

Progress report on the implementation of the Federal Government's policy guidelines for the Indo-Pacific in 2023

The most important results of the implementation of the Federal Government's policy guidelines for the Indo-Pacific in the **reporting period from September 2022 to August 2023** include the following:

- Germany has markedly developed its **political relations** with the countries of the Indo-Pacific over the past twelve months by dint of intensive, high-level diplomatic visits. The Federal President, the Federal Chancellor and various cabinet ministers have visited a total of eleven partners in the region, often more than once: Cambodia, China, India, Indonesia, Japan, Malaysia, Mongolia, Singapore, South Korea, Taiwan, Viet Nam. In addition, there have been numerous visits from the Indo-Pacific region to Berlin. In 2023 Germany held its first ever intergovernmental consultations with Japan and its seventh with China.
- The most visible manifestation of the development of relations was seen in the **Pacific island states**, the highlight being the opening of the German Embassy in Suva, Fiji, in August 2023. Germany supports the Pacific island states, which are particularly affected by climate change, through numerous projects designed to strengthen climate resilience as well as politically via the Partners in the Blue Pacific and Rising Nations Initiatives launched in the autumn of 2022.
- Germany has substantially strengthened its **climate partnerships** with countries in the region: Just Energy Transition Partnerships have been agreed in the G7 framework with Indonesia and Viet Nam. Australia, Indonesia, Singapore and South Korea joined the **Climate Club** established by the Federal Government.
- In March 2023, Germany and India concluded a **Migration and Mobility Partnership Agreement** – the first of its kind. Germany launched a **digital dialogue** with Indonesia. Following the devastating **floods** in Pakistan, Germany provided rapid and substantial **assistance** totalling 184 million euro.
- Germany has enhanced and further consolidated its **security policy engagement** in the Indo-Pacific region through German participation in the multinational exercises Talisman Sabre (July/August 2023), Pitch Black and Kakadu (both September 2022). Moreover, the Indo-Pacific region as a whole became a partner region in the Enable & Enhance Initiative of the German Federal Government, with a focus on strengthening the maritime resilience of the partner countries.
- The **European Union**, for its part, has continued to work on implementing its Indo-Pacific strategy. The second EU Indo-Pacific Ministerial Forum was held in May 2023, and the EU connectivity strategy Global Gateway presented its first beacon projects, fifteen of them in the Asia-Pacific region. In 2023, the EU set up a Trade and Technology Council with India.

Progress in individual spheres of action

1. Strengthening multilateralism

1.1. The EU Indo-Pacific strategy and its implementation

The second **EU Indo-Pacific Ministerial Forum** in Stockholm on 13 May 2023 was attended by 26 states from the Indo-Pacific region as well as two regional organisations. The EU succeeded in highlighting the two regions' shared interest in prosperity, climate change mitigation and security, and in establishing the Ministerial Forum as an annual event. The **EU-ASEAN Summit** in Brussels in December 2022, the first to take place in this format, focused on protecting the rules-based international order as well as on climate cooperation and infrastructure. The first meeting of the **EU-India Trade and Technology Council** was held in Brussels on 16 May 2023. The Council aims to improve coordination of measures to meet strategic challenges at the interface of trade, trustworthy technology and security. With the **Enhancing Security Cooperation in and with Asia** (ESIWA) project, the EU is intensifying the security dialogue with partner countries in the region. In December 2022, the existing partners India, Indonesia, Japan, Singapore, South Korea and Viet Nam were joined by Malaysia and Thailand.

1.2. Expanding the partnership with the Association of Southeast Asian Nations (ASEAN)

In November 2022, Germany and ASEAN agreed on a joint **list of priorities** for the period 2023-2027. Climate action is a particular new priority in this context. In providing nine million euro via the **ASEAN-German Climate Action Programme**, Germany is supporting the implementation of ASEAN's ambitious energy and climate policy (in the period 2022-2026). During the reporting period, Germany also made available funding totalling approx. ten million euro to support, among other things, the capacities of the ASEAN Secretariat and the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management in Jakarta, further steps towards economic integration in ASEAN in the fields of quality infrastructure, competitiveness, consumer protection and sustainable employment, as well as ASEAN-led confidence-building initiatives and exchanges and further training of experts in the implementation of the UN Convention on the Law of the Sea (UNCLOS).

1.3. International cooperation

In September 2022, the Federal Government joined **Partners in the Blue Pacific**, an initiative designed to coordinate engagement in the Pacific island states. The other members are Australia, Canada, Japan, New Zealand, South Korea, the United Kingdom and the United States. Within the framework of Indo-German **triangular cooperation**, pilot projects are currently running with Cameroon, Ghana and Malawi in the areas of potato farming, bamboo production, and agribusiness for women entrepreneurs. Moreover, a triangular cooperation project on the steering of agricultural social programmes is ongoing in Peru. Germany is supporting Sri Lanka and the **Indian Ocean Rim Association** (IORA) on issues relating to maritime security and on the transposition of UNCLOS into national law. As part of the EU's One-China policy, the Federal Government has supported issue-specific engagement by

democratic Taiwan in international organisations, for instance with a statement in the International Civil Aviation Organization in September 2022.

2. Tackling climate change and protecting the environment

2.1. Climate, energy and development partnerships

In November and December 2022 respectively, Indonesia and Viet Nam became the second and third partner countries of the G7 **Just Energy Transition Partnerships** (JETP) initiative. To help the two countries implement the energy transition more rapidly in an ambitious and socially just manner, they are to receive private and public funding totalling approx. 20 billion US dollars (Indonesia) and approx. 15.5 billion US dollars (Viet Nam). The partner countries undertake to implement an investment plan and commit to increasing their climate targets and bringing about a concrete reduction in emissions. This year, four further states from the region – Australia, Indonesia, South Korea and Singapore – joined the **Climate Club** established by Germany. Japan is a founding member.

The Indo-German Green Hydrogen Task Force began work in September 2022. Initial pledges of approximately one billion euro for the German-Indian **Green and Sustainable Development Partnership** followed in November 2022. The aim is to support a just energy transition, energy efficiency, sustainable urban development and mobility, the protection of natural resources, agroecology and climate change adaptation measures.

In December 2022, Germany and Bangladesh agreed to conclude a **climate and development partnership**. The climate and development partnership with Pakistan set up in 2021 received additional funding of 163 million euro in May 2023. The first comprehensive climate consultations between Germany and the Philippines at State Secretary level took place in April 2023. Germany also maintains **climate and energy partnerships or dialogues** with Australia, China, India, Japan, New Zealand, South Korea and Viet Nam with the aim of giving impetus to the energy transition.

At their seventh intergovernmental consultations, in June 2023, China and Germany agreed on a **Climate and Transformation Dialogue**. This new high-level format is to aid the two countries in working together in a concrete way to accelerate the green transition.

2.2. Expanding climate risk financing

Within the framework of the country processes of the **Global Shield against Climate Risks** initiated at COP27, comprehensive protection packages oriented to national priority needs are currently being elaborated with Bangladesh, Pakistan, the Philippines and the Pacific island states. First results are to be presented at COP28. Further, the **Global Risk Modelling Alliance** began work in Pakistan to improve protection against climate risks.

2.3. International Climate Initiative

Since September 2022, funding of over 69.7 million euro has been approved for 13 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 harmful emissions and to bind greenhouse gases in natural sinks with high levels of biodiversity, for instance in India, Indonesia and Viet Nam, as well as adaptation projects that help among other things to protect the Pacific island states from the effects of climate change.

2.4. Support for climate change mitigation

With the **Rising Nations Initiative**, Germany is helping to preserve the land and culture of the Pacific island states in the face of the existential **threat they face from rising sea levels**. In this context, Germany will work with Tuvalu in the international **Coalition on Addressing Sea-level Rise and Existential Threats** to advocate for the interests of affected countries. As a co-sponsor, the Federal Government successfully supported an initiative by Vanuatu in the United Nations to request a climate action advisory opinion from the International Court of Justice. Germany is also actively engaged in debates on international law relating to rising sea levels, for example in the Sixth Committee of the United Nations General Assembly. The **Group of Friends on Climate and Security**, chaired by Germany and Nauru, is committed to institutionally enshrining climate aspects in the UN Security Council.

Germany is supporting the **Indo-Pacific Oceans Initiative**, launched by India, with up to 20 million euro. This initiative focuses on climate action, climate change adaptation, safeguarding biodiversity, and promoting renewable energies and energy efficiency to strengthen the resilience of Pacific island states in the face of damage caused by climate change.

Moreover, numerous development projects are under way to accelerate the **expansion of renewable energies**. Projects to the value of approx. 1.5 billion euro in total are currently being implemented in Bangladesh, India, Indonesia, Nepal, Pakistan and Viet Nam.

2.5. Forest protection, marine protection, biodiversity

Germany's contribution of 265.2 million euro makes it the second-largest donor to the World Bank's multilateral **Forest Carbon Partnership Facility**. Indonesia, Laos, Nepal and Viet Nam are among the countries to have received funding from the Facility after bringing about a verifiable reduction in emissions in their forestry and land-use sectors. The **Legacy Landscapes Fund**, largely funded by Germany (over 182 million euro to date), is supporting a second natural landscape in the Indo-Pacific region of special value for biological diversity – in Cambodia (the first was in Indonesia). In Viet Nam, Germany is financing a **training centre for forest management**. In Nauru and the Cook Islands, Germany is supporting the **replanting** of indigenous plants. Germany is helping indigenous peoples in India, Indonesia, Malaysia, Micronesia, Papua New Guinea, the Philippines, Vanuatu and Viet Nam to **preserve biodiversity** and their **traditional habitats**.

3. Strengthening peace, security and stability

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

In September 2022, the German Air Force participated in the **multinational military exercises** Pitch Black (17 nations) and Kakadu (22 nations) in Australia, sending a contingent of Eurofighters, transport planes and refuelling tankers. It then went on to take part in bilateral exercises with Singapore and to visit South Korea and Japan. From 22 July to 4 August 2023, the army, supported by the air force and navy, took part for the first time in the multinational amphibious exercise Talisman Sabre in Australia, sending some 200 soldiers. Altogether, over 34,000 soldiers from 13 nations took part in the exercise. Germany supports the **training** of soldiers for United Nations **peacekeeping** missions. During the reporting period, 15 persons from Indo-Pacific countries took part in further-training measures in Germany.

Through the reporting period, the Federal Government has stated its position, both in political talks and publicly, that the status quo in the **Taiwan Strait** can only be changed by peaceful means and by mutual agreement. Military escalation would also affect German and European interests.

3.2. Strengthening the security-policy resilience of partners

Since 2023, the Indo-Pacific has been a new partner region in the **Enable & Enhance Initiative** of the German Federal Government. Against this background, project activities designed to strengthen capacities and legitimise the security forces in partner countries have been considerably expanded. Germany is helping the Philippines and Malaysia with capacity-building of their coastguards, with disaster risk reduction, with the fight against organised crime and with improving maritime situational awareness through the provision of high-performance surveillance drones. Military capacity-building pilot projects are under way with Malaysia, Indonesia and Viet Nam, for example in the fields of medical care, army engineering and training for UN peace missions.

3.3. Expanding defence policy cooperation in the Indo-Pacific

The **security policy dialogue of the Foreign and Defence Ministers** of Germany and Japan (2+2 Dialogue) was consolidated. At the most recent meeting, in November 2022, the two sides agreed among other things to extend the secondment of German officers to the Enforcement Coordination Cell (ECC) in Yokosuka to monitor UN sanctions against North Korea. The post of German liaison officer in the Information Fusion Center in Singapore was also extended. Furthermore, in June 2023, Federal Defence Minister Pistorius participated in the Shangri-La Dialogue in Singapore and visited Indonesia and India.

Defence-policy talks at staff level between ministries took place for the first time with Malaysia and Viet Nam in autumn 2022. The ministerial defence-policy dialogues with Indonesia and Thailand resumed in September 2022 and July 2023 respectively. In November 2022, Germany and Viet Nam reached an agreement on cooperation between their Defence Ministries.

3.4. Cybersecurity

Cybersecurity cooperation and dialogue with key partners in the region (including Australia, India, Japan, Singapore, South Korea) have been extended, for example through regular participation in regional conferences and forums such as the Singapore International Cyber Week or the signing of a bilateral agreement with Singapore on mutual recognition of IT security labels in both countries in October 2022. Regular exchange with Australia is now in place including a regular ministerial dialogue on cyberpolicy. Also in the sphere of cyberdefence and digitalisation, bilateral dialogue formats have been set up with key regional partners and cooperation has been enhanced. Further developments include high-level dialogue with Singapore on cyberdefence and dialogue formats with India. In August 2023, a bilateral **agreement on the mutual protection of classified information** with New Zealand was signed. This means classified information can be shared.

3.5. Stabilisation

Germany is promoting citizen-friendly policing in Cambodia to reduce gender-based violence. The Federal Government is supporting dialogue and mediation projects to move peace negotiations forward, for example in southern Thailand. In the Philippines, the Federal Government is making available 3.6 million euro in 2023 to support the peace process in the Bangsamoro region. Germany is also supporting the peace process in Sri Lanka with 1.1 million euro in 2023.

3.6. Strengthening bilateral relations

Federal President Steinmeier travelled to Japan and South Korea in autumn 2022 and to Cambodia and Malaysia in spring 2023. Federal Chancellor Scholz visited China, Viet Nam, Singapore and Indonesia in the second half of 2022 and India, Japan and South Korea in 2023. In Tokyo, German-Japanese intergovernmental consultations were held for the first time in March. In June 2023, the 7th German-Chinese intergovernmental consultations took place in Berlin. In Singapore, Chancellor Scholz was the first German head of government to attend the Asia-Pacific Conference of German Business. Deputy Chancellor Habeck visited Singapore in November 2022, and Japan and India in 2023. Foreign Minister Baerbock travelled to India in December 2022, and to China, Japan, South Korea and Mongolia in 2023. During the reporting period, Germany received incoming visits from the presidents of Indonesia, Timor-Leste and Maldives, the prime ministers of Australia, China, Bhutan and Mongolia, as well as the foreign ministers of China, Brunei, Viet Nam, Malaysia, Pakistan and the Philippines.

In July 2023, the Federal Government adopted its first comprehensive **Strategy on China** presenting the Federal Government's views on the status of and prospects for relations with China.

4. Advocating human rights and the rule of law

4.1. Human rights

In the Human Rights Council and the United Nations General Assembly, Germany clearly addressed the human rights situation in the Indo-Pacific region and supported relevant resolutions including on Afghanistan, China, Myanmar and North Korea. Furthermore, in the reporting period Germany was supporting human rights projects by civil society organisations in almost all Indo-Pacific countries, for example in the fields of gender equality and diversity, minority rights, children's rights and the protection of human rights defenders.

4.2. Cooperation on the rule of law

Within the framework of the German-Vietnamese **Rule-of Law Dialogue**, Germany is supporting a number of projects to promote the rule of law, for example by providing expertise for legislative processes and staging dialogue between relevant actors of the two countries on topics such as access to justice, cooperation on business and labour law, as well as combating corruption. **Cooperation in the legal sphere** with partners in the Indo-Pacific who share our values has become significantly more important since the start of the Russian war of aggression. In February 2023, Germany and Taiwan for example agreed on closer cooperation on mutual assistance in criminal matters. On the fringes of the G7 Justice Ministers Meeting in Tokyo in July 2023, a G7-ASEAN Justice Ministers Meeting was held for the first time during which a Next Leaders Forum was announced to bring together young justice experts from the G7 and ASEAN.

4.3. Humanitarian assistance

Following the flood in Pakistan in 2022, Germany provided assistance totalling 184 million euro. Humanitarian assistance amounting to 28 million euro has been granted for Myanmar and Bangladesh in 2023. Germany is launching a three-year integrated project on forward-looking humanitarian assistance and disaster risk reduction for vulnerable communities in the Philippines in 2023. Following the volcano eruption in Tonga, Germany provided humanitarian assistance in 2022, as it did in Vanuatu to bring supplies to villages devastated by cyclones. Cambodia is a priority country for Germany's humanitarian mine clearance engagement.

4.4. Healthcare cooperation

In late 2022, Germany and India agreed to cooperate more closely on **regulating pharmaceuticals and medicinal products**. There are several cooperation schemes with universities in Indonesia in the health sector, for example, to set up a cancer centre, to cooperate on vaccines and to train consultants.

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

5.1. Negotiations with partners in the region on free trade and investment protection

With a view to promoting diversification, resilience and the sustainability of international trade and investment flows, the Federal Government continues to advocate the conclusion of ambitious **free trade agreements** between the EU and the countries of the region. It is foreseen that the free trade agreement with New Zealand, signed in July 2023, will enter into force at the start of 2024. Negotiations on the free trade agreement with Australia are to be completed before the end of 2023 if possible. While talks with India were launched in 2022, those with Indonesia were stepped up. The resumption of negotiations with Thailand and the Philippines is planned.

5.2. Diversification

The Federal Government uses the entire range of instruments to promote foreign trade and investment so it can provide support for German companies in their diversification efforts as they gain new partners in the Indo-Pacific. These include the **Purchasing Initiative Southeast Asia**, the **Export Initiative** for the German Healthcare Industry focusing on Australia, India, Japan, Viet Nam, and the German Energy Solutions Initiative. On the fringes of the HANNOVER MESSE in April 2023, agreement was reached with Indonesia to create a mixed business and investment committee to be used as a platform to discuss future bilateral economic cooperation with a clear focus on finding solutions.

Within the framework of the Global Project Quality Infrastructure, the Federal Government is conducting bilateral expert dialogue inter alia with China, India and Indonesia on questions regarding international technical harmonisation and market access.

5.3. Agricultural cooperation

Germany is involved in bilateral projects in China, India, Thailand and in future also in Viet Nam and New Zealand that, in a nutshell, all aim to sustainably develop and transform agriculture and food systems. Furthermore Germany is actively involved in the Global Research Alliance on Agricultural Greenhouse Gases launched by New Zealand.

5.4. Facilitating entry for skilled workers

On 7 March 2023, the German-Indian **Migration and Mobility Partnership Agreement** entered into force, the first agreement of its kind that Germany has concluded with a partner country. Implementation began in May 2023 with the first meeting of the implementation body. The first care workers who have been trained in preparation for employment in Germany (Triple Win Pilot Project) are on their way to Germany.

5.5. Supporting the engagement of German businesses in the Indo-Pacific region

Members of the **Partnership for Sustainable Textiles** including businesses, NGOs, standards organisations and the Federal Government are working together to improve social and environmental standards in supply chains in the textile sector. In the reporting period,

industry-wide complaint mechanisms were introduced in factories in India, Viet Nam and Pakistan granting access to remedies and redress for workers. Twelve businesses and organisations have come together to shape the supply chain of organic cotton in a fair, environmentally friendly and economically viable fashion.

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

6.1. EU connectivity strategy Global Gateway

In autumn 2022 and spring 2023, the first **flagship projects** were announced, 15 of them are located in the Asia-Pacific region. They include, for example, connecting Philippine authorities to the Earth Observation Programme of the European Space Agency inter alia with a view to disaster risk reduction (budget 235 million euro) or the extension of the Asian Highway 13 designed to connect Laos, Viet Nam and Thailand (budget 190 million euro). Global Gateway has also developed further institutionally. The Global Gateway Board of the EU foreign ministers met for the first time on 11 December 2022. The Business Advisory Group designed to promote exchange between the European Commission and the private sector is to have its first meeting this year.

6.2. Digitalisation

At the first annual meeting of the newly formed German-Indonesian **Digital Dialogue** in April 2023, the two sides agreed on a working plan for 2023/24 in the spheres of digital policy and strategy, digital and new technologies, as well as digital business options and models. The priorities of the Digital Dialogue with Singapore agreed in 2019 were industry-based technological advances (artificial intelligence, Internet of Things, communication technologies), Smart Cities, digital solutions for administration, financial technology and overarching initiatives.

The regional project **DigitalSkills2Succeed in Asia** has been up and running since January 2023 to improve the digital skills of students and young university graduates in Bangladesh, India and Viet Nam to enable them to enter the job market.

6.3. Sustainable urban development

Within the framework of the Indo-German Green Urban Mobility Partnership, the two countries are further extending cooperation to promote sustainable urban development and climate-friendly mobility. Germany is providing almost 400 million euro to this end. In Singapore, Germany is supporting three research projects on smart urban mobility. Germany provides funding from the International Climate Initiative to enable China, India and Viet Nam to meet their nationally determined contributions (NDCs) in the transport sector.

7. Bringing people together through culture, education and science

The Federal Government's largest **cultural preservation project** abroad which is helping preserve the temple complex at Angkor in Cambodia celebrated its 25th anniversary in 2022. Other priority regions for cultural preservation are to be found in India and in the Pacific region (for example conservation, digitalisation and presentation of cultural treasures). Human remains were **returned** to the First Nations in Australia in November 2022 and to New Zealand in June 2023. The first official return of four objects from continental Europe to the Australian Kurna community as part of the Australian Return of Cultural Heritage initiative took place in August 2023.

Science and research connections with partners in the Indo-Pacific region have been further strengthened. Cooperation and projects, as well as the granting of scholarships and funding for university cooperation by intermediary organisations, have continued. In 2023, eight young people from Bangladesh, Bhutan, India, Indonesia, Malaysia, Nepal and Sri Lanka received a scholarship from the CrossCulture Programme (CCP). There has been an understanding with Taiwan on the exchange of technological applications in science and research since March 2023. In the reporting period, there have been three expeditions with the German research vessel *Sonne* on geoscientific, oceanographic and biogeochemical questions in the region involving international guest scientists inter alia from Australia, Papua New Guinea and Indonesia. In late April 2023, the German-Vietnamese Science Day was held in Danang where the German scientific world presented itself to the Vietnamese side.