of the EU-Asia Centre, Brussels.

ASEAN-EU Security Connectivity: From Political Declarations to Practical Cooperation

Patrick Rueppel argues for the EU's enhanced security role in Southeast Asia.

The relationship between ASEAN and the EU displays a striking disconnect. The two organisations share the longest history of cooperation among all ASEAN Dialogue Partners, going back to 1972, and have strong economic and cultural ties. Yet in terms of security cooperation, the relationship has yet to reach its fullest potential, and falls behind many other Dialogue Partners. ASEAN and the EU at times seem frustrated and disappointed, and duly assign responsibility to each other for this state of affairs.

It is often said that neither ASEAN nor the EU is a security actor. While this may be true for a traditional understanding of security, it bears reminding that peace and security have always been at the heart of both organisations, as they are guided by the principles that it is better to trade and cooperate than to fight, and that security can be achieved by non-military means. Our understanding of security has also evolved. Security is no longer viewed exclusively from the lens of hard power as non-traditional issues such as climate change, refugees, violent extremism and terrorism, maritime domain awareness and cybersecurity have come to the fore of national and international security. In these “new” domains, ASEAN and the EU have much to offer.

Before the EU can realise its full potential as a security partner, it has to overcome the long-held misperception that the EU is mainly a trading bloc that does not have a coherent foreign policy or any military capacity. This narrative leads to the erroneous conclusion that the EU brings little value-added to security debates. It ignores Europe's contributions to security in Asia and reforms within the EU over the past years. While the EU does not possess armed forces by itself, its member states are very active in Southeast Asia. The EU is the world's largest provider of official development assistance, which underpins its non-military approach and emphasis on preventive measures as critical steps towards achieving sustainable security.

Collectively, the EU member states are the second largest military spender globally. They have more than 40 strategic partnerships in the Asia-Pacific, ten of them with ASEAN member states. In addition, they have over

60 bilateral defence partnerships and security dialogues in Asia-Pacific, 21 of which are with ASEAN member states. 20% of the EU member states' defence attachés in Asia are posted in Southeast Asia. The EU and its member states collaborate with ASEAN member states in major multilateral security mechanisms, including the ASEAN Regional Forum (ARF), Indian Ocean Rim Association (IORA), Asia-Europe Meeting (ASEM) and the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP).

These collective European military capacities will be weakened by the departure of the United Kingdom (UK) which has the strongest army and maintains close defence links with Southeast Asia, including through the Five Power Defence Arrangements. It is however also true that the UK has been critical of and opposed to enhanced European defence cooperation. Going against the grain, the EU has deepened its security and defence cooperation in the wake of the Brexit vote, including the creation of the European Defence Fund (EDF), the Military Planning and Conduct Capability (MPCC) headquarters, the Permanent Structured Cooperation (PESCO) framework, the European Peace Facility (EPF) and the European Intervention Initiative (EI2). These developments demonstrate the political will and realisation that defence and security are key policy areas where “more Europe” is desirable. Likewise, the EU Global Strategy on Foreign and Security Policy (EUGS) sheds light on the EU's intention to strive for strategic autonomy and an interest-driven foreign policy based on the common priorities defined in the document, reflecting its new maturity and a more realistic view of the world.

To be sure, the EU is a different type of security actor compared to the US or China, often more complicated and slower due to its nature and the fact that it has to respect the interests of its member states. A possible joint defence industry still faces considerable hurdles and there will not be any EU armed forces in the near future. Therefore, the EU needs to focus on the areas where it can deliver to avoid expectation-capability gaps. It has to steer its foreign and security policy forward despite internal challenges

and the more complex and fragmented political realities in the European Parliament following the recent elections.

On the part of ASEAN, being receptive to a stronger EU role in the region will expand its space for maneuver and options for hedging to avoid over-dependencies and binary decisions. It must be open to acknowledging EU projects as important contributions to regional peace and stability. Furthermore, the EU and ASEAN share an unflinching commitment to multilateralism and the rules-based order. Both sides have similar strategic concerns over the impact of major power rivalries, uncertainties of the US' role as the security guarantor in both regions, their respective institutional cohesion and unity, and weakening support for the regional project. Both organisations are also facing transnational and interconnected security issues that require multilateral, non-military solutions.

These common interests and the aspiration for a closer partnership are recently affirmed in the Joint Statement on the 40th Anniversary of the ASEAN-EU Dialogue Relations, Plan of Action 2018-2022 and Council Conclusion on enhanced EU security cooperation in and with Asia. At the 2019 ASEAN-EU Ministerial Meeting both parties agreed in principle to upgrade the relations to a Strategic Partnership. The EU will apply for observership status in the ADMM-Plus Experts' Working Groups (EWG) activities to anchor its security role and commitment to ASEAN. Furthermore, the 2018 EU Strategy on "Connecting Asia and Europe" will provide financing and establish connections to promote partnerships based on commonly agreed rules and standards, including on transparency and procurement.

The reasons for the EU's growing interest in Asian security are manifold. It is certainly a reaction to Chinese

“On the part of ASEAN, being receptive to a stronger EU role in the region will expand its space for maneuver and options for hedging to avoid over-dependencies and binary decisions. It must be open to acknowledging EU projects as important contributions to regional peace and stability.”

behavior and the impacts of the Belt and Road Initiative (BRI) which are perceived as being unfair, dividing the EU and undermining its space for maneuver. At the same time, the BRI and the Indo-Pacific concept bring Europe and Asia closer together and provide new opportunities for collaboration. Since ASEAN and the EU are at the risk of being sidelined by those initiatives, they should work together to play an active part and ensure that both strategies respect rules, norms, good governance and sustainability. The EU also realised that its own prosperity depends directly on peace and stability in Asia – on land, and in the air and maritime domains.

In order to sustain this momentum, it is crucial to move beyond political declarations and have more activities that produce concrete outcomes. This can include EU-run capacity building projects, joint freedom of navigation operations or port calls by European ships, but must go beyond the military arena by supporting confidence-building measures, preventive diplomacy and a multilateral security environment in which unilateral actions are more costly, even for major powers. Both sides should coordinate their agendas, join forces at multilateral fora and enhance multi-layered cooperation that could be region-to-region, member state-to-region or among member states. Through such practical cooperation, the EU and ASEAN can contribute to cooperative security in the region and the rules-based multilateral order as a whole. 🇺🇹

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French aircraft carrier Charles De Gaulle's port visit in Singapore in May-June 2019



ASEAN-EU Strategic Partnership: Acting Beyond the Label

Hoang Thi Ha examines the impediments to ASEAN-EU strategic partnership.

At the ASEAN-EU Ministerial Meeting (AEMM) in Brussels in January 2019, the launch of ASEAN-EU strategic partnership was put on hold, “subject to details and timing to be worked out.” Although the meeting statement suggests a procedural delay, it barely masks the dearth of strategic depth in this inter-regional partnership despite its longstanding foundation dating back to 1972 and robust economic interactions between the two regions.

During recent years, ‘strategic partnership’ has been proliferated across ASEAN external relations with no criteria, leaving ample room for political expediency and bargaining. As observed by Singapore diplomat Bilahari Kausikan, ‘strategic’ is “an adjective that ASEAN has used promiscuously or at least attached to other dialogue relationships without much concern for consistency of meaning.” Yet, out of ten Dialogue Partners, only Canada and the EU remain outside of this strategic labelling, notwithstanding the fact that the EU is the biggest investor, second largest external source of tourists, third largest trading partner and a substantial aid donor of ASEAN.

The deferment of ASEAN-EU strategic partnership was linked to EU decision to limit palm oil imports which has angered Indonesia and Malaysia – two of the world’s largest palm oil producers. Earlier, Cambodia also reportedly expressed its reservation due to the EU’s suspension of tariff-free access to the European market. ASEAN relations with its Dialogue Partners have never been insulated from the ebb and flow at the bilateral level, but it is with the EU that difficulties in its relations with some ASEAN members have obstructed the inter-regional partnership to the furthest extent. The current atmosphere is a grim reminder of the 1990s when the EU’s hard-line approach towards Myanmar, then under junta rule, was a constant point of contention in ASEAN-EU relations. Even after Myanmar’s political reforms since

2012, the “Myanmar problem” continues to haunt, this time due to the ill-treatment of the Rohingya people in Rakhine State.

The EU relies on its economic largesse and soft power instead of military strength to underwrite its quest for global influence. The EU’s record towards ASEAN in this respect has been patchy. On the one hand, multi-faceted economic cooperation with the EU has contributed significantly to ASEAN members’ economic growth and EU generous development assistance for ASEAN integration is appreciated across the region. On the other, EU economic leverage is often linked with sustainability, democracy and human rights purposes, which inadvertently undercuts the strategic influence that it seeks to boost in the region.

The EU’s decision to phase out palm oil from its biofuels by 2030 will jeopardise the livelihoods of 17 million Indonesians while its ongoing process to suspend the Generalised Scheme of Preferences (GSP) status for Myanmar and Cambodia will put millions more jobs at risk. Economic losses of this mega scale are pushing these ASEAN countries towards further economic dependency on China. During his visit to Beijing on 29 April, Prime Minister Hun Sen announced that China promised to help Cambodia if the EU withdraws the market access preferences. As for Myanmar and Indonesia, Beijing may offer the most accessible alternative lifelines although that may accentuate their trade exposure to China which stood respectively at 36.3% and 18.1% of their total trade in 2017. As the second largest destination of Indonesia’s palm oil exports, China has agreed to increase its imports from Indonesia, boosting not only Chinese economic influence but also its ‘friend in need’ image in the largest ASEAN member state.

More than material benefits, China offers an alternative approach to development that is more amenable to those ASEAN governments seeking a development path that brings about economic prosperity without having to go through political democratisation. This strikes at the heart of the EU’s model of liberal democracy coming hand in hand with market economy. The recent EU Summit in Sibiu, Romania, undertook to “position Europe as a global player in the new strategic context” while projecting its values globally. The two goals are not necessarily mutually reinforcing, i.e. the pursuit of the latter in a dogmatic and legalistic manner may undermine efforts to realise



Myanmar leader Aung San Suu Kyi and EU foreign policy chief Federica Mogherini at an event 2017



Officials at the 2019 ASEAN-EU Ministerial Meeting in Brussels

the former. More tact and pragmatism are thus needed to address the disjoint between the EU's ambition to raise its strategic-security profile in Southeast Asia and its projection of human rights and democracy values.

For ASEAN, the EU is identified and recognised principally as an economic powerhouse and a potent source of soft power, including education, culture, and tourism/immigration destination. ASEAN also appreciates the EU as a partner for regional peace through EU participation in the ASEAN Regional Forum and its valued support to peace processes and border management capacity in the region. The fact that ASEAN went through the time-consuming amendment of the Treaty of Amity and Cooperation in Southeast Asia (TAC) to enable EU accession is a strong testimony to that. However, ASEAN has never fully grasped the significance of the EU as a full-fledged strategic actor. This lack of appreciation of the EU's security profile comes out of both institutional mismatches and substantive concerns.

For starters, ASEAN has not always fully empathised with the complexity of the EU's bureaucracy and decision-making processes that involve both supra-nationality and inter-governmentality. Thus, ASEAN often seeks clarification on the EU's representation whenever there is a proposal of summit-level engagement. If the EU seeks formal membership at the ASEAN Defence Ministerial Meeting Plus (ADMM-Plus), this representational issue could turn out tricky since the defence sector is subsumed under the EU's foreign affairs portfolio whereas the ADMM-Plus largely revolves around on-the-ground cooperation and exercises. With a European army remaining an aspiration rather than an imminent reality, how would the EU bring together its member militaries under a single command in these operations?

The above practical question brings home more substantive concerns that merit further scrutiny: How would the EU prove its strategic relevance in Southeast Asia when in Europe, its strategic autonomy remains under the shadow of the US/NATO security umbrella? How do

we expect the EU to speak with one voice on strategic matters such as the South China Sea disputes or China's Belt and Road Initiative, when the EU itself cannot hold a coherent approach on these issues? How much would Brexit diminish the EU's capability as a security actor and provider? How sustained is the EU's strategic offensive towards ASEAN amidst its preoccupations with more immediate challenges from Russia and the Middle East? Not least of all, how could the EU help to alleviate traditional security concerns that ASEAN is facing such as major power competition, strategic distrust, and sovereignty disputes?

There are however strong reasons to enhance ASEAN-EU security ties, not just for the sake of the 'strategic partnership' label but for mutual interests in addressing challenges of common concern such as terrorism, radicalisation, illegal migration, humanitarian action and climate change. New priority areas have been on the radar where enhanced engagement can make a strategic impact such as maritime security, cybersecurity and connectivity. Furthermore, enhanced ASEAN-EU cooperation has become all the more important in the new strategic context to preserve the open, inclusive and rules-based regional order and to hedge against a more chaotic future as US-China strategic competition intensifies and unilateralism/bilateralism is on the rise.

ASEAN and the EU are usually considered "natural partners" that stand for regional cooperation and multilateralism. But the act of rising to strategic partnership is a conscious choice for both to make. It is a hard choice since it must come with sustained commitment, communication and investment from both sides. It is also a politically challenging choice not to let the relationship be held back by their normative disagreements and bilateral problems. 🇺🇸

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Roundtable on ASEAN-EU Relations

As ASEAN and the European Union are facing a changed strategic environment, *ASEANFocus* invites prominent experts and diplomats from both regions to discuss how the bi-regional relations could overcome existing constraints to join forces in dealing with the new challenges.



Mr. Ernesto H. BRAAM
Regional Strategic Advisor for Southeast Asia, the Embassy of the Kingdom of the Netherlands in Singapore



Mr. Francisco FONTAN PARDO
Ambassador of the European Union to ASEAN



Mr. Evan A. LAKSMANA
Senior Researcher, the Centre for Strategic and International Studies (CSIS), Indonesia



Dr. Maaike OKANO-HEIJMANS
Senior Research Fellow, the Clingendael Institute, the Netherlands



Dr. NGUYEN Hung Son
Head of Bien Dong Institute for Maritime Studies, Diplomatic Academy of Viet Nam



Dr. Eva PEJSOVA
Senior Analyst, the EU Institute for Security Studies (EUISS)



Dato' Steven WONG
Deputy Chief Executive, the Institute of Strategic and International Studies (ISIS) Malaysia



Dr. YEO Lay Hwee
Director, the European Union Centre, Singapore

ASEAN-EU Political-Security Cooperation

AF: *Against the backdrop of the return of major power rivalry, the retreat of multilateralism, and the rise of protectionism and unilateralism, what are the core principles of the EU's approach to ASEAN, and vice-versa?*

FONTAN: Both ASEAN and the EU see regional integration as the most effective way to foster stability and prosperity. Both are committed to addressing global challenges through a rules-based system and multilateralism. Both have an interest in promoting fair and open markets, shaping global economic and environmental rules, and ensuring sustainable connectivity in open sea, land and air routes in accordance with international law. As global stakeholders, ASEAN and the EU share a responsibility to advance the international rules-based order and preserve our “global commons”. Our core principles of inclusiveness, sustainability, predictability and transparency remain relevant. We dismiss zero-sum approaches and seek an understanding of the mutual benefit of our cooperation.

NGUYEN: The biggest common challenge to both ASEAN and the EU is how to position itself in this changing global order. As “middle powers”, ASEAN and the EU can work together to promote stability and predictability, and preserve the rules-based order. Key principles include upholding the fundamental principles of the UN Charter, promoting open, free and fair trade, sustainable development and multilateralism, supporting each other's unity and centrality in their respective regional security and economic architectures, and understanding and respecting each other's differences.

AF: *The ASEAN-EU dialogue partnership has been strained by the EU's democracy and human rights concerns vis-à-vis some ASEAN member states. What can ASEAN and the EU do respectively to remove political unease towards more constructive and pragmatic cooperation?*

YEO: There is no easy way out regarding the differences in our perspectives on democracy and human rights, and on state sovereignty. ASEAN expects the EU to respect the ASEAN Way and “not to intervene in our internal affairs”. Meanwhile, the EU is under pressure from its



EU-ASEAN Foreign Ministers Meeting 2018

members and citizens to live up to its values that define the EU's identity. Both sides should therefore be mature enough to search for acceptable compromises and continue engagement in areas of high priority and importance to both. We should leave behind the days when a single issue was allowed to hold up our inter-regional dialogue. Instead, we should seek and continue pragmatic approaches to keep communications open, involve different stakeholders, and find areas of convergence to grow our partnership in a multi-layered and multi-faceted way.

FONTAN: The EU promotes and defends the universality and indivisibility of all human rights both within our borders and in relations with our partners. The EU and some ASEAN member states maintain certain differences in this regard. Learning from the past, both sides need to deepen their relationship at the region-to-region level and prevent bilateral issues from becoming ASEAN-EU problems. ASEAN has adopted its Human Rights Declaration which shows the political commitment of its member states to uphold human rights at the national level. Besides, the work of the ASEAN Intergovernmental Commission on Human Rights (AICHR) has been central to the dialogue on human rights between the EU and ASEAN which has been ongoing since 2015.

AF: *How would Brexit affect the EU's role as a security actor and provider as well as its pursuit of a more prominent security role in Southeast Asia?*

PEJSOVA: Brexit has brought out the EU's internal vulnerabilities, and the need to step up its defence against external threats. Ironically, EU cooperation in security and defence has made great progress since 2016, with the revival of the Permanent Structured Cooperation (PESCO) and European Defence Fund (EDF), boosting its strategic

autonomy and shifting away from its traditionally civilian profile. In a way, Brexit contributed to the formulation of a more proactive and more pragmatic foreign policy, which can be an asset to the Union's rising security ambitions in Southeast Asia and beyond.

AF: *The EU is seeking a seat at the ASEAN Defence Ministers Meeting Plus (ADMM-Plus) and the East Asia Summit. What value-added would the EU's participation bring to the two processes?*

PEJSOVA: The EU has significantly stepped up its commitment to regional security through political actions (high-level visits, free trade agreements and strategic partnership agreements with Singapore and Vietnam), practical initiatives (capacity building with ASEAN member states), as well as through activities of its member states (French and British military presence). Despite operational limitations, its expertise and experience in non-traditional security issues (counter-terrorism and transnational crime, chemical, biological, radiological and nuclear (CBRN) risks, humanitarian assistance and disaster relief, conflict prevention) can be of real value-added for the regional context, especially within the ADMM-Plus process.

YEO: The external environment in which the EU and ASEAN operate has undergone tremendous changes. As its interests are closely tied to the region, it is only natural that the EU seeks to participate in all the multilateral institutions to strengthen its presence in the region. The EU's Common Foreign Security Policy (CFSP) and Common Security and Defence Policy (CSDP) have also witnessed significant progress over the last decade. While the EU is far from becoming a military power in the traditional sense, its ambition to boost its strategic

autonomy is shaping up. The EU and its member states can thus bring to the table its maritime resources and comprehensive toolbox in conflict prevention, and perhaps work with other partners within these processes such as Japan and India to be the offshore balancer.

AF: *The launch of ASEAN-EU strategic partnership has been put on hold due to the palm oil issue. What is your take-away from this unfortunate development and what should be the way forward?*

FONTAN: The strategic nature of ASEAN-EU partnership is evident in many fields. Our private sector is by far the largest investor in ASEAN, holding a quarter of the region's total FDI stock. The EU is ASEAN's second largest trading partner and largest donor with over €200 million funding for ASEAN economic integration and capacity building, on top of over €2 billion of bilateral assistance to ASEAN member states. However, the rapidly evolving international environment is prompting both organisations to focus more on strategic issues, including cyber-crime, counter-terrorism, maritime security, connectivity and defence. We should not let bilateral issues slow down the bi-regional agenda, not least under the current geopolitical climate where multilateralism is in doubt and under stress.

LAKSMANA: The current palm oil standoff highlights the continued primacy of domestic politics over international engagement in parts of Southeast Asia. The competition between sustainable environmental practices, economic development, and international trade is, of course, a perennial problem when it comes to palm oil. But considering how intimately palm oil is tied to the domestic legitimacy of the current Malaysian and Indonesian governments, one should not easily paint a black-or-white picture of the problem or present an either-or binary choice between more palm oil or none at all.

OKANO-HEIJMANS: At a time when the regional and global challenges facing ASEAN and the EU are big and the stakes so high, it is disconcerting that a single issue has hampered this important step to deeper region-to-region cooperation. That said, the palm oil issue may be a lever to bring home to Europeans a long-held frustration on the part of (more than one) ASEAN members with Europe's 'arrogance' in its relations with ASEAN. This is a message that the EU and its member states need to take seriously and address. Surely, Europe's growing engagement in ASEM, in regional security and connectivity, and in maintaining the rules-based international trading system can be considered investments in this regard. Despite it all, it may be considered a very positive development that ASEAN is coming together on this issue, presenting a united stance in a way that many in Europe would like to see more often.

Bilateral Perspectives

AF: *Vietnam is a success story in the broader scope of EU engagement in Southeast Asia with the EU being a pivotal economic partner of Vietnam. What are the factors contributing to this robust relationship despite certain political differences?*

NGUYEN: Established in 1990, Vietnam-EU partnership has benefitted from the longstanding ASEAN-EU dialogue relations. In-depth and comprehensive engagement since then has served to promote mutual understanding and trust between both sides, and created opportunities for mutually beneficial cooperation. Vietnam has established strategic partnership with all key EU member states, and maintain traditional ties with Eastern European countries. Vietnam has also proactively engaged the EU and its member states at the high level across different institutions such as government-to-government, party-to-party and parliament-to-parliament. This network of strategic and comprehensive partnerships helped deepen and stabilise Vietnam-EU relations.



AF: *The EU's decision to phase out palm oil by 2030 for biodiesel fuel has put its relations with Malaysia and Indonesia at a new low. Is there any solution to avoid a tit-for-tat and damaging trade row between the EU and the two ASEAN members?*

LAKSMANA: As analysts have noted, boosting sustainable practices within and surrounding palm oil plantations while improving international certification processes and supporting local economic initiatives might provide some parameters of compromise. Another step is to temporarily decouple the palm oil issue from the broader ASEAN-EU trade and strategic partnership agenda. ASEAN and the EU should engage non-government actors (from businesses to environmental groups and local communities) in their discussions on palm oil since more transparency and inclusion may give an extra layer of legitimacy to the process.

WONG: The EU Parliament's January 2018 decision has since been refined from an outright ban of palm oil by 2020 to a gradual but still detrimental phase-down by 2023 and phase-out by 2030. The EU Commission's Renewable Energy Directive (RED) II appears to be the final landing point regardless of WTO complaints by affected countries and academic arguments as to why the decision taken

was wrong. The conditions for an all-out immiserating trade war do not exist but affected countries will almost certainly want to register their disapproval and ensure that the RED II decision will bear economic costs even if borne by unconnected European parties such as in automotive and aerospace.

Prospects of ASEAN-EU Free Trade Agreement

AF: ASEAN and the EU agreed to re-launch negotiations on an ASEAN-EU FTA in 2017 after a decade-long suspension, but the progress has been lacklustre. Do you think negotiating a region-to-region FTA should be a priority at this juncture?

BRAAM: We can look at free trade and lowering trade barriers from different perspectives and at different levels. Ideally, rules of trade between nations and lowering trade barriers should be agreed upon through the WTO framework. A lot has been achieved, but there is a long way to go and major differences between countries and regions have hampered progress. We should not lose sight of this global perspective. The second best perspective is to establish region-to-region FTAs, and therefore the goal should remain an FTA between the EU and ASEAN.

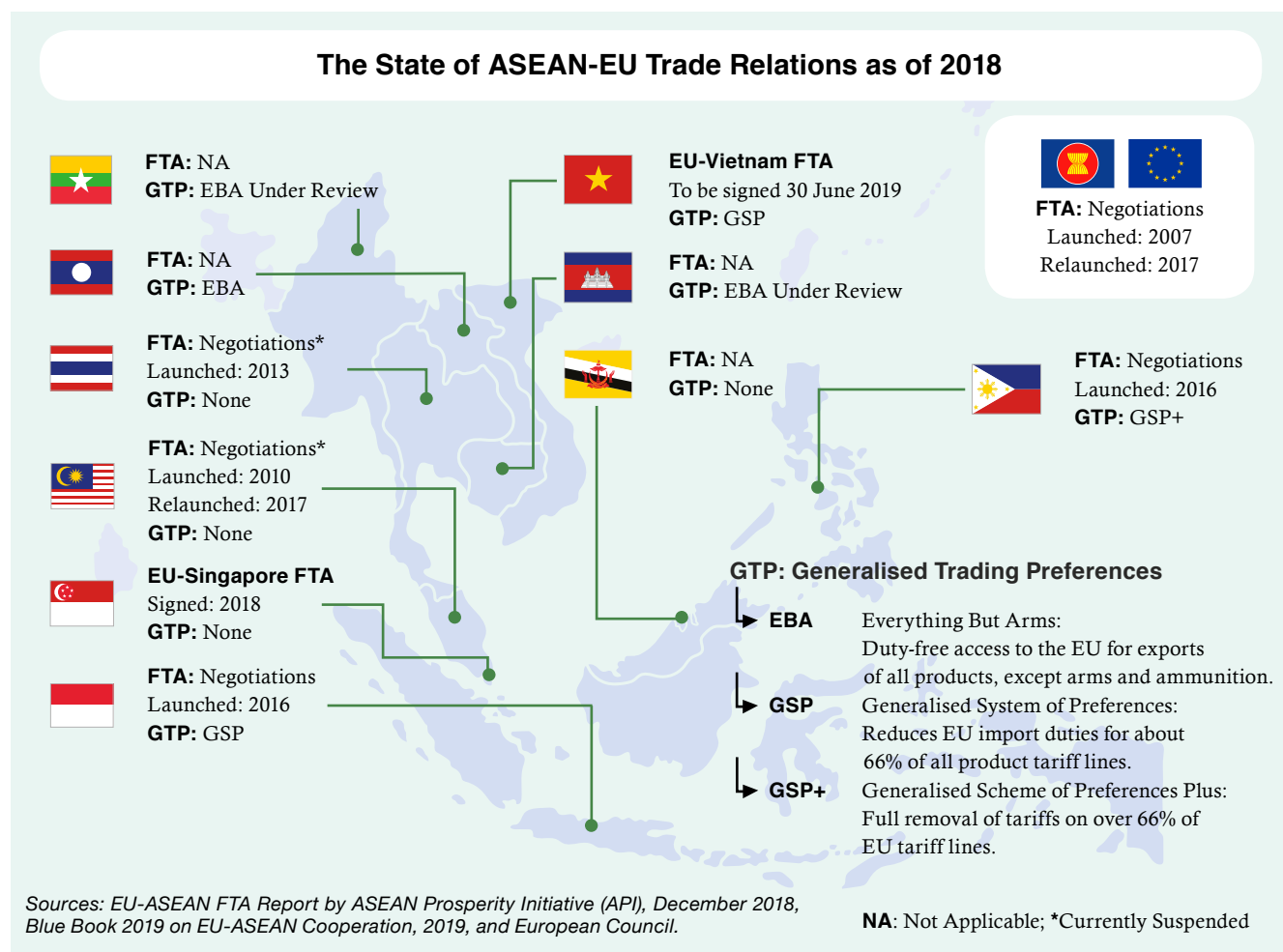
WONG: When ASEAN has looked like it might be moving towards a high-quality region-wide trading arrangement, the EU acts to ensure that it is not left out to avoid the dangers of trade and investment diversion.

With the RCEP seemingly floundering or, if concluded, settling on the lowest common denominator, the urgency to act simply is not there. For ASEAN to now expedite the ASEAN-EU FTA in the face of the 2030 palm oil ban would seem to be perverse. Why would the affected ASEAN member states agree when they feel they have been aggrieved? Thus, there is simply no alternative to continuing with bilateral approaches (as has been done with Singapore and Vietnam).

AF: What are the key challenges that would delay or even derail the current ASEAN-EU FTA talks?

WONG: Following the recent EU elections where centrist governing parties by and large lost out to right-wing, conservative and green parties, I do not see the conducive conditions for much warmer bloc-to-bloc relations any time soon, let alone a ramping up of ASEAN-EU FTA talks. ASEAN may need to be prepared for even more hard-hitting legislative actions designed to address issues of environment, labour rights and so forth under the new EU Parliament. If, however, more ‘exiteer’ political parties were to retain or win national governments in Europe, not just the UK, they would have a strong need to strike trade-investment agreements. ASEAN would then be in good position to negotiate with them individually.

BRAAM: Lowering trade barriers between the EU and ASEAN through a region-to-region FTA should be a priority, particularly to mitigate the fall-outs from the



ongoing US-China trade conflict. Unfortunately, country-specific issues such as palm oil can be a stumbling block to an ASEAN-EU FTA, in spite of the obvious benefits to both regions. It is also important for ASEAN to lower trade barriers between its own member states, and reduce economic disparities. From a realistic perspective, bilateral FTAs between the EU and some individual ASEAN member states could be building blocks towards a broader agreement in the future. The European Parliament's majority vote in favour of the EU-Singapore FTA in February was an encouraging development in this regard.



Forward-Looking With New Areas of Cooperation

AF: *In what broad directions should the ASEAN-EU partnership proceed to preserve the open, rules-based international order?*

NGUYEN: ASEAN and the EU should work together to protect the UN Charter fundamental principles as the bedrock of the global liberal order. A big part of this endeavour is to promote adherence to international law by narrowing the gaps in the interpretation and application of UN treaties such as the 1982 UNCLOS. EU's enhanced support to ASEAN member states to effectively enforce UNCLOS in their own waters would be welcome. Both sides should also collaborate in the reform of existing global governance institutions including the UN Security Council and the World Trade Organisation, in response to new geo-strategic constructs such as the Indo-Pacific and the BRI, and in shaping global governance on emerging issues such as the digital domain, undersea cables, and unmanned vehicles.

FONTAN: The EU and ASEAN have a shared interest in ensuring the supremacy of international law, and promoting preventive diplomacy, mediation and crisis management mechanisms. Both sides should join efforts in strengthening the rules-based international order in all areas including investment, trade, and cyberspace. The EU has concluded or is negotiating FTAs with some ASEAN members as building blocks for an ambitious region-to-region FTA. Increasing transport links and overall connectivity between the two regions is also our priority. We hope to soon conclude the region-to-region Comprehensive Air Transport Agreement and work towards a comprehensive ASEAN-EU Connectivity Partnership. As globalisation is under siege and economic

nationalism on the rise, it is important for both to bolster global links, make them work and show their value to our shared prosperity.

AF: *What can ASEAN learn from the EU in responding to the opportunities and challenges presented by China's Belt and Road Initiative (BRI)?*

BRAAM: Both ASEAN and the EU should learn from the negative impact of the BRI. The BRI was not conceived in a multilateral setting. It does not always respond to the infrastructure priorities and manifold concerns of the recipient countries. Lack of consultation with local stakeholders and fear of China's growing influence are other reasons for the increased push-back. It is therefore important to focus on setting standards for infrastructure investments. Indonesia for example has set a number of conditions on the use of local labour, transfer of technology, assessment of environmental and social impact, financial viability, and a multiplier effect on the local economy. A big step forward could be the regionalisation of such standards at the ASEAN and EU level.

LAKSMANA: ASEAN and EU could actually learn from one another. There is no one-size-fits-all approach since each country has its own domestic constituents, interests, infrastructure needs and different funding capacities and roles for private and state-owned enterprises. Forging a collective regional approach to dealing with the BRI may not be productive. Besides, there is a genuine need for infrastructure investment that makes a complete rejection of the BRI a difficult case to make. Bilateral negotiations with China which account for national sovereignty and security, transparency, financial burdens, economic needs, geopolitical risks, and environmental impacts are the best way forward. That said, the international community could assist BRI-interested countries to achieve transparent, equitable, and sustainable deals with Beijing. Assistance could come in the form of information sharing, capacity building in project, environmental, and economic assessments, or providing alternative funding options.

OKANO-HEIJMANS: Since last year, the EU has started serious debates about the consequences of China's growing presence in Europe, and is devising responses accordingly. Besides many opportunities, China's growing influence through its companies and banks and its divide-and-rule manoeuvres risk undermining EU cooperation and coherence. Preventing and countering this is a shared responsibility of the EU and its member states, and this is a case for mutual learning between the EU and ASEAN. Both stand to gain from sharing information and best practices in improving policies to reap the opportunities and deal with the challenges presented by the BRI. Europe is creating new structures to better deal with China's Communist Party-driven state capitalism, e.g. the establishment of a ministerial committee for economy and security in the Netherlands. A key challenge in this endeavour is to bridge the gap between economically more developed EU members and the less advanced ones in assessing the opportunities and challenges presented by China. The former benefit from established trade

ties with and investment in China, and have growing worries about Chinese take-overs of their (high-tech) companies while the latter want more trade with China and infrastructure development at home, which Chinese money and companies can facilitate. I hope that Europe's debates will be an inspiration for ASEAN members to have that discussion amongst themselves with a view to more coordinated action.

AF: *Could you highlight some emerging non-traditional security challenges in Southeast Asia that call for enhanced ASEAN-EU cooperation?*

YEO: Southeast Asia faces a whole range of non-traditional security challenges from organised crime, terrorism, piracy to environmental degradation and natural disasters that are likely to become more frequent and severe because of climate change. The EU and ASEAN have embarked on cooperation in many of these issues – such as sustainable use of peatland, mitigation of climate change impact, reduction of transboundary haze, and support to the ASEAN Centre for Humanitarian Assistance on Disaster Management (AHA Centre). More could be done in enhancing cooperation on counter-piracy and maritime search and rescue. Both sides should also embark on cooperation in handling new threats such as cyber-crimes/cyber-security.

PEJSOVA: Non-traditional security remains at the core of ASEAN-EU political-security cooperation. IUU fishing, counter-terrorism (including de-radicalisation) and transnational crime, environmental security, cyber-security, climate change or waste management are most effectively addressed at a regional level, through functioning minilateral and multilateral cooperation. Capacity building, experience and best practice sharing in law enforcement, good governance and institutional management are likely to be the building blocks of enhanced ASEAN-EU relations in the near future.

Valedictory Conversation With Ambassador Francisco Fontan Pardo

AF: *You hold the distinction as the first EU Ambassador to ASEAN and have set a very high benchmark. Towards the end of your appointment, how has your perspective of ASEAN and of ASEAN-EU partnership evolved?*

FONTAN: I am very proud to be the first dedicated EU Ambassador to ASEAN, but I have built on the diligent work of many double-hatted EU Ambassadors before me! After four years in this job, I leave even more convinced of the importance of a successful, prosperous and united ASEAN, not only for its ten member states and its 650 million people, but also for stability and prosperity of the region. I am proud to leave behind our agreement to launch in due course the ASEAN-EU Strategic Partnership, testament to the recognition of the growing importance of our relationship and the need to upgrade it to the highest level. Of course some bilateral issues have affected the bi-regional agenda to a certain extent, but this is a natural and recurrent challenge that we have navigated before. The EU has to work among 28 member states to



craft our common European agenda, so we understand well the challenge faced by ASEAN. I believe that our ASEAN partners understand too that the only way to push forward our productive and agile region-to-region relationship is to deal with bilateral differences bilaterally. I am confident that we will operationalise our Strategic Partnership soon. We should devote our attention and energy to trade negotiations, connectivity initiatives, climate and environment, and people-to-people exchanges.

AF: *What is the most important value the EU brings to ASEAN and vice-versa?*

FONTAN: Both regions share the same values in terms of putting their people first, promoting human rights and shared prosperity, and leaving no one behind. We are both united in diversity. We both have a strong historical understanding of the need to cooperate and work closely with each other. We are aware that preserving our centrality implies empathising with each other's concerns and pressures, and that the solution to our common challenges is strongly rooted in cooperation and multilateralism.

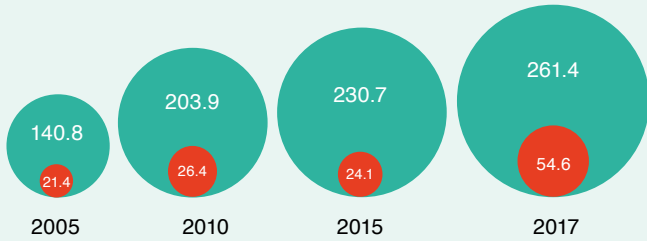
AF: *What is the single most important challenge to bringing this partnership forward with a strategic purpose?*

FONTAN: Complacency. We are already pivotal economic partners to each other. Our citizens love to travel or work in each other's region (food and cultural heritage might have something to do with this!). So why do we have to try harder? To me, this sense of complacency is clearly short-sighted. Europe gains from ASEAN being the strong anchor of stability and prosperity and helping to balance the power politics in the region. Meanwhile, ASEAN gains from the EU not just underpinning its own prosperity, but also reinforcing ASEAN centrality – the strategic margin of manoeuvre for Southeast Asia that sits at the centre of ASEAN's raison d'être. 🇪🇺

Acknowledgement: ASEANFocus thanks all Roundtable participants for bringing their expertise and experience to bear on this discussion. We are especially grateful to Ambassador Francisco Fontan Pardo for his dedication to propelling ASEAN-EU relations forward, and for his valued support to ASEANFocus. We wish him all the very best and further successes in his future endeavours.

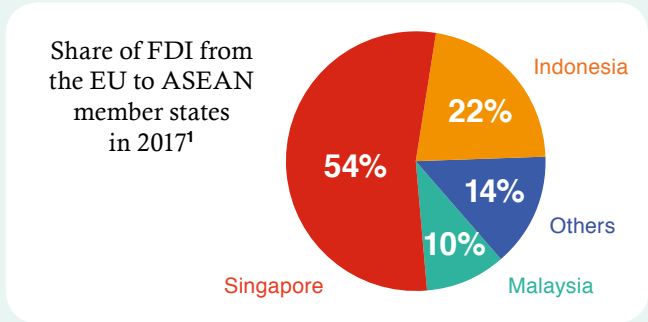
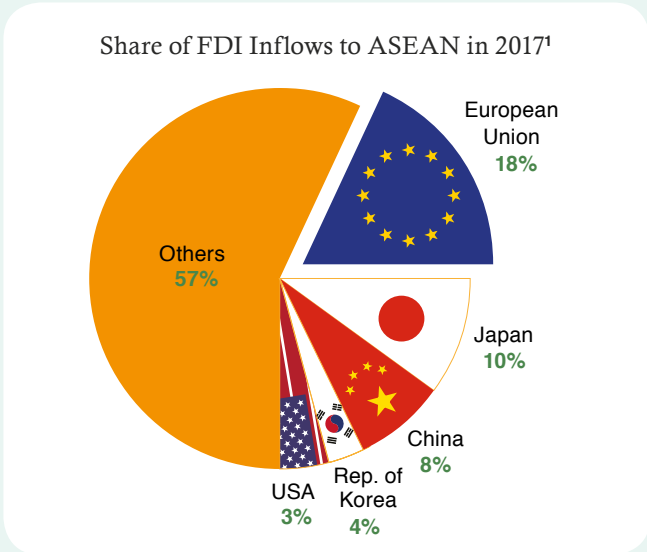
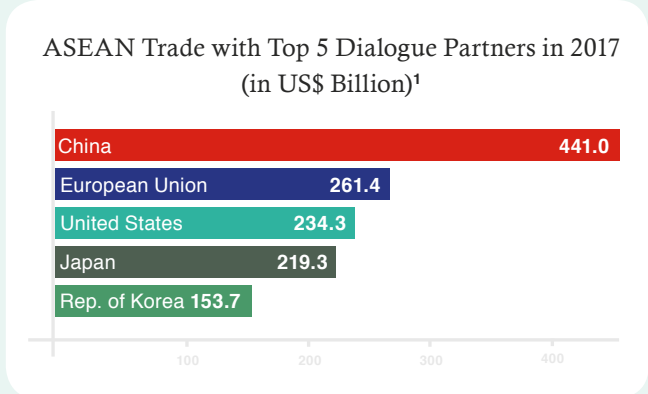
ASEAN in Figures

ASEAN-EU Relations



■ ASEAN's Trade with the EU (US\$ billion)¹
■ ASEAN's Merchandise Trade Surplus with the EU (US\$ billion)¹

The EU is the **2nd** largest trading partner of ASEAN among the Dialogue Partners, with total two-way trade in 2017 at **US\$261.4 billion.¹**



US\$25 billion:
FDI inflow from the EU to ASEAN in 2017¹

ASEAN's trade with the EU in 2017 accounted for **10%** of its total trade with the world.¹

In 2017, the EU's FDI stock in ASEAN was **€330 billion** while ASEAN's FDI stock in Europe was over **€140 billion.²**

The EU-ASEAN Business Sentiment Survey 2018³

99% VOTED: 

Trade and investment in ASEAN will stay on course and expand in the next 5 years.

98% VOTED: 

The EU should accelerate FTA negotiations with the ASEAN region.

87% VOTED: 

ASEAN-EU FTA would deliver more advantages than bilateral FTAs.

51% VOTED: 

ASEAN offers the best economic opportunity.



EU visitors account for **8.6%** of total visitors from the world to ASEAN in 2017.¹

Favourite destinations in the ASEAN region for EU visitors in 2017¹



ASEAN citizens with resident permits for education in the EU in 2015⁵



36.0% Malaysian
19.1% Vietnamese
13.3% Thai
12.5% Singaporean
12.4% Indonesian
6.7% Others

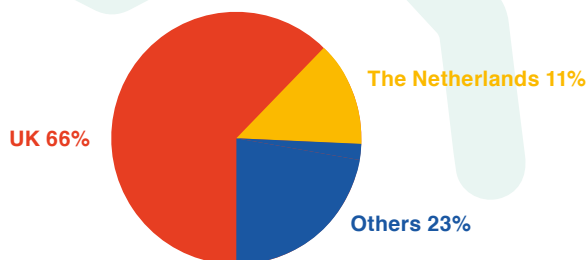
Around **371,000** ASEAN citizens, among which:⁵



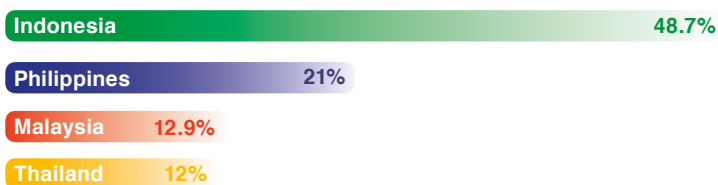
resided on a long-term basis in the EU-28 in 2015.⁵



A total of **76,400** people from EU member states, among which:⁵

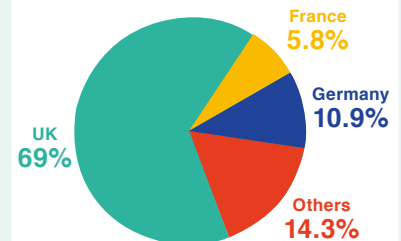


resided in ASEAN member states in 2015.⁵



Europe is the most popular destination for **tourism** and the second most preferred destination for **higher education** among ASEAN people.⁴

Destination for education in the EU of ASEAN citizens in 2015⁵



EU visitors to ASEAN in 1995-2017 (in million arrivals)¹



1 ASEANstats Database. 2 Eurostat 2017. 3 EU-ASEAN Business Council, 2018. 4 State of Southeast Asia 2019 Survey by ISEAS-Yusof Ishak Institute, 2018. 5 European Union 2017.

EU-ASEAN Development Cooperation



EU COOPERATION WITH ASEAN

TOTAL: MORE THAN €250 MILLION



POLITICAL-SECURITY

ECONOMIC

SOCIO-CULTURAL

Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI)

€20 million – 2018-2023

EU-ASEAN Border Management and Migration Programme
€3.4 million | 2015-2018

Chemical, Biological, Radiological, and Nuclear (CBRN) Risk Mitigation
€25 million

Preventing Violent Extremism in SEA
€3 million | 2018-2020

ASEAN Regional Integration Support by the EU (ARISE Plus)
€40 million | 2017-2022

1) Trade Facilitation, Standards, Customs & Transport Facilitation; 2) IPR; 3) ASEAN Secretariat capacity building; 4) Integration Monitoring and Statistics; 5) Air Transport

ARISE Plus Country-level Interventions & National Trade Support Programmes
€50 million | 2019 onward
(Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Vietnam)

Support to ASEAN Farmers Organisations (AFOSP)
€15 million | 2015-2019

COMPASS (Statistics and Integration Monitoring)
€7.5 million | 2014-2018

Study facility to support connectivity & urban development in ASEAN (Asia Inv. Facility)
€1.1 million | 2016-2019

EU Support to Higher Education in the ASEAN Region (SHARE)
€10 million | 2015-2019

Sustainable Use of Peat Lands and Haze Mitigation in ASEAN (SUPA)
€20 million | 2017-2020

Integrated Programme Enhancing Capacity of AHA Centre & ASEAN Emergency Response Mechanisms (EU Support to AHA Centre)
€10 million | 2018-2022

Safe & Fair: Women Migrant Workers Project in ASEAN
€25 million | 2018-2023

Biodiversity Conservation & Management of Protected Areas in ASEAN
€10 million | 2016-2019

SMART Green ASEAN Cities
€5 million | 2019 onward

Regional Cooperation to Empower Rural Development Organisations in ASEAN - ReCoERDO
€2.7 million | 2016-2019
Managed from Brussels



Ongoing Projects



Approved Projects



Pipeline Projects

(As of June 2019)

I. ASEAN REGIONAL INTEGRATION SUPPORT FROM THE EU (ARISE PLUS)

Period: 2017-2022

Funding: €40 million



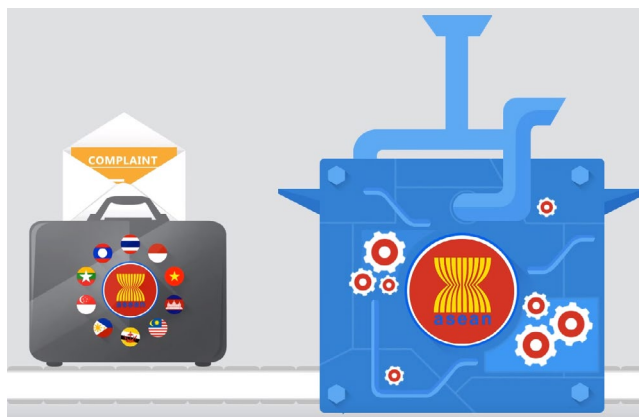
ARISE Plus supports ASEAN economic integration and strengthens ASEAN institutional capacity, guided by the ASEAN Economic Community (AEC) Blueprint 2025. The programme covers four regional projects, (i) technical assistance to support the ASEAN single market and integration monitoring; (ii) ASEAN Secretariat capacity building; (iii) intellectual property rights; and (iv) civil aviation. These regional efforts are complemented by national projects worth €50 million, in Cambodia, Indonesia, Laos, Malaysia, Myanmar, Thailand, the Philippines, and Vietnam aimed at addressing country-specific needs.

ARISE Plus supports the ASEAN Customs Transit System (ACTS) (<https://acts.asean.org/>) to facilitate ASEAN importers, exporters, freight forwarders and transporters. The system aims to increase the efficiency of moving goods across land-based transport routes, improve the prevention and detection of fraud, reduce transaction cost and movement time for the trading community. The ACTS will be deployed in Malaysia, Singapore, Thailand, Cambodia, Laos, and Vietnam in December 2019. Myanmar will join in 2020.

ARISE Plus encourages increased and deeper engagement with the private sector in the ASEAN region through organising regular meetings and workshops with the ASEAN Business Advisory Council (ABAC) and other business councils. In 2018, ARISE Plus held two Roundtable Discussions on Trade Facilitation, focusing on the implementation and streamlining of non-tariff measures (NTMs) and removal of non-tariff barriers (NTBs).



Under its trade facilitation agenda, ARISE Plus supports the ASEAN Solutions for Investments, Services and Trade (ASSIST) – a free online facility (<https://assist.asean.org>) to allow ASEAN businesses to lodge e-complaints directly with ASEAN member governments when they encounter exporting problems to other ASEAN countries. Confidentiality and anonymity are guaranteed, if needed be.



II. SUSTAINABLE USE OF PEATLAND AND HAZE MITIGATION IN ASEAN (SUPA)

Period: 2017-2020

Funding: €20 million, plus €4 million from Germany

SUPA promotes sustainable management of peatland, mitigation of climate change, and management of transboundary regional haze and fires through collective actions. The programme is also aimed at reducing carbon emissions from ASEAN countries, and conserving the biodiversity and ecosystems of peatland areas. Apart from capacity building for the ASEAN Secretariat and ASEAN member states at the regional and national levels, SUPA also seeks to strengthen non-state actor participation, including local smallholder farmers and large private sector companies.

Approximately US\$3 million will be allocated to support peatland management in Cambodia, Laos, and Myanmar through assessment and documentation of peatlands, capacity building, awareness raising, policy frameworks, as well as utilising and sharing best practices from pilot sites such as Peam Krasop Wildlife Sanctuary, Beung Kiat Ngonng landscape, and the Inle Lake Watershed.

SUPA will also co-finance activities under the Sustainable Management of Peatland Ecosystems in Malaysia (SMPPEM) project. Management of peatlands in the North Selangor Peat Swamp Forest (NSPSF), one of the targeted sites under SMPPEM, includes promoting sustainable agricultural practices, strengthening infrastructure management, and engaging with the local and indigenous communities.

III. EUROPEAN UNION SUPPORT TO HIGHER EDUCATION (EU SHARE)

Period: 2015-2019

Funding: €10 million



EU SHARE aims to harmonise higher education systems in ASEAN and support the strengthening of ASEAN identity among future graduates by allowing for more intra-ASEAN mobility. Under EU SHARE, around 500 scholarships have been awarded to ASEAN undergraduate students, of which 400 scholarships are for intra-ASEAN mobility and 100 scholarships for study in the EU. As demonstrated in the testimonials of some alumni, EU SHARE has offered them an invaluable opportunity to learn, to experience and to share.

Sai Phyo Zin Aung (Myanmar)

Host Institution: Chulalongkorn University, Thailand and University of Groningen, the Netherlands

“Studying in another country is very competitive. I have to have basic knowledge in every field. For example, now I am studying Sociology (Anthropology at my home university), but I also have to know Mathematics, Biology, Physics and other natural science subjects. They all are interrelated. Learning tools are also a bit different from my home university. I have never known about blackboard learn, student portal and Nestor before. They are all a new experience for me. I can also improve my reading skills during SHARE mobility periods. The most important thing that I can improve is my English skills.”



Saomai Xayyalath (Laos)

Host institution: University of Malaysia Sabah, Malaysia

“The cultural exchange program in the host university was a warm and unforgettable time. To get along well with each other I needed to be more open to understand their traditional behaviours and cultures. We have learnt their traditional dance with steps a little bit similar to Lao. We understood and respected each other’s religion and beliefs. We listened to each other. I also showed them our ancient customs.”

Raya Mae T. Aquino (Philippines)

Host institution: Universitas Indonesia

“I made life-long friendships with students from Japan, Korea, Thailand, China, Netherlands, Germany, France, Lithuania, Finland, Malaysia and Brunei Darussalam among others! We travelled a lot together to different places in Indonesia like the famous Jogjakarta, Surabaya, Lombok, and Bali as some of our destinations. This experience made me a lot more socially responsible, learning to care about nature as well as to be culturally sensitive.”

Lee Athemist (Malaysia)

Host institution: University College Cork, Ireland

“In a few months in Ireland, I have discovered that the locals really do care about their community. They practice all sorts of campaigns and volunteering programs for different purposes. The point is that they are concerned and take responsibility as citizens to help the poor and the homeless.”

Ria Destya Ningrum (Indonesia)

Host Institution: Uppsala University, Sweden

“Here in Uppsala since there are thousands of international students, I had to experience how it is like to have classes and to study with people from Sweden, the USA, Japan, Australia, Nigeria, and so on and it is very interesting to have very diverse perspectives and points of view towards certain issues.”

IV. ASEAN SECRETARIAT CAPACITY DEVELOPMENT

1. Grant to the ASEAN Secretariat

Period: 2013-2017

Funding: €3 million

The Grant aimed to strengthen the ASEAN Secretariat corporate functions by setting up proper systems, guidelines, manuals and procedures in its regular operations. It was a success. This support is being replicated under ARISE Plus with a new grant of €4 million starting from 2018.

Ms. Finna Kemala, Trust & Project Fund Officer

“As a Trust/Project fund officer, I have to act as the last defence to ensure the right entitlement and proper fund utilisation. Through the Seven Habits course, I learned how to SEEK FIRST TO UNDERSTAND, THEN TO BE UNDERSTOOD. I then realised that my role is not only about safeguarding the fund but also ensuring the optimal fund utilisation by helping others understand the correct procedure and entitlement. This enables me to think win-win and create a synergy across divisions.”

Mr. Mohamad Razif Thayeb, Officer of the Internal Audit and Evaluation Division

“There are three specific projects that had positive impacts on my professional life. First of all was the establishment of the Internal Audit Charter (IAC) and Internal Audit Manual (IAM). The knowledge gained from multiple discussions with the consultant has enriched myself with the capacity of developing IAC and IAM. The second project was the establishment of the Enterprise Risk Management (ERM) system. The third project is the certification process of our division, especially the Certified Internal Auditor (CIA). Having the CIA certification lends greater credibility to our division and puts us on an equal footing with other global professionals.”

2. ASEANStats Support

Duration: 2014-2018

Funding: €7.5 million

The “Institutional Capacity Building for ASEAN Monitoring and Statistics” (COMPASS) project helped narrow gaps in statistical capacity within ASEAN, strengthened the ASEAN Integration Monitoring Directorate’s ability in monitoring the progress of ASEAN regional integration, and enhanced the visibility and value of ASEAN statistics in the public eye. An increasing number of people are visiting the ASEANStats webpage (<https://www.aseanstats.org/>). Follow-up activities of COMPASS are continued under ARISE Plus.



V. ENHANCED EU-ASEAN REGIONAL DIALOGUE INSTRUMENT (E-READI)

Period: 2017-2023

Funding: €20 million



Funded by the
European Union



E-READI

E-READI supports EU-ASEAN policy dialogue and ASEAN regional integration covering all three pillars of the ASEAN Community. The programme promotes sharing experiences and best practices on regional integration in policy areas of joint interest, including (i) economic and trade connectivity and business enabling environment; (ii) environment and climate change; (iii) human rights and gender equality; and (iv) science and research.

Among many activities under E-READI, a study assessed non-tariff barriers (NTBs) in ASEAN and the benefits of their elimination, based on private sector views. The study is being presented to ASEAN economic and senior officials to inform their policy-making.

E-READI also supported the launch of the ASEAN Safe Migration Campaign in conjunction with the ASEAN and Labour Mobility – Sharing Experiences and Lessons Learnt event on 12 December 2018 in Jakarta. The event gathered over 120 participants to raise awareness and exchange experiences on safe and fair labour migration and migrants’ rights.



As ASEAN is embracing more investments in infrastructure and connectivity, E-READI is supporting a survey of the building and construction codes in ASEAN member states that also identifies their capacity building needs if they wish to adopt ‘Eurocodes’, harmonised construction standards developed in the EU.

VI. SUPPORT TO ASEAN FARMERS ORGANISATIONS (AFOSP)

Period: 2015-2019

Funding: €15 million

AFOSP is a multi-stakeholder project which aims to improve the livelihoods and food security situation of smallholder farmers and rural producers in ASEAN countries. The programme has reached 14 million farmers through supporting a total of 26 national and 1200 sub-national farmer organisations. Some signature projects under AFOSP include:

Drought-Resistant Farming in Thailand

Supported by AFOSP, the Assembly of the Poor, a non-governmental organisation in Thailand, carried out an experiment to reverse the adverse effects of drought in Don Lak Dam community in Khon Kaen Province. The experiment included introducing a simple drip irrigation system using broken jars and plastic barrels, growing drought-tolerant native plants, and breeding animals that require minimal water. It has helped improve the livelihoods of the villagers, including Sunantha Saenbut who shared: “Because of water shortages, we have to travel to a nearby swamp, fill our buckets with water and bring them back in pushcarts. The water dripping equipment helps us cut the number of trips and supports our plans to shift to growing drought-resistant native vegetables and fruits, which will hopefully increase our income and compensate for poor rice yield.”

Rehabilitating Mangrove Forests in the Philippines

The restoration initiative was carried out by the Coalition of Municipal Fisherfolks Association of Zamboanga Sibugay with the support of national and local government agencies and various civil society organisations. Around 6000 mangroves have been replanted, resulting in a remarkable boost of fish catches from 3-5 kg per trip in 2005 to 12-15 kg per trip in 2018, and the increase continues.



Don Lak Dam Community in Thailand

Integrated Shed Houses for Tropical Farming, and Zero Energy Cooling and Storage in Laos

Supported by AFOSP, the Lao Farmer Network redesigned shed houses that allow farmers to grow vegetables and raise animals such as ducks under the same roof during the rainy season, thus helping to improve weed and pest control, enable efficient farming methods and increase villagers’ income levels. For Sone, Head of Don Sehong Producer Group in Khong District of Champasack Province, she can now “earn about US\$100 from selling vegetables and US\$600 from selling ducks – all grown in the same shed house.”

The Lao Farmer Network also developed a low-cost, zero-energy cooling and storage system through connection to natural sources of cool airs such as spring wells or creeks, resulting in 4-7 degrees Celcius drop in temperature. This has helped farmers reduce oversupply and wastage and improve productivity. For Khammone, Head of Thongmang Organic Vegetable Group, “Even though the storage area is not as cool as a refrigerator, it allows us to protect our produce from wind, sunlight and heat.”

Acknowledgement: This section uses a number of verbatim and summarised excerpts from the EU-ASEAN Blue Book 2019 (<http://bit.ly/euasean2019bluebook>), Faces of SHARE, and various programme and project brochures on ARISE Plus, AFOSP, E-READI, EU SHARE, and SUPA, with permission of the copyright holders. We deeply appreciate and thank the Mission of the European Union to ASEAN, the ASEAN Secretariat, and Nuffic Neso Indonesia for their invaluable assistance and support, especially in generously sharing the resources on ASEAN-EU development cooperation with ASEANFocus.



Mangroves in Puerto Princesa, the Philippines

Walls That Speak: Street Art in Southeast Asia

Anuthida Saelaow Qian paints a vivid picture of the region's vibrant street art scene.



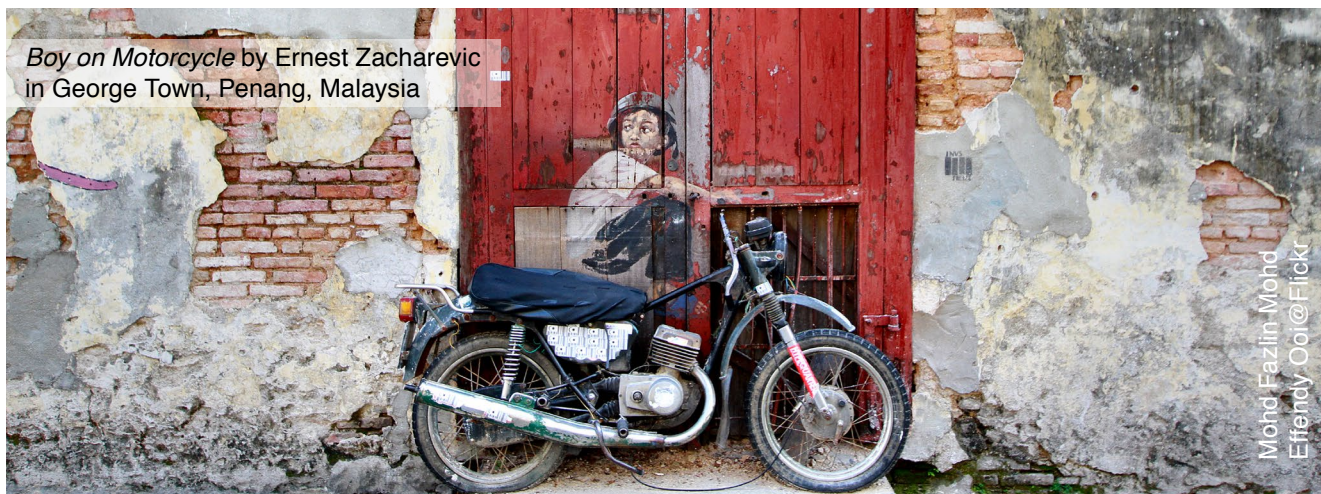
In a quiet back alley nestled in the historic neighbourhood of Kampong Glam, Singapore, an artist is preparing for his next masterpiece. Armed with cans of spray paint, he surveys his canvas: a worn and weathered wall with peeling plaster and irregular swatches of paint. Then, with flicks of his wrist, adding a smidge of green here and a touch of orange there, a new breath of life is coming to the wall – the once blank space is now transformed into a captivating work of art, offering a visual feast for the next curious explorer who stumbles upon it.

This piece of artwork is part of the street art movement that is flourishing across the region's evolving urban landscape, integrating art into daily life and exploring unconventional mediums of expression. Vibrant, and sometimes vast, street art has come a long way from its grimy and rebellious beginnings to become an internationally recognised and celebrated art form. Once associated with vandalism, the movement has shed its stigmatised reputation to capture the global attention of governments, major corporations, art critics, travellers, and everyday people alike. The predominantly urban phenomenon born out of New York's graffiti boom in the 1960s has skyrocketed to fame and ubiquity, adding splashes of colour to unexpected corners of concrete jungles all over the world. But look beyond the buzzing metropolises of New York, London, and Berlin, or the works of revered artists like Banksy, Jean-Michel Basquiat, Blek le Rat, and Shepard Fairey – some of the most inspiring, evocative, and Instagram-worthy pieces of street art can be found right here in Southeast Asia.

While strolling through the nooks and crannies of George Town in Penang, Malaysia, one discovers that the city's history and culture lines its streets. Roadside hawkers dish up beloved staples such as *assam laksa* and *Teochew chendol*. The charming blend of colonial and Chinese architecture greets you at every turn. George Town's rich heritage also transpires on its walls with street art having become a tourist attraction in its own right, and for good reason. It all started when the Penang State Government initiated the "Marking George Town" campaign in 2009 to physically brand the city following its inscription by UNESCO as a World Heritage Site. The winning pitch featured a series of witty steel rod sculptures installed at key heritage spots, each a humorous caricature telling a unique story about George Town's history, people, and food. A walk around town may bring you to a sculpture marking the spot where Penang-born luxury shoe designer Jimmy Choo began his apprenticeship, or an ode to the island's hawker food, immortalised in a portrayal of a *char koay teow* vendor serving his hungry patrons.

What shot George Town to international fame in the street art scene, though, is undoubtedly the works of Lithuanian artist Ernest Zacharevic who was commissioned in 2012 to create a collection of murals to celebrate and breathe new life into the city. The whimsical incorporation of physical objects such as motorcycles, swings, and chairs invites visitors to directly engage with the pieces as they pose for photos, blurring the line between art and life. From a larger-than-life painting of a young girl decked out in blue *kung fu* gear as she vaults over two windows to a 3D mural featuring a pair of siblings shrieking with laughter as they perch on a bicycle, Zacharevic's legacy pays homage to the island's urban environment while preserving its heritage. It was this artistry that helped George Town earn a coveted spot as the only Asian destination featured alongside other global street art powerhouses in travel guide *Lonely Planet's* 2017 book, *Street Art*.

George Town might be dubbed "The Street Art Capital of Southeast Asia", but many other cities in the region are giving it a run for its money. All across Southeast Asia, street art has increasingly gained mainstream acceptance and popularity, even in places with a reputation for being squeaky-clean. In Singapore, the National Arts Council has championed the recognition of street art as a legitimate art form by supporting annual events like the Singapore Street Festival and the Aliwal Urban Art



Boy on Motorcycle by Ernest Zacharevic in George Town, Penang, Malaysia

Mohd Fazlin-Mohd Effendy Ooi@Flickr



Little Girl in Blue by Ernest Zacharevic in George Town, Penang, Malaysia

Shankar s. @Flickr



Mamak Store by Yip Yew Chong in Chinatown, Singapore

Choo Yut Shing@Flickr



Traditional Trades of Little India by Psyfool in Little India, Singapore

Annie Spratt@Unsplash

Festival. It also opens up practice spaces for street art such as sanctioned walls at *SCAPE and the Goodman Arts Centre. Fledgling and seasoned artists now have a platform to hone their craft and showcase their talent while members of the public can gain front-row seats to graffiti art demonstrations.

Today, Singapore boasts a thriving street art community with an inspiring selection of pieces that are as diverse and eclectic as the city-state itself. Street art hotspots like Bras Basah, Little India, and Tiong Bahru feature artworks that are infused with local flair and nostalgia, depicting scenes such as a bird singing corner, an array of traditional trades practised by the Indian community, and a *mamak* shop (traditional provision shop). Many home-grown urban artists like Samantha Lo (also known as SKL0), whose tongue-in-cheek stickers once peppered traffic light buttons and rubbish bins around Singapore, have also taken their craft beyond the streets by staging solo exhibitions at art galleries and working with large commercial brands.

Street art's ever-growing popularity and presence across Southeast Asian cities have enabled connections within the region and with the world. Just like other traditional forms of art shared within the region such as shadow puppetry and folk dances, street art is an inspiring and powerful way of expressing, exchanging, and embracing ties between ASEAN member states. Street art festivals, events, and competitions have popped up all around Southeast Asia, cultivating a breeding ground of talent and transforming its streets into a kaleidoscope of colours. One such example is the "ASEAN Pop Culture" project organised by the Tourism Authority of Thailand, which brings together artists from the region to design stunning works of art in the cities of Sukhothai, Chiang Rai, and Trat in Thailand, Mandalay in Myanmar, and Battambang in Cambodia, priming these destinations as up-and-coming hotbeds for art and culture.

Other events, like the BUKRUK Urban Art Festival in Thailand, are a novel medium of cultural exchange and a valued opportunity for Southeast Asian artists to mingle with their global counterparts. In its 2016 edition, the festival saw an assortment of top-notch artists from

Europe and Asia collaborating on prominent street artworks around Bangkok’s riverscape, each painting a resonant symbol of the strong partnership and cooperation between both regions. Similarly, the “Beyond Borders, Peaceful Voyage” mural project in Bonifacio Global City in Manila was jointly created by Korean and Southeast Asian artists and volunteers to celebrate ASEAN’s 50th anniversary and the ASEAN-Korea Cultural Exchange Year in 2017. The mural is presented in Korean *Chaekgado* style (still life paintings of bookshelves stacked with books and other scholarly paraphernalia), with different objects representing each country’s culture and traditions, standing tall as testament to ASEAN’s enduring friendship with South Korea.

For many artists and advocates, street art has long been regarded as a tool for change, serving as both the medium and the message. It has done exactly that in the Tam Thanh Mural Village in Quảng Nam Province, Vietnam, where change has been most palpable in the regeneration of the local economy and community. Inspired by beautiful mural villages in Korea and supported by the Korean Community Art Exchange Programme, the “Art for a Better Community” project graces the outer walls of homes and quaint alleyways with over 100 murals capturing the local way of life and scenery. The swathes of colours that sweep through Tam Thanh have been hugely successful in fostering a sense of identity and pride among its locals as well as attracting droves of visitors to the once sleepy commune, with up to 500 tourists exploring the picturesque village on a given day.

Despite its humble beginnings, the street art movement has steadily rose to become an indispensable feature of contemporary life in cities across Southeast Asia. Each unique piece of art tells a different story of manifold histories, cultures, and people, transforming every street into a living and breathing gallery that is accessible to anyone and everyone. Around every street corner, unexpected masterpieces are waiting to be discovered – if you just care to look. 🏡

Anuthida Saelaow Qian is Research Officer at the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.



Sambor Prei Kuk – History in the Richness of Forest

Hayley Winchcombe adventures off the beaten path to find another jewel of Cambodia's forest temples.

Tucked away in the leafy sub-tropical forests of central Cambodia are the ruins of an ancient empire, the Sambor Prei Kuk temples. Built over a hundred years before the world-famous temples of Angkor Wat, the site remains a largely undiscovered treasure of Cambodia's rich cultural heritage. The serene setting remains off the beaten track, located roughly halfway along the journey from Angkor Wat to Phnom Penh in Kampong Thom province. As local traffic passes, the red dust characteristic of Cambodia billows over the wide leaves of nearby trees, offering camouflage to the temples, its name in Khmer language meaning "the temple in the richness of the forest".

Awarded UNESCO World Heritage status in July 2017, restoration works are being undertaken to preserve the heritage site, which includes ten octagonal temples that are found only in this location within Southeast Asia. Originally encompassing 293 temples across 25 square kilometres, the site has been the subject of extensive studies by archaeologists and historians. Their discoveries indicate that the temples belonged to Isanapura, the capital of the Chenla empire in the 6th and 7th century – a commanding polity that conquered and absorbed the Funan kingdom after trade between China and the Roman empire dissolved with the fall of the latter.

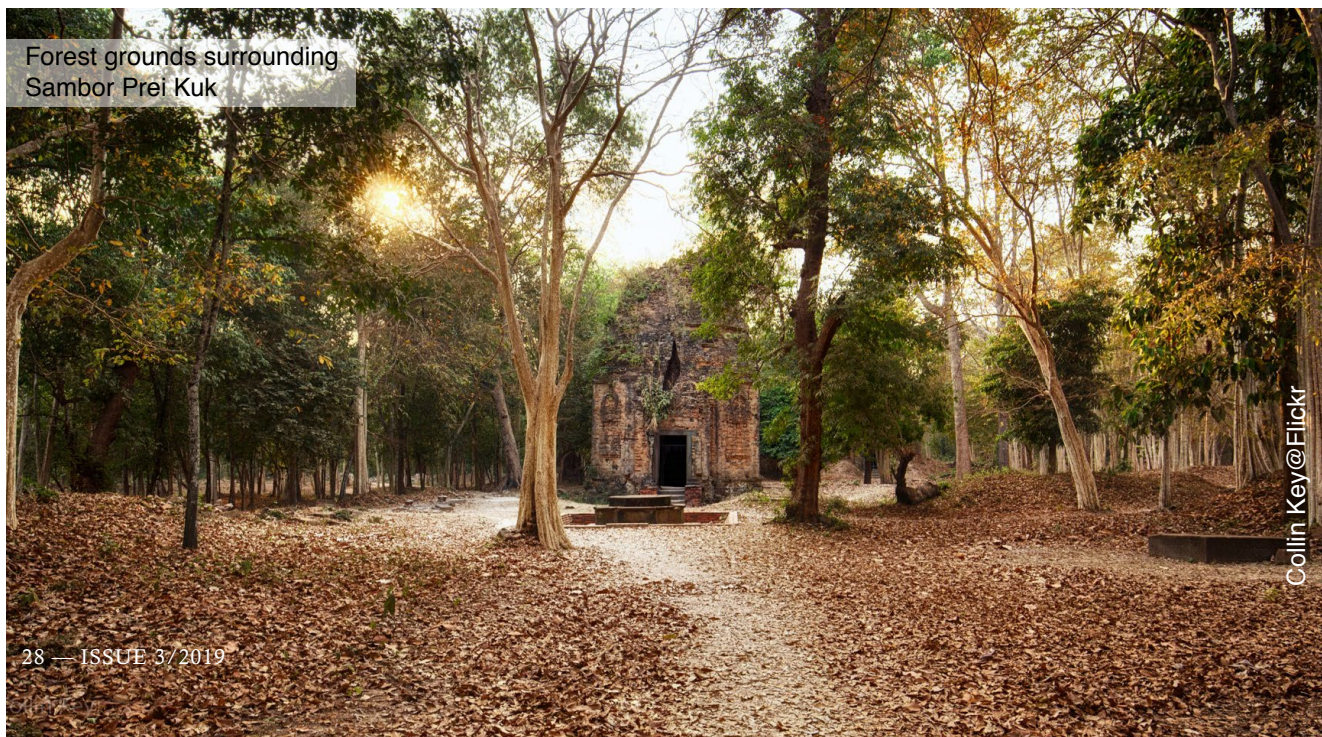
Isanapura was established in 613 by Chenla King Isanavarman I as a royal sanctuary and capital. King

Isanavarman I led the construction of the Southern and Northern groups of temples, while a central group was constructed later. Isanapura continued to be Chenla's centre of power until the death of its last important king Jayavarman I at the start of the 8th century. This threw the realm into turmoil and caused the fragmentation of the empire, leading to the beginnings of the Angkor empire by Jayavarman II which flourished from the 9th to 15th centuries.

The 1,400 year old temples of Sambor Prei Kuk have withstood the rise and fall of many dynasties as well as centuries of harsh weather conditions to remain towering figures amidst the dense forest. Made of bricks and sandstones, the temples are intensely decorated with carvings, sculptures and religious iconographies including Shiva lingams and yonis. Its architecture and sandstone carvings showcase the wondrous designs and the surprisingly well-preserved lintels, columns and pediment structures that have endured since the pre-Angkor period.

The entrance to one of the most famous temples of the central group is guarded on either side by lion sculptures and motifs, giving it the name *Prasat Tao* or Lion's temple. The exterior of the temple is a marvel on its own, with magnificent carvings decorating every inch of the four walls. Exploring the interior allows one to experience the divine appeal which would have inspired worship amongst those permitted to visit the sanctuary. Gazing upwards once inside, the exquisite

Forest grounds surrounding Sambor Prei Kuk



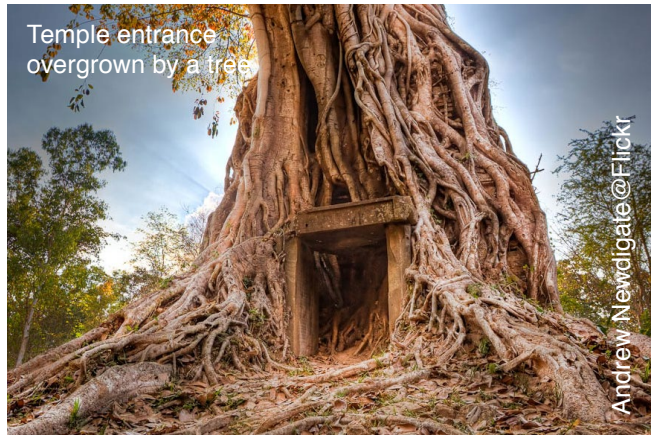
Collin Key@Flickr

Entrance to Prasat Tao guarded by lion sculptures



Hayley Winchcombe

Temple entrance overgrown by a tree



Andrew Newdigate@Flickr

layered brickwork narrows into an open chimney, allowing smoke from incense burning to clear. On the outskirts of the Southern group (*Prasat Yeai Poem*), another spectacle to behold is a temple swallowed by a tree. Its mysterious entrance is wrapped up in a cacophony of heavy root systems and the tree trunk that carries the weight of an expansive tree top above.

Each group displays a variety of temples in different styles which evoke their religious and ceremonial significance. Shaivism was the official religion of the Chenla empire, a popular form of Hinduism which reveres the god Shiva. Inside the temples, Shiva's energy and essence are captured in a lingam phallic symbol which may be accompanied by Yoni, the symbol of the goddess Shakti of female creative energy. Indigenous ancestral deities were also worshipped under Shaivism, with the temple walls featuring detailed stone inscriptions in both Sanskrit and Khmer to offer inspiration. Even today, locals pay visit to the temples on several occasions throughout the year to offer prayers to ancestors during cultural rituals.

The Indic-influenced carvings and inscriptions demonstrate the sweeping influence of Hinduism through Cambodia and further across Southeast Asia. Scholars have argued that the artistic and architectural styles of Sambor Prei Kuk were reproduced in other parts of the region and laid the foundations for the unique Khmer style characteristic of the Angkor period. The significance of Sambor Prei Kuk therefore includes its historical value and its artistic and architectural influence on other heritage sites, beyond its stand-alone beauty and the insights it yields into early Khmer civilisations.

Craters and the encroachment of nature reveal how the temple-scape has changed over time. Tree roots curl over sanctuary entrances like a scene from an Indiana Jones movie and unexpected craters undulate the landscape. These craters are vestiges of the US' heavy bombings during the Second Indo-China War. The war also left behind its scars through deadly mines on the land. Thanks to intensive mine clearing efforts, Sambor Prei Kuk became landmine-free in 2008, finally opening the doors for safe visits. Today, restoration works supported by UNESCO are doing much to preserve and protect the site. Thankfully, while a handful of the structures are currently under intensive ongoing restoration projects, most remain fully accessible for visiting.

Elaborate carvings found on temple walls



Pierre Andre@Wikimedia

Discovering the temples in wild forest is both a rugged and rewarding experience for travellers, some making their way there on bikes. Mosquitos, ants and monkeys are travellers' company as the jungle setting has remained almost untouched. Many a visitor appreciate the serenity of Sambor Prei Kuk and the tranquillity in the woods, far away from packs of tourists who clamour for the Angkor magnets. Sambor Prei Kuk may not make a splash like Angkor Wat but it has its own charm and deserves acclaim in its own right. It is the predecessor of the Angkor civilisation, comprising a vast archaeological site of an ancient kingdom whose unique history can be seen tangibly in the towering remains. Far from the limelight of Cambodia's tourist map, it yet offers a rare opportunity to grasp the vicissitudes of history and the beauty of architecture spreading out in a vast greenery. 🌿

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Mekong Giant Catfish

Pangasianodon gigas

Numbers remaining in the wild:
Estimated to be in the hundreds

Status: Critically Endangered

Found in Cambodia, Laos,
Myanmar, Thailand, and Vietnam

The Mekong Giant Catfish is one of the world's largest freshwater fish, capable of reaching 3 metres in length and 300 kilograms in weight. This colossal member of the shark catfish family is endemic to the Mekong Basin, and can be distinguished by its near-total absence of teeth and whisker-like barbels in adults. Despite its formidable size, the Mekong Giant Catfish is harmless to humans and feeds mostly on algae and plant life. Though reported to be abundant in the past, the species' population is estimated to have decreased by more than 80% since 1990. The Mekong Giant Catfish faces serious threats from overfishing and infrastructure development along the Mekong River. It is classified as Critically Endangered on the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species and listed on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). (Source: WWF, IUCN)

