

SPAIN-INDIA DIALOGUE ON THE EU STRATEGY FOR COOPERATION IN THE INDO-PACIFIC AND THE GLOBAL GATEWAY INITIATIVE: UNDERSTANDING EU'S VISION ON THE INDO-PACIFIC

Cristóbal Alvear-Garijo, Director of the Spain-India Observatory
& Mikel Herrera Pilar, Analyst of the Spain-India Observatory.

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* The views and analysis expressed in this Outcome Paper are those of the authors exclusively, based on the conversation exchanged by the various participants in the I Spain-India Dialogue in the framework of the 2023 Programme. This Outcome Paper does not reflect any opinion or endorsement by the Spain-India Council Foundation. Original version in English.

EU'S GROWING FOCUS AND COMMITMENT WITH THE INDO-PACIFIC

The Indo-Pacific as a top priority in EU's global presence

The Indo-Pacific has become an arena for global competition where renewed geopolitical rivalries have arisen. Tensions throughout regional hotspots have resulted, among others, in attempts to economic coercion, disruption of supply chains, cyberattacks, or foreign information manipulation and interference. The growing geopolitical significance of the region has therefore a **direct impact on global economy and security**, as well as on the EU's prosperity itself. Whereas the EU has a **long-term commitment with the Indo-Pacific** and is seeking to reinforce its presence and strengthen its engagement in the region, Indo-Pacific partners are looking for a major involvement of the EU to counterbalance the Sino-American rivalry. Thus, the Indo-Pacific is one of the global regions where the implementation of the EU strategic autonomy is more relevant and challenging at the same time. Furthermore, and since the future of the **international order will be reshaped by the Indo-Pacific region**, the EU is committed to share and support joint efforts to uphold a rules-based international order as well as an open and inclusive region, capable at the same time of addressing major global challenges, such as climate change.

The key role of the region within the EU's Strategic Compass

The **security in the Indo-Pacific and Europe are inseparable**, and so is the prosperity of both regions. The security challenges behind the reshaping of balance of power in the Indo-Pacific is of direct concern to Europe, while the Russia's invasion of Ukraine is impacting directly to countries in the Indo-Pacific. Therefore, the Strategic Compass, that was adopted in 2022 to guide the implementation of the EU Security and Defence policy worldwide, **recognizes the global competition and geopolitical tensions in the Indo-Pacific** and the importance of partnering with the countries in the region where the EU aims to become a relevant actor. In the first anniversary of the Strategic Compass, the inaugural **Schuman Forum** brought together several international partners, including the US, to examine how the EU's security and defence global role can be enhanced in partnership with other like-

mindful countries. This capacity to project security power is certainly going to be a key issue in decades to come.

The impact of the connectivity in the Indo-Pacific on the EU economy

The supply disruptions created by the COVID 19 pandemic and the repercussions on food and energy security resulting from Russia's invasion of Ukraine has raised a renewed awareness about the **strategic value of connectivity**. President Von der Leyen and President Biden announced at the G20 Summit in November the joint commitment of the EU and the US to connectivity and to the partnership for global infrastructure development. The EU recognizes the need to create **diversified, sustainable and resilient supply chains** in the Indo-Pacific by building up trade and digital partnerships in the region. Although EU sees China as an important partner, at the same time it is also cognizant of the China challenge and how important is to balance the economic dependence on China by exploring alternatives in the region with a key focus on India. In this regard, one of the key challenges facing the EU will be to **produce strategic impact in the Indo-Pacific in cooperation with its regional partners while upholding the values** that the EU Member States represent.

THE EU STRATEGY FOR COOPERATION IN THE INDO-PACIFIC, KEY IN EU'S EXTERNAL ACTION

Positioning the EU as a reliable partner for the region

The 2021 EU Strategy for Cooperation in the Indo-Pacific is the confirmation of **EU's recognition of the strategic importance of the region**. The EU Strategy, that came into force after the national strategies of France, Germany and the Netherlands were published, offers an intended cooperation approach to partner with Indo-Pacific countries in areas of common interest and concern. Since the past 18 months, the presidencies of the Council of the European Union have taken strong interest in the Indo-Pacific, which indicates that the focus on the Indo-Pacific is shared by the 27 member States. The first **Ministerial Forum for Cooperation in the Indo-Pacific** took place in Paris in February 2022 and the second one will be held in Stockholm in May this year. The EU Strategy positions the EU as a **key partner in the region**

for tackling together today's issues and the main challenges ahead, which would be the distinctive role that the EU offers in the Indo-Pacific. The EU aims to contribute to the stability, security and prosperity of the region with specific actions for securing freedom of navigation, fostering resilient supply chains or unlocking sustainable investments.

Security cooperation, at the heart of the EU's participation in the region

Maritime security constitutes an important field of action of the EU in the Indo-Pacific. Therefore, **CRIMARIO has become a key project to further EU cooperation in maritime security with the regional partners**. IORIS, a data platform developed by CRIMARIO, enhances partner countries' Maritime Domain Awareness (MDA), which is crucial for the challenges that countries in the region face —24 countries in different regional organizations are working with IORIS—. Moreover, the EU has also promoted the notion of **Coordinated Maritime Presence (CMP)**, which was first established in the Gulf of Guinea and later expanded to the North-Western Indian Ocean. Its objective is to ensure that there is a constant presence of naval ships from the Member States in the region for granting maritime security in the Indian Ocean. In addition, the **EU sees cooperation with its regional partners in the field of cybersecurity as an essential asset**, looking for sharing best practices with its Indo-Pacific partners. For instance, ESIWA (a project for Enhancing Security Cooperation in and with Asia) aims at capacity-building actions in the fields of counterterrorism, cyber or crisis management.

Free trade agreements, digital partnerships and green deals, as the main tools to move to action

The EU is keen to **enlarge the range of free trade agreements** and create new digital partnerships in the Indo-Pacific. Ever since the EU Strategy was adopted, free trade agreement negotiations have been concluded with New Zealand; Australia and the EU have set the priority of concluding an ambitious and comprehensive trade agreement soon; the EU is pursuing negotiations with Indonesia; and has recently announced the relaunch of negotiations with Thailand. In the digital realm, the EU has partnerships with Japan, Singapore and South Korea. Regarding the latter, the EU agreed to set **Digital Trade Principles** to showcase a shared vision of both countries towards an open digital economy in the future and to avoid digital protectionism. Moreover, the EU positions itself as a world leader in tackling climate

change, as well as in setting ambitious targets for a green transition. Considering the fast-growing economies and the significant energy demands of the countries in the Indo-Pacific, it recognizes that the region faces particular challenges. **Green deals** are therefore an essential tool in which the EU and the Indo-Pacific countries could partner together to ensure a sustainable future which also allows regional countries to economically develop.

GLOBAL GATEWAY, BOOSTING A REINFORCED EU'S ACTION WORLDWIDE

The strategy behind Global Gateway, a renewed role for the EU in a world in reconfiguration

Launched in December 2021, Global Gateway responds to the needs of the EU's partners all around the world for **"building back better"** after the **Covid 19 pandemic**, while accelerating the achievement of the Sustainable Development Goals (SDG) and scaling up EU investments in infrastructure by setting the target of \$300 billion investment. Global Gateway has a **geopolitical intent with geoeconomic means** by linking this large investment with the EU's strategic priorities and goals, including securing supply chains or critical raw materials, while fostering EU values and principles in the world. The Global Gateway Board is providing strategic guidance and identifying flagship projects as those selected for 2023 as a result of the December 2022 meeting's conclusion. As an evolving strategy, Global Gateway is learning about the challenges and failures encountered by previous global strategies not only launched by the EU but also by other key players. Among further goals to achieve, Global Gateway is focusing both on a **communication strategy for a better visibility impact**, as well as larger involvement of partner countries, with special focus on the civil societies, and Member States—including export credit agencies, chambers of commerce and the private sector—. Among the bodies and summits planned but still to be implemented are a Global Gateway Forum, a Business Advisory Group and a Civil Society Dialogue Platform.

Global Gateway in practice, 360-degrees offers for flagship projects

Global Gateway projects are aligned with the main priorities of the EU domestically and also worldwide —one of the biggest trends in the current mandate of the European Commission is precisely the growing connection between internal and external policies—. **Connectivity is indeed in the core of Global Gateway.** Beyond the partnership for global infrastructure development, the two key pillars behind are very much in line with the SDG, the so-called twin transitions: the green and the digital. Focusing on these goals, Global Gateway projects target **360-degrees offers** that covers not only hard infrastructure investments but also intangible assets for making them resilient such as skills, standards and norms. In operational terms, these projects will be concrete and tangibles linked to the specific milestones of the partners countries. In geographical terms, they will be delivered as **flagship projects** based on regional investments packages, that could be regional or multi-country but also national.

Global Gateway and the Indo-Pacific, fostering sustainable connectivity

While Africa will be getting half of the funding that Global Gateway will mobilize, **an investment of \$10 billion to the Indo-Pacific** has already been announced, especially on the ASEAN, to promote the green transition and sustainable connectivity. Moreover, Central Asia is gaining an increasing strategic role for the EU as a link between the same and the Indo-Pacific region, which will also translate into an inflow of Global Gateway investments. The flagship projects identified for the Indo-Pacific so far, with a great focus on transport corridors, could be considered as an illustrative example of **how important connectivity and resilient supply chains will be for the EU action in the region.** Since EU regards India as a vital pole in a multipolar world and the partnership with India is a priority within EU's external action, **India is called upon gaining weight within Global Gateway.** Moreover, the density of EU-India institutional fabric is considerably increasing, and bilateral relations are enjoying a renewed mutual interest. In the case of China, economic competition and systemic rivalry are increasingly standing out in areas such as security or economic coercion. However, the economic importance of China, together with the solid bilateral economic relationship, makes decoupling from China an undesirable option for the EU and requires the creation of new pathways for cooperation in areas of common concern such as climate change. Overall, the

challenges and opportunities in the Indo-Pacific require of a more tailored-made and creative action in the region from the EU.

HOW CAN SPAIN AND INDIA PARTNER WITH THE EU IN THE INDO-PACIFIC FRAMEWORK?

The EU Strategy as Spain's own guidelines for the region

Spain is not a newcomer to the Indo-Pacific, a region where its historical presence and cultural heritage remain alive —half of the name of the region (Pacífico that in Spanish stands for “quiet”) was given by the Spanish expedition led by Magallanes—. Furthermore, Asia is nowadays gaining a greater centrality within the Spanish foreign policy and Spain positions itself as a **natural partner in the region to engage with long-term**. Nevertheless, the Spanish participation in the Indo-Pacific has still room for improvement and the EU Strategy, assumed as the Spanish own guidelines, offers Spain a **renewed framework for boosting its regional presence**. In a region marked by the Sino-American rivalry, Spain is fully aligned with a European value-driven participation in the region that targets its strategic autonomy and that aims at becoming a strategic partner for key regional players such as India. Besides, Spain will hold the **Presidency of the Council of the European Union** in the second semester of 2023, which offers a great opportunity for Spain to expand its role within the European engagement in the region.

Security and defence cooperation opportunities in the Indo-Pacific

Spain and the EU have shown their deep commitment with the security of Indo-Pacific where India plays a key role, particularly in the Indian Ocean. **Spain already participates in Indo-Pacific security through Operation ATALANTA**, which covers the North-West part of the Indian Ocean region where it has conducted a variety of naval exercises with Indo-Pacific partners, like India. The **EU is looking to enhance the number and range of partners for naval exercises** in the future. Last March 2023, the first ever joint naval exercise between the US and the EU took place in the Indo-Pacific, and the Spanish ship Reina Sofía participated in it. Taking into account that defence industrial technology is a key asset vis-à-vis the Indo-Pacific partners, Spain —being a country with a robust defence manufacturing

base— could work together with other like-minded countries in line with common values and interests in the Indo-Pacific. Furthermore, **Spain is emerging as one of India's strong defence partners** as shown by the agreement on the acquisition of 56 Airbus aircraft, that will be produced in both countries, and Navantia's participation in the competition for the P75(I) submarine project of the Indian Navy.

Successful EU-India partnerships in connectivity and technology

Following the *EU-India Connectivity Partnership* signed in 2022, in February 2023 India and the EU set up a **Trade and Technology Council (TTC)** to strengthen their relation as strategic partners. The TTC is based on the successful model that the EU has implemented with the US, by putting forward an integrated approach to trade and technology issues to underpin some of the strategic challenges that both the EU and India face. The EU-India TTC will count on three specific working groups on strategic technologies, digital governance and digital connectivity; green and clean energy technologies; and trade, investment and resilient value chain. The first EU-India ministerial TTC meeting is planned to be held in spring 2023. Moreover, the Commissioner for Energy of the EU visited Delhi in September 2022 and confirmed the **huge potential for cooperation with India in the areas of solar energy and green hydrogen**. The joint programmes under the TTC could set the foundations for potential EU-India digital partnership and green deal. Although flagships Global Gateway projects for India are still under identification and a Team Europe approach in the country is not implemented as yet, **Spanish business players with interest in the region could participate in the Global Gateway Business Advisory Group** and in the business forum to be organised with India, as well as institutional players could get involved in the Team Europe joint missions to identify new projects.