



## Progress report on the implementation of the German Government policy guidelines on the Indo-Pacific region

One year after the publication of its policy guidelines on the Indo-Pacific region, the German Government is able to point to initial tangible successes with respect to their implementation. The most important results include the following:

- Under Germany's Presidency of the Council of the European Union, **EU-ASEAN relations were upgraded to the level of a Strategic Partnership** in December 2020. This will intensify the exchange with this key organisation for the region and lead to tangible improvements in numerous areas of regional cooperation, as the conclusion of the Comprehensive Air Transport Agreement (CATA) in June 2020 shows.
- At the initiative of Germany, France and the Netherlands, the **European Commission** and the European External Action Service will issue a communication on the **Indo-Pacific strategy** in September. The Foreign Ministers tasked the High Representative as well as the European Commission with this in April 2021. This EU strategy will strengthen the common European approach in the region.
- In April 2021, the German Government decided in favour of Germany's **accession to the International Solar Alliance initiated by India**. This will intensify the already close cooperation with India on climate protection, climate change mitigation and renewable energies.
- The frigate BAYERN embarked on its **patrol and training mission in the Indo-Pacific** in August 2021. Germany is thereby underscoring its responsibility for maritime security and for upholding the rules-based international order in this region, too. Together with France and the UK, Germany presented its legal position with respect to international law on maritime claims in the South China Sea in a joint Note Verbale to the United Nations in September 2020.
- Germany is fostering maritime security in the Indo-Pacific with its **accession to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP)** in August 2021. ReCAAP ensures the rapid exchange of information on maritime incidents on a trade route via which over two thirds of goods worldwide are exchanged – thus also impacting Germany as a trading nation.
- Germany has strengthened its **cooperation with its partners in the region**. Relations with Australia were upgraded to an Enhanced Strategic Partnership in June 2021. Joint consultations between the Foreign and Defence Ministers were held with Japan for the



first time in April 2021. It has been possible to exchange highly confidential data with Japan since March 2021 on the basis of a bilateral agreement on the protection of classified information.

- The newly created **Regional German Information Centre** in Singapore commenced work in August 2021 with a view to using hard facts to counteract disinformation on foreign and security policy developments in the region.

## **Progress in individual spheres of action**

### **1. Strengthening multilateralism**

#### **1.1. Upgrading EU-ASEAN relations**

EU relations with ASEAN were raised to the level of a Strategic Partnership during Germany's Presidency of the Council of the EU in December 2020. With this commitment to multilateral cooperation made by Europe and Southeast Asia, 37 countries and 1.1 billion people will be even more closely connected by common interests – including climate protection, multilateralism and the rules-based international order – in the future. A dedicated EU-ASEAN Summit is scheduled to be held for the first time in the second half of 2022.

The aim behind this cooperation is to strengthen ASEAN's capacity for action as the multilateral nerve centre of the region. In view of the crisis in Myanmar, the regional organisation is currently being put to the test. The German Government is supporting ASEAN in its efforts to encourage Myanmar to return to the path of peace and democracy.

#### **1.2. Intensifying security policy relations with ASEAN**

Germany attended the ASEAN Defence Ministers Meeting Plus (ADMM+) at ministerial level as a guest for the first time in December 2020, thereby acknowledging ASEAN's key role in regional security policy. In her speech, Minister of Defence Annegret Kramp-Karrenbauer emphasised the security policy importance of the Indo-Pacific region for Germany and Europe and underscored our common interest in peaceful conflict resolution mechanisms.

#### **1.3. Expanding Germany's development partnership with ASEAN**

Germany is the biggest bilateral donor to ASEAN among the EU member states. The current list of priorities (2018-2022) comprises 33 projects with a total volume of 131 million euro, of which 47.3 million euro is being invested in ongoing projects. Germany is expanding its support in further sectors in this context:



- Since September 2020, Germany has assisted the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) in its work to build up disaster risk reduction capacities in the region. Germany is thereby supporting efforts to overcome humanitarian crises in the region such as the Rohingya refugee crisis in Rakhine (Myanmar).
- In November 2020, Germany announced that it would contribute five million euro to the COVID-19 ASEAN Response Fund. Berlin is thus supporting ASEAN's healthcare sector for the first time – and is also the biggest donor to the fund.

#### 1.4. Initiative for an EU Indo-Pacific strategy

Following the recent formulation of their Indo-Pacific policy by Germany, France and the Netherlands, the European Commission and the European External Action Service are now expected to present a common strategy for the region in September 2021. At the initiative of the three countries, the Foreign Affairs Council tasked the High Commissioner and the European Commission with this in April 2021. The EU strategy will contribute to a coherent European approach in the Indo-Pacific region.

## **2. Tackling climate change and protecting the environment**

### 2.1. International Climate Initiative

Germany has approved funding for 12 projects of the International Climate Initiative since September 2020 in the course of which partners in the Indo-Pacific will be supported in their fight against climate change. This cooperation extends from projects in the area of sustainable economic recovery (Indonesia, India, Thailand) to the promotion of green cooling (Viet Nam, Thailand) to measures for reducing CO<sub>2</sub> in a transparent way (Papua New Guinea).

### 2.2. Acceding to the International Solar Alliance

Germany will accede to the International Solar Alliance (ISA), which was initiated by India and France, before the end of 2021. This decision was adopted by the German Government in April 2021. In so doing, Germany can help to shape both the expansion of solar energy together with the ISA member states and progress in the global energy transition. With its accession, Germany will intensify its close cooperation with India in the area of climate protection, climate change mitigation and renewable energies and support India's objective of sharing international responsibility with respect to sustainability issues.

### 2.3. Promoting the energy transition in Southeast Asia

The Southeast Asia Energy Transition Partnership (ETP) was launched at the end of 2020 with a view to supporting sustainable energy transition in Southeast Asia. Germany also

numbers among its state and private donors (to the tune of four million euro by 2025). The partnership is initially focused on countries with a high level of coal consumption, i.e. Indonesia, Viet Nam and the Philippines. Its engagement is set to be extended to the whole of Southeast Asia in the future. Moreover, the ETP intends to promote donor coordination and the exchange among projects in the region. The regional project Clean, Affordable and Secure Energy for Southeast Asia (CASE) liaises closely with the ETP, for example.

As one of the projects in the field of bilateral cooperation on the energy transition, including with Indonesia, Viet Nam, the Philippines and Thailand, a project commenced in June 2021 that is intended to increase energy efficiency in Viet Nam. These projects seek to improve air conditioning systems in buildings and to raise awareness of this issue among the general public. Air conditioning in buildings is one of the biggest drivers of growing energy demand in Southeast Asia. Any findings will then be applied to other tropical countries.

#### 2.4. Establishing a Germany Australia Hydrogen Accord

In June 2021, Germany and Australia reached an agreement on the establishment of a Germany Australia Hydrogen Accord in order to promote innovation in the area of green hydrogen. Research and industrial cooperation are to be intensified and the trade in hydrogen and its derivatives between both countries promoted in the long run. The planned innovation incubator HyGATE plays a pivotal role in this regard. Green hydrogen is not only a key technology for decarbonisation in Germany and Australia, but is also a catalyst for sustainable economic growth on the path towards climate neutrality.

#### 2.5. Expanding climate risk financing solutions

The InsuResilience Solutions Fund (ISF) supports climate and disaster risk financing and insurance solutions including in the Indo-Pacific region with a view to helping poor and particularly vulnerable people to protect themselves against extreme weather events. In India, for example, a public-private partnership project has, since March 2021, sought to strengthen the climate resilience of the state of Nagaland by enhancing insurance against natural disasters. Since this year, the ISF has supported the rollout of insurance policies in Nepal to protect smallholders and marginalised people at risk of flooding.

### **3. Strengthening peace, security and stability**

#### 3.1. A security policy contribution to the rules-based international order

On its patrol and training mission taking place from August 2021 to February 2022, the frigate BAYERN will also visit the Indo-Pacific region. With this mission, Germany is contributing to efforts to uphold the rules-based international order. An important part of this patrol and training mission is monitoring the UN Security Council sanctions against North Korea. The monitoring mission includes surveillance and reporting of events arousing



suspicion such as reloading from ship to ship. On its return journey to Germany, the frigate will sail cross the South China Sea. With respect to the monitoring of sanctions, Germany is coordinating its efforts with other nations on maritime reconnaissance as part of the Indo-Pacific Maritime Security Exchange. Moreover, the frigate will contribute to Alliance and EU obligations and support the organisations' capacity to act with its temporary involvement in the operations Sea Guardian (NATO) and Atalanta (EU). Requested port visits throughout the whole region are an expression of the inclusive approach taken by Germany's Indo-Pacific policy.

### 3.2. A legal contribution to the rules-based international order

Under the leadership of the Max Planck Foundation for International Peace and the Rule of Law, staff members at the ASEAN Secretariat and in the ASEAN member states are to receive training on the uniform interpretation and implementation of the UN Convention on the Law of the Sea (UNCLOS). Germany is thus strengthening maritime security in Southeast Asia and working to prevent conflicts.

The German Government flanked these efforts in July 2021 with the establishment of a Group of Friends of the UN Convention on the Law of the Sea in New York. The Group of Friends aims to provide a forum in which issues and challenges regarding the law of the sea can be discussed and now numbers over 100 countries, including the US, Russia and China.

### 3.3. Legal position on the situation in the South China Sea

With a view to upholding the law of the sea in the South China Sea, Germany submitted its legal position to the UN together with France and the UK in September 2020. It set out the following international law position: upholding the integrity and universality of the UN Convention on the Law of the Sea, with whose rules and principles all maritime claims in the South China Sea must conform (as stated bindingly in the arbitral award in the Philippines v. China case of July 2016); respecting UNCLOS regulations on the peaceful settlement of disputes, on unhampered exercise of the freedoms of the high seas, in particular the freedoms of navigation and overflight, and on the right of innocent passage.

### 3.4. Protection against piracy in the Indo-Pacific

Germany has been a member of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) since August 2021. Piracy incidents are tackled or prevented via this regime thanks to the rapid exchange of information and consultancy services for coastal states with respect to capacity-building. The maritime branch of the Federal Police has assumed these tasks on Germany's behalf.

Moreover, Germany was able to extend the secondment of a liaison officer to the Information Fusion Centre (IFC) of the Singapore Navy. The IFC develops a comprehensive maritime situational analysis using the information shared by the member states. Germany

benefits from this as an export nation that depends on open and secure maritime routes between Europe and Asia.

### 3.5. Security policy consultations with partners who share our values

Germany is now conducting joint foreign and defence policy consultations at ministerial level with both Japan and Australia (known as the 2+2 format). The Foreign and Defence Ministers of Germany and Japan met for joint consultations for the first time in April 2021. A declaration on Enhanced Strategic Partnership at foreign minister level was signed at the second 2+2 format with Australia in June 2021.

After years of negotiations, the Agreement on the Security of Information was signed with Japan in March 2021. This agreement enables highly confidential government documents to be exchanged with a view, among other things, to intensifying cooperation in high-tech fields, coordinating multilateral police and military operations and facilitating foreign trade in sensitive industries.

### 3.6. Security policy projects as part of the Enable and Enhance Initiative

For the first time, projects in Southeast and South Asia were identified in the course of which the German Government is enabling partners to engage in their own crisis prevention, crisis management and peace consolidation efforts with funds from the Enable and Enhance Initiative. For example, the Cambodian police will receive training on combating gender-based violence, the authorities in Sri Lanka will receive support in the prevention of terrorism, and the Philippine Coast Guard will be equipped and trained to conduct reconnaissance.

## **4. Promoting human rights and the rule of law**

### 4.1. Increased project funds for human rights projects

Thanks to the increase in the Federal Foreign Office's project funding for human rights work approved by the German Bundestag, it has also been possible to support more civil society human rights projects in the Indo-Pacific region than was previously the case. Over 30 projects with a total volume of around two million euro are planned for 2021, a funding increase of one third in comparison with the previous year. These include projects providing legal support for human rights activists, for protecting women and girls against sexual and gender-based violence, for supporting the re-integration of former child soldiers and for tackling human trafficking.

### 4.2. Resilience to disinformation thanks to the Regional German Information Centre

The newly established Regional German Information Centre in Singapore commenced work in August 2021. The centre will now communicate the German Government's foreign policy

in Southeast Asia via social media channels (including Facebook and Twitter) and use hard facts to counteract disinformation on foreign and security policy developments in the region.

## **5. Strengthening rules-based, fair and sustainable free trade**

### 5.1. Progress in free trade negotiations with the region

At the EU-India Summit in May 2021, both sides announced that they were resuming negotiations on a free trade agreement after an eight-year standstill. Negotiations will also be held on investment protection and geographical indications, a process to which Germany will lend its support.

Negotiations on the EU-Australia free trade agreement are progressing. After eleven rounds of negotiations to date, an agreement is expected to be concluded in the course of 2022. Negotiations on the EU-New Zealand free trade agreement are making equally good progress. Following 11 rounds of negotiations and the visit to Brussels by New Zealand Minister for Trade and Export Growth Damien O'Connor in June 2021, it is aimed that an agreement will be reached by the end of 2021 or the beginning of 2022. After a hiatus, negotiations on a free trade agreement with Indonesia were likewise resumed in 2021. Progress in the negotiations on free trade and investment protection agreements with Indonesia as the biggest ASEAN member are increasing the chances of concluding an EU-ASEAN free trade agreement.

### 5.2. Concluding the Comprehensive Agreement on Investment (CAI) between the EU and China

During Germany's Presidency of the Council of the European Union, negotiations with the People's Republic of China on the CAI were concluded in political terms in December 2020. The aim of this agreement is to ensure a more level playing field with China. As part of the agreement, the People's Republic of China will commit to abolishing the forced transfer of technologies and, to a certain extent, the obligation to set up joint ventures. It will also pledge higher transparency with regard to state subsidies and greater equal competition regarding the regulation of its state-owned enterprises, and undertake to comply with environmental and labour standards. Following Chinese sanctions in March 2021, however, the European Parliament suspended the CAI ratification process and tied its resumption to the lifting of these sanctions.

### 5.3. Strengthening vocational training

At the end of 2020, Germany and the Philippines extended their cooperation until 2023. This cooperation supports the reform of the Philippine education system with a view to building and expanding future-oriented vocational training structures and capacities. Both countries have been cooperating to this end since 2014. Germany is supporting Indonesia's efforts to

create a national vocational training strategy by including elements of the dual system for practice-oriented vocational training.

## **6. Rules-based networking and digital transformation of regions and markets**

### 6.1. EU Strategy on Connecting Europe and Asia

Also at the instigation of the German Government, the EU Foreign Ministers decided in July 2021 to transform the previous 2018 EU-Asia Connectivity Strategy into an ambitious global connectivity strategy. To date, the EU-Asia Connectivity Strategy has primarily promoted projects and policy cooperation with like-minded partners in the Indo-Pacific, including India, Japan and ASEAN. Projects have already been planned by the EU and its member states, e.g. within the framework of the EU-ASEAN Team Europe Initiative on Sustainable Connectivity, which will also provide support to infrastructure projects in the ASEAN region.

### 6.2. Concluding the EU-ASEAN Comprehensive Air Transport Agreement

After five years of negotiations, agreement was reached in June 2021 on a Comprehensive Air Transport Agreement (CATA) between the EU and ASEAN. It is the world's first regional air transport agreement to set the framework for cooperation on aviation safety, air transport management and consumer protection, as well as environmental and social issues. Especially after the restrictions owing to the COVID-19 pandemic, it will restore air transport between ASEAN and Europe and open up fresh opportunities for growth.

### 6.3. Joint declaration on connectivity by the EU and ASEAN

The EU and ASEAN Foreign Ministers adopted an EU-ASEAN joint ministerial statement on connectivity at their meeting in December 2020. According to the statement, the benefits arising from the synergy between the Master Plan on ASEAN Connectivity 2025 and the EU-Asia Connectivity Strategy: The EU Strategy are to be harnessed for both sides. A connectivity partnership is to be agreed between the EU and ASEAN to this end.

### 6.4. Reaching agreement on a connectivity partnership with India

At the EU-India Summit in May 2021, both sides reached agreement on a partnership for sustainable connectivity and quality infrastructure. The EU and India can thus expand their political and economic role in East Africa, Central Asia and the Indo-Pacific with cooperative partnerships in third countries.

### 6.5. Dialogue and cooperation on the digital transformation

In addition to annual economic and trade policy consultations, Germany conducted a digital policy dialogue with Japan for the first time in March 2021. A further dialogue of this kind is

to be established with South Korea by the end of this year. The objective here is to reach agreement on standards for key technologies and to use these technologies responsibly.

## **7. Bringing people together through culture, education and science**

### 7.1. DAAD Centre for Pandemic Prevention in Viet Nam

The German Academic Exchange Service (DAAD) established one of four new Global Centres for Health and Pandemic Prevention in Viet Nam in May 2021. The centre is intended to prevent and help treat infectious diseases. Research staff will also be recruited through a PhD programme in experimental medicine, internships and fellowships. Clinical and non-clinical staff will receive training in workshops and further training seminars.

### 7.2. Developing the Global Water and Climate Adaptation Centre in India

In June 2021, the DAAD in India inaugurated the Global Water and Climate Adaptation Centre as one of four global centres for climate and the environment. The centre will conduct research into global challenges in the area of water security and adaptation to climate change.

It brings together top researchers from the Indian Institute of Technology Madras in Chennai with scientists from the TU Dresden and the Rhenish-Westphalian Technical University (RWTH) Aachen. Here, too, future leaders in the environmental sector will receive training in the form of joint master's and PhD programmes and research and civil society will be brought together.

### 7.3. Expanding the Vietnamese-German University

The intergovernmental agreement on the expansion of the Vietnamese-German University has been in force since April 2021. The university in Ho Chi Minh City will therefore be developed into a research university in accordance with the German model as a flagship project of the bilateral partnership in the scientific field.

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