

Progress report on the implementation of the Federal Government policy guidelines for the Indo-Pacific in 2022 (Progress Report Indo-Pacific 2022)

Implementing the Federal Government policy guidelines for the Indo-Pacific in a changing international environment

The rules-based international order is under pressure, not least in the Indo-Pacific. Russia's war of aggression against Ukraine has shaken not only Europe since it started on 24 February 2022. With its attack on Ukraine's state sovereignty and territorial integrity, Russia has violated elementary rules of the international order. Against this backdrop, important Asian partners also consider Russia's attack to be a global and not only European challenge. The rules-based international order comprises the norms of international law as enshrined in the Charter of the United Nations, first and foremost, the peaceful settlement of disputes, territorial integrity, respect for political sovereignty and individual human rights. Peace and stability can only be preserved if these fundamental rules are observed by everyone.

The rules of the international order are being challenged to an increasing degree by individual actors in the Indo-Pacific. Rearmament in the region has accelerated, geopolitical tensions are exacerbating territorial conflicts and the risk of escalation is increasing, for instance in the Taiwan Strait. Together with its partners, the Federal Government will work also in the future to preserve the rules-based international order, strengthen international law and multilateral structures and prevent conflicts. It is of the view that the status quo in the Taiwan Strait can only be changed by peaceful means and by mutual agreement.

Alongside existing priorities in the region, the Federal Government will place an even stronger focus on what is known as the Blue Continent and the Pacific island states. Two developments are coinciding in this region: the worsening climate crisis, which is already posing an existential threat to the territory of the island states, and growing global security policy challenges. The Federal Government will tangibly step up its engagement in this region.

The Federal Government reaffirms its policy guidelines for the Indo-Pacific of 2020 and intends to intensify its efforts in the following areas:

- **Strengthening the rules-based international order:** Upholding international law and adhering to international rulings are a precondition for peace, prosperity and development. The Federal Government will promote constructive contributions to preserving the rules-based order, strengthen the resilience of its partners in the Indo-Pacific and empower them to stand up for the preservation of the rules-based order.
- **Tackling climate change:** The climate crisis is putting the livelihoods of millions of people in the island, archipelago and coastal states of the Indo-Pacific at risk. In view



of the fact that the region is experiencing the highest levels of growth in CO₂ emissions worldwide, it will not be possible to keep to the targets of the Paris Agreement without the Indo-Pacific. The Federal Government will step up its climate diplomacy efforts and climate policy engagement to ensure that the international community reaches the climate targets that have been set. The most vulnerable countries should be supported in this regard with respect to dealing with the impacts of climate change in the best possible way. In keeping with the objectives of a Climate Club set at the G7 Summit in Elmau, the Federal Government will expand and intensify climate and development partnerships with a number of partners in the region.

- **Reducing one-sided dependencies in strategic areas through diversification:** As an exporting nation, Germany has a vital interest in free trade routes, open markets and rules-based international trade. The Indo-Pacific is greatly important to Germany and the European Union (EU) as a market, investment location, source of raw materials and high-tech region. At the same time, strong economic dependencies on individual markets persist. The Federal Government will create the conditions to ensure that supply chains are diversified and that the opportunities offered by the Indo-Pacific region are better and more widely exploited in key areas. It is therefore committed to working to achieve rapid progress in the negotiations on EU free trade and investment protection agreements with countries of the Indo-Pacific. Decoupling of German business from individual markets would clearly run counter to German interests.
- **Preventing future socioeconomic crises:** The COVID-19 pandemic has subjected many emerging economies and developing countries to major financial, economic and social burdens and has negated the development successes achieved in recent years. It has become more difficult to achieve the Sustainable Development Goals of the 2030 Agenda in the Indo-Pacific. In view of a lack of financial resources and high levels of debt, a number of countries are barely able to respond appropriately to further shocks (such as rising food and energy prices and declining economic growth). Dependencies on fossil fuels are to be reduced with the expansion of renewable energies and energy efficiency.
- **Reaffirming an inclusive approach:** Germany is unambiguously opposed to the formation of blocs in the Indo-Pacific. The policy guidelines for the Indo-Pacific contain offers of cooperation to all partners in the region that are committed to the principles of the rules-based order.



Summary

The most important results of the implementation of the Federal Government policy guidelines for the Indo-Pacific in the **reporting period from September 2021 to August 2022** include the following:

- The EU presented its **Strategy for Cooperation in the Indo-Pacific** in September 2021 that had come about not least at the Federal Government's initiative. A Ministerial Forum in Paris with partner countries from the region initiated the first implementation steps in February 2022, including coordinated EU marine surveillance in the north-western Indian Ocean.
- During its **G7 Presidency**, Germany has underscored the close partnership with the Indo-Pacific, for instance by inviting the G20 partners Indonesia and India to the Summit in Elmau. The G7 is in the process of negotiating **Just Energy Transition Partnerships** with India, Indonesia and Viet Nam.
- Fourteen agreements in the fields of climate, energy, agroecology, security, health, safety in the workplace, research and migration were concluded at the **Indo-German intergovernmental consultations** on 2 May 2022. The **Partnership for Green and Sustainable Development** is supporting India's efforts to achieve the national climate and sustainable development goals by 2030 to the tune of 10 billion euro. Germany and India also want to cooperate on the production and storage of **green hydrogen** (generated by renewable energy). An **Agreement on the protection of classified information** is facilitating confidential exchanges on security issues.
- Germany underscored its responsibility for upholding the rules-based international order with a **patrol and training mission of the frigate BAYERN in the Indo-Pacific** from August 2021 to February 2022. The frigate was involved in monitoring the sanctions imposed by the United Nations (UN) Security Council against the Democratic People's Republic of Korea. Moreover, port visits and joint marine exercises strengthened cooperation with partners in the region. In August 2022, aircraft of the German Air Force were deployed to Australia to take part in the **multinational military exercises** Pitch Black and Kakadu and to expand cooperation with Singapore, Japan and the Republic of Korea.
- Germany has expanded its relations in the Indo-Pacific with **high-level visits**. In June 2022, Federal President Dr Steinmeier paid tribute to the importance of the region on a visit to Singapore and Indonesia. Federal Chancellor Scholz visited Japan in April 2022, where he announced that **German-Japanese intergovernmental consultations** were to take place. In July 2022, Foreign Minister Baerbock travelled from the G20 Foreign Ministers Meeting in Indonesia to Palau and Japan. In Palau, she introduced the new **Special Envoy for the Pacific island states**. In June 2022, the Federal Government decided to resume **bilateral development cooperation** with, among other countries, Laos, Mongolia and Nepal.

Progress in individual spheres of action

1. Strengthening multilateralism

1.1. The EU Indo-Pacific strategy and its implementation

The EU Strategy for Cooperation in the Indo-Pacific was endorsed by the European Council on 22 October 2021. Instigated by Germany, France and the Netherlands, the EU Strategy envisages measures in the following areas: sustainable and inclusive prosperity, the green transition, ocean governance, digital governance and partnerships, connectivity, security and defence, as well as human security. The Strategy pursues an inclusive approach.

Under the French Presidency of the Council of the EU, the EU member states and 30 partner countries in the Indo-Pacific reached agreement on the following projects, among others, in Paris on 22 February 2022:

- The establishment of an EU Coordinated Maritime Presence in the north-western Indian Ocean with a view to creating a maritime situational analysis with vessels of EU member states.
- Initiatives promoting sustainable connectivity in the ASEAN region as well as climate and environmental protection with Timor-Leste, the ASEAN countries, South Asia and in the Pacific, on which EU institutions and member states cooperate (Team Europe).
- A Joint Declaration on privacy and the protection of personal data in which the EU agrees to common data protection standards with Indo-Pacific countries (including Australia, India, Japan and the Republic of Korea).

A High-Level Dialogue on the Indo-Pacific attended by EU member states and Indo-Pacific countries was held in Prague on 13 and 14 June 2022. The importance of a security policy architecture in the region as well as the role played by free trade and infrastructure projects were high up on the agenda at this meeting.

1.2. The Indo-Pacific under Germany's G7 Presidency

India and Indonesia attended the G7 Summit in Elmau from 26 to 28 June 2022 as G20 members and representatives of the Indo-Pacific region. In the Joint Statement of G7 and Partner Countries, emphasis was placed, among other things, on the importance of resilient democracies, joint responsibility for advocating the rules-based international order and addressing global challenges.

1.3. Expanding the partnership with ASEAN

Germany has, during the reporting period, intensified its cooperation with ASEAN as a key stakeholder in the Indo-Pacific. Since the beginning of 2021, Germany has funded newly launched climate and environmental protection projects, such as the ASEAN-German Climate Action Programme, to the tune of almost 30 million euro (of a total volume of 90 million euro). The ASEAN Secretariat and the ASEAN Coordinating Centre for Humanitarian Assistance in Jakarta received support for their organisational development, and expert seminars on the UN Convention on the Law of the Sea were promoted. Germany contributed five million euro to the COVID-19 ASEAN Response Fund to help address the impact of the pandemic in the region.

2. Tackling climate change and protecting the environment

2.1. Concluding climate and development partnerships

Negotiations on Just Energy Transition Partnerships, including with India, Indonesia and Viet Nam, were announced at the G7 Summit in Elmau in June 2022. These partnerships are intended to support partner countries in achieving their ambitious climate objectives, especially with respect to a rapid phase-out of coal power and the expansion of renewable energies.

Moreover, Germany concluded a climate and development partnership with India at the bilateral level with the Partnership for Green and Sustainable Development in May 2022 and intends to contribute at least 10 billion euro to this partnership in the run-up to 2030. A partnership with Pakistan was concluded in September 2021. Both countries are receiving support in their efforts to achieve the Paris climate goals as well as the Sustainable Development Goals of the 2030 Agenda. In November 2021, the Federal Government pledged 1.4 billion euro for India for 39 projects in the fields of the energy transition, agroecology, forest protection, resilient urban development and green urban mobility.

2.2. Expanding renewable energies

Germany is promoting the expansion of renewable energies, grids and storage capacities as well as energy efficiency in India with the flagship initiatives Indo-German Solar Energy Partnership and Green Energy Corridors with an ongoing portfolio of six billion euro. As a result of this, by 2022, over three gigawatts of additional renewable energies were generated and over 200,000 rural households supplied with clean energy, leading to savings of 100 million tonnes of CO₂ each year in the future.

2.3. Expanding climate risk financing

The Federal Government would like to help especially affected partners in the Indo-Pacific to reduce climate risks and minimise climate-related loss and damage. Under Germany's G7 Presidency, the Federal Government proposed a global shield against climate risks, most

recently at the Petersberg Climate Dialogue in July 2022. This shield is intended to facilitate access to comprehensive protection packages, including early warning systems, climate risk insurance and social security. One of the solutions for risk financing in the region is the Pacific Catastrophe Risk Insurance Company, which insures the Cook Islands and Samoa against tropical cyclones and tsunamis. Germany supported this scheme with 10 million euro in November 2021.

2.4. International Climate Initiative

Since September 2021, funding has been approved for 18 new projects under the International Climate Initiative (IKI), in which Germany supports its partners in the Indo-Pacific in their efforts to tackle climate change and biodiversity loss. These include projects to reduce emissions that are harmful to the climate in Indonesia, adaptation projects such as weather forecasting as climate risk management in Viet Nam, and projects to protect seagrass beds in the waters of the Philippines.

2.5. Green hydrogen

Implementing the Federal Government's National Hydrogen Strategy, Germany has established energy dialogues with Australia, India, New Zealand and Thailand since March 2022, which are intended, among other things, to strengthen research cooperation on green hydrogen technologies. Since autumn 2021, the Federal Government has supported seven research presences for green hydrogen together with German partner institutions in Australia, Japan, the Republic of Korea and New Zealand. Bilateral hydrogen cooperation projects promote research along the hydrogen value-added chain (HYGATE with Australia), as well as materials and propulsion research for marine transport (Japan) and the production, storage and distribution of hydrogen (New Zealand). Germany intends to intensify its cooperation also with India on green hydrogen, as was agreed at the intergovernmental consultations in May 2022.

2.6. Supporting the implementation of nationally determined contributions

Together with Australia and New Zealand, Germany is supporting the Regional Pacific NDC Hub, which has helped 14 Pacific island states to make their nationally determined contributions (NDCs) more ambitious as well as to finance and implement them. Germany has contributed a further 1.7 million euro to the Hub since July 2022. NDC implementation has thus been funded in Tuvalu, Samoa and Tonga to date.

2.7. Team Europe climate protection initiatives

EU institutions and member states work together in the context of Team Europe initiatives to make solutions available to partners. Germany is involved in five regional initiatives, including two with ASEAN: ASEAN Sustainable Connectivity to facilitate sustainable, environmentally friendly trade between ASEAN countries and MARECO, which promotes marine protection in the region. Moreover, Germany is involved in 15 of 17 national Team Europe initiatives in the Indo-Pacific with a total of 3.6 million euro.

2.8. Forest protection, marine protection, biodiversity

Forest protection projects in India, Indonesia, Laos, Pakistan and Viet Nam have been supported with 80 million euro since 2021. Almost half of these funds go to Indonesia, where the illegal deforestation of virgin forests is being combatted and a social and sustainable forestry developed. In May 2022, Germany pledged an additional 100 million euro for the World Natural Heritage fund for the next 15 years in order to support the Gunung Leuser National Park in Indonesia.

Germany supported marine protection in the Indo-Pacific with six million euro during the reporting period. This includes projects promoting mangrove protection, sustainable fishery and the management of coastal ecosystems, as well as the adaptation of coastal regions to climate change. Projects tackling marine litter were supported with three million euro. Forest restoration, in the Pacific Island states in particular, received funding totalling 20 million euro. Partners were trained in implementing the Nagoya Protocol of the 2014 Convention on Biological Diversity, which governs access to genetic resources.

3. Strengthening peace, security and stability

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

Germany made a contribution to upholding the rules-based international order with the patrol and training mission of the frigate BAYERN in the Indo-Pacific from August 2021 to February 2022. An important part of this mission was monitoring the UN Security Council sanctions against the Democratic People's Republic of Korea. The frigate BAYERN took part in maritime cooperation exercises and was, despite COVID-19 restrictions, able to conduct port visits in partner countries, including in Australia, India, Japan, Pakistan, the Republic of Korea, Singapore, Sri Lanka and Viet Nam.

3.2. Strengthening the maritime resilience of partners

In addition to the ongoing exchange of experts with ASEAN and Sri Lanka on the translation of the UN Convention on the Law of the Sea into national law, the Max Planck Foundation has also supported the Indian Ocean Rim Association (IORA), a regional organisation with 23 member states that encompasses the entire Indian Ocean, with further training in the law of the sea since November 2021.

Germany handed over two reconnaissance drones to the Philippine coastguard in June 2022. This is intended to improve monitoring of the coastal area. In this pilot project, Germany is supporting the training of operators in the control of drones and the development of operational guidelines.

3.3. Expanding defence policy cooperation in the Indo-Pacific

Aircraft of the German Air Force were deployed to the Indo-Pacific in August 2022 in order to take part in two multinational military exercises in Australia – Pitch Black and Kakadu. As

part of the Rapid Pacific 2022 air force project, Eurofighter jets, transport and refuelling aircraft will also land in Singapore, Japan and the Republic of Korea on their return journey in September 2022 with a view to strengthening cooperation with close partners.

3.4. Protection against piracy in the Indo-Pacific

In addition to the Federal Police's committee work since Germany's accession to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) in 2021, a financial contribution to the annual ReCAAP conference in 2023 is planned.

3.5. Regional German Information Centre Southeast Asia

Following its establishment in Singapore in August 2021, the Regional German Information Centre Southeast Asia launched social media channels in January 2022 and is still in the process of being set up. Political decision-makers, social multipliers and the general public can find out about Germany's engagement in the region via Facebook and Twitter. Alongside issues relating to the Indo-Pacific, information provided by and the position of the Federal Government on the impact of Russia's war of aggression against Ukraine make up the content of these channels.

3.6. Stabilisation

Together with the EU, the Federal Government is continuing to promote the reconciliation process following the protracted civil war in Sri Lanka. A project phase began in March 2022 in the course of which the role of women and young people in the public discourse is being strengthened and the intercultural awareness of the public service is being supported. Germany is contributing three million euro to this project.

3.7. Strengthening bilateral relations

After taking office, Federal Chancellor Scholz visited Japan in April 2022 as the first country in the Indo-Pacific. Both sides agreed to hold regular German-Japanese intergovernmental consultations in the future. The first of these consultations is scheduled to take place in 2023. Federal President Dr Steinmeier travelled to Singapore and Indonesia in June 2022. In Palau in July 2022, Foreign Minister Baerbock introduced the Special Envoy for the Pacific island states, who will work to expand bilateral cooperation with this region in the future.

A Bhutanese Ambassador was accredited for the first time in Germany in May 2022 following the establishment of diplomatic relations and the German Ambassador was in turn accredited in Bhutan in June 2022.

The Federal Government decided to resume bilateral state development cooperation, including with Laos, Mongolia and Nepal, in June 2022. In so doing, Germany is responding to increasing poverty and inequality caused by the economic upheavals of the COVID-19 pandemic and to the impacts of Russia's war of aggression against Ukraine.

4. Advocating human rights and the rule of law

4.1. Increased funding for human rights projects

In 2022, the Federal Government almost doubled funding for strengthening human rights in the Indo-Pacific compared to the previous year, providing 1.8 million euro. Projects in 15 countries are being supported, primarily benefitting particularly vulnerable groups. They include projects to strengthen the rights of women and children, as well as lesbian, gay, bisexual, trans and intersexual and queer people and ethnic minorities, in addition to projects to promote the protection of human rights activists and access to justice for the victims of human rights violations.

4.2. Rule of law dialogue

The German-Vietnamese Rule of Law Dialogue has been taken to the next level since October 2021. In addition to dialogue measures of the German Foundation for International Legal Cooperation, the Ministry of Justice has conducted mainly online dialogues with the Vietnamese Ministry of Justice, Supreme People's Procuracy and Supreme People's Court on issues such as the protection of intellectual property, women's rights, state compensation issues and juvenile criminal law.

4.3. Humanitarian assistance

Germany provided humanitarian assistance in the context of natural disasters in the Indo-Pacific during the reporting period. It supported the local authorities with the provision of healthcare following typhoon Odette in the Philippines in December 2021. Following the volcanic eruption in the Pacific island state of Tonga, Germany provided assistance with the water supply for schools and communities in January 2022. Furthermore, Germany continued its humanitarian support for Rohingya in Bangladesh who have fled from Myanmar.

4.4. Healthcare cooperation

Since the beginning of the pandemic, the Federal Government has contributed a total of 53.5 million COVID-19 vaccine doses to seven countries in the Indo-Pacific, the majority of which went to Pakistan, Indonesia and the Philippines. Moreover, Germany supplied important medical supplies for fighting the COVID-19 pandemic, including to Bangladesh, India and Indonesia. In September 2021, quarantine-free entry was facilitated between Singapore and Germany ("Vaccinated Travel Lane"), which was an important step towards resuming travel to the region.

The World Health Organization (WHO) is the central coordinating organisation for healthcare and the prevention of future pandemics. Germany is committed to involving all relevant stakeholders. On 23 May 2022, Federal Minister of Health Dr Lauterbach for the first time explicitly called for Taiwan's meaningful participation in the World Health Assembly.

4.5. Occupational health and safety

The Federal Government is promoting occupational health and safety in poorer producer countries via the Vision Zero Fund of the International Labour Organization. Occupational health and safety risks in the cultivation and processing of coffee were identified and assessed in Viet Nam in 2021. Countermeasures are now being developed by stakeholders on the ground and supported by the Fund. In Laos, work is being done to improve occupational health and safety in the textile industry.

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

5.1. Free trade and investment protection negotiations with partners in the region

Germany is supporting the European Commission in its negotiations on modern free trade agreements, currently with Australia, India and Indonesia, among other countries. Negotiations with India (including investment protection) were resumed in June 2022; negotiations with Australia and Indonesia (including investment protection) are ongoing. Negotiations with New Zealand were concluded in June 2022.

5.2. Agricultural cooperation

In September 2021, Competence Centres for the German Agricultural and Food Industry were set up at the German Chambers of Commerce Abroad in Ho Chi Minh City in Viet Nam and in Beijing and Shanghai in the People's Republic of China. These Centres aim to promote the export of German agricultural and food products as well as agricultural technology.

The Federal Government has launched an export promotion programme with a view to supporting the export activities of German companies in the agricultural and food industry. For example, technologies from the German livestock industry were presented at an international conference in Nanjing, People's Republic of China, in October 2021, and a digital forum was held in Viet Nam that was attended by German small and medium-sized enterprises.

5.3. Facilitating entry for skilled workers

In December 2021, the Federal Employment Agency came to an understanding with the Indian state of Kerala regarding the conditions under which care workers can be sent to Germany. The Federal Government had concluded a memorandum of understanding with the Philippines in June 2022 seeking to improve the placement of care workers in Germany.

At their intergovernmental consultations on 2 May 2022, Germany and India concluded a comprehensive Migration and Mobility Partnership – the first of its kind. The Partnership will also address questions of legal migration, especially for skilled workers and students.

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

6.1. The EU connectivity strategy Global Gateway

The EU presented its connectivity strategy Global Gateway on 1 December 2021. The strategy is intended to initiate projects promoting high-quality and sustainable infrastructure in the digital, energy, transport, health, education and research domains and translate them into partnerships. Unlike the EU Strategy on Connecting Europe and Asia to date, the Global Gateway pursues a worldwide approach. Germany had previously advocated the expansion of the EU Strategy on Connecting Europe and Asia.

6.2. The digital transformation

The Mobile Innovation Hub Indonesia was launched at Digital Center Indonesia in December 2021. The Hub brings together stakeholders from the mobile communications and local digital enterprises in order to shape Indonesia's digital transformation in an environmentally friendly way. In Viet Nam, the Digital Transformation Center launched a Green Tech Hub in January 2022, a platform bringing together stakeholders from the worlds of politics, industry, science and civil society to promote green technologies and start-ups with climate-related solutions. With the Make-IT initiative, Germany has been working to strengthen digital innovations in Indonesia and Viet Nam since January 2022. The digital policy dialogue with Japan and India was continued in March and June 2022.

6.3. Sustainable urban development

The Federal Government has been supporting India's efforts in the area of sustainable and inclusive urban development since 2013 – currently with an ongoing portfolio of 3.6 billion euro. Focuses here include environmentally friendly mobility, sustainable urban development, sanitation and climate resilience. A total of 9.7 million people are to enjoy improved access to metro and bus systems by the end of 2022 thanks to the Partnership for Green Urban Mobility.

7. Bringing people together through culture, education and science

In the autumn of 2021, three research projects were launched between Germany and the Republic of Korea on robotics and lightweight technologies/carbon in which German and Korean research institutes as well as small and medium-sized enterprises cooperate. The funding from Germany and the Republic of Korea amounts to 1.8 million euro respectively.

At the Indo-German intergovernmental consultations on 2 May 2022, particular attention was drawn to the work of the Indo-German Science and Technology Centre, which promotes bilateral applied research. The term of the Centre was extended by five years and will now run until 2027.