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## **BULLETIN**

## Implementation of the EU Strategy for the Indo-Pacific is High on Ambition, Low on Outcomes

Patryk Kugiel

More than a year after the announcement of the EU Indo-Pacific strategy, the effects of its implementation are limited. The preparation of new financial instruments and initiatives has been hampered by Russia's aggression against Ukraine, which pulled away the attention of EU institutions. The war highlighted the need to prioritise geographical and thematic Union policies. It is in the EU's interest to focus on the Indian Ocean area and economic issues where it has competences and tools for action. EU involvement should be coordinated with key partners in the region, leading to complementarity of their initiatives.

Limited Progress. In September 2021, the European Commission (EC) adopted a strategy for cooperation in the Indo-Pacific, defining a vision of the region and its importance for the EU. Seven priority areas were identified, covering almost all of the Union's activity in the region so far, from connectivity to security. The position of Special Envoy for the Indo-Pacific in the European External Action Service (EEAS) was also created, with Gabriele Visentin replaced in mid-2022 by Richard Tibbels. Cooperation in the region has become a topic of EU dialogue with key partners. In December 2021, the first EU-U.S. high-level consultations on the Indo-Pacific were held in Washington, D.C., with further rounds held in April and December 2022. In May this year, the EU established a Digital Partnership with Japan, launched FTA negotiations with India and concluded FTA talks with New Zealand in June, and in December held the first EU-ASEAN Summit. The EU is continuing Operation Atalanta against pirates off the coast of Africa and has launched the second edition of the Indo-Pacific CRIMARIO project to improve information sharing, analysis, and maritime crisis management. In addition, its activities under the Coordinated Maritime Presence (CMP) in the northwestern part of the Indian Ocean serve to improve coordination of the activities of Member State navies.

So far, the main effect of the EU's activities under the new strategy has been the organisation in Paris in February this

year, during the French presidency of the EU Council, of the Ministerial Forum for Cooperation in the Indo-Pacific in which dozens of countries from Europe and Asia participated. The second of these conferences was held in Prague in June, organised by the Czechs, who took over the presidency of the EU Council. However, neither event resulted in any specific arrangements, but instead served mainly to publicise the EU's aspirations. No new Indo-Pacific strategy initiatives or projects have been announced so far, and it has not been possible to identify additional sources of financing and tools to implement the strategy. It was not until December 2022 that the first details of the "Global Gateway" initiative announced in December 2021 were presented, including promises to mobilise \$10 billion for infrastructure investments in ASEAN countries. The EU offer is still not an alternative to China's Belt and Road Initiative. It also is not clear what the added value of the Indo-Pacific strategy is and how it would differ from the previous EU policy on Asia and the Pacific.

Unrealistic Ambitions and New Challenges. The implementation of the strategy coincided with the difficult period of recovery after the COVID-19 pandemic and deterioration of security in the EU's international environment. The Union was busy operationalising recovery funds and new external financial instruments (NDICI). However, the greatest obstacle to the work has been

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Russia's aggression against Ukraine, constituting the most serious humanitarian and security challenge for the EU in recent decades. Although EU representatives assure that the war will not limit the organisation's involvement in the Indo-Pacific, it will be the focus of the EU's political attention and resources for at least the near future. In view of the deterioration of the security situation in the EU's neighbourhood, many Member States, especially those located on the eastern border of the EU, will be reluctant to engage military and financial resources in a remote part of the world. Working out a common position of the 27 countries will be complicated by growing differences in the approach to China.

The war in Europe raises doubts as to whether the objectives of the EU strategy have been defined too broadly and whether they sufficiently take into account the limitations of the EU's competences and resources. The long list of priorities covering almost all areas of international cooperation is not accompanied by additional funds for its implementation. An example of excessive ambition is cooperation in the field of security. In line with the European Commission's aspirations to play a geopolitical role, the strategy indicates security and defence as one of its priorities. EU High Representative for Foreign Affairs and Security Policy Josep Borell in his speech of 29 November this year in Brussels underlined the links between security and the economy and reiterated that the Union must "be more involved in the Indo-Pacific, especially in the area of security". The EU, though, has limited competences, resources, and means to increase activity in this dimension, as it lies within the competence of the Member States. Of them, only France has real capacity to operate in the Pacific Ocean. The existing initiatives in the field of maritime security (Atalanta, CRIMARIO, CMP) benefit from the resources of the Member States and to a small extent from EU funding (at the level of several million euros). These activities have image and symbolic significance but a limited impact on the security challenges in the region. Despite the EU's desire to expand its military dimension (creation of PESCO, the European Defence Agency, the European Peace Facility), it is unlikely that the EU as a whole will become an important security actor in the Indo-Pacific, especially in the Pacific Ocean.

Less Means More. Instead of trying to engage in all areas and the whole region, it would be better for the EU to focus on geographical and thematic priorities. Due to geographical proximity, the Indian Ocean is a rational choice because it is of key importance for EU trade and other activities, for example, in Africa for migration reasons and because it is where the EU has instruments of action. In the thematic dimension, activity should focus on diplomacy and economic

matters in which the EU has the competences, means, and instruments through trade policy or development cooperation. The Union's priority should be to support partners in creating conditions for economic growth and responding to development challenges. For example, climate change and connectivity are fundamental issues for Indo-Pacific countries as well as for the EU. The Union's actions in the field of "soft security" should be treated as complementary. To underline the distinctiveness of this policy, activity should focus on building capacity in the maritime domain. The EU should also make more effective use of its diplomatic network and institutional and regulatory experience to increase support for regional organisations and cooperation mechanisms. It would thus strengthen an inclusive, rule-based multilateral system in the region.

**Conclusions.** The EU's adoption of an Indo-Pacific strategy has so far been mainly symbolic, demonstrating the political will to engage actively in the region. Little progress in implementing the strategy, however, shows the competence and material limitations of the EU to play an ambitious role in the Indo-Pacific. Possibilities of greater involvement will be further complicated by the war in Ukraine, which draws the Union's resources and political attention. Continuing the implementation of the strategy in its current shape threatens to overstretch resources and limit the possibilities of influencing areas most important for the EU.

The Union should strengthen its engagement in the Indo-Pacific, which is a key region for political and economic relations in the 21st century. However, it should be based on a realistic assessment of its own capabilities, interests, and objectives and a greater concentration of activities in geographical and thematic terms. The EU should avoid creating expectations that it will not be able to meet (e.g., in the area of security) and focus on identifying specific results of its activity in the region. The key to the success of the strategy and the credibility of the EU as an actor in the region will be the identification of sources of funding (e.g., the establishment of the EU Indo-Pacific Fund) or the launch of projects and large flagship initiatives that increase the visibility of the EU.

The Union should also coordinate its policy more closely with its main partners (the U.S., Japan, Australia, India, China) in order to effectively divide the work and take advantage of each of their comparative advantages. The countries of the region expect the EU's involvement to help mitigate the rivalry between the U.S. and China and contribute to the stability of a regional order based on international law. It is in the interest of Poland, which does not have its own Indo-Pacific strategy, to support more realistic EU policy in the region.