# Indo-Pacific: Guidelines for strengthening Dutch and EU cooperation with partners in Asia

## **Key points**

- The geopolitical and geo-economic balance of power is shifting rapidly. The importance of the Indo-Pacific region is growing. To adequately promote Dutch and other European economic and political interests there – the world's primary growth region – the Netherlands and the EU need to step up their efforts in the <u>Indo-Pacific</u> and develop a <u>distinctive Dutch and EU vision of the</u> <u>region</u>.
- The Netherlands and the EU will benefit from closer cooperation both bilaterally and through the EU with the countries in the region, and especially with like-minded democracies and countries with open market economies. Like the Netherlands, these countries are committed to effective multilateralism and recognise that a properly functioning international legal order is in their interests.
- Partnerships with these countries should focus primarily on promoting our interests in the areas
  of the international legal order, democracy and human rights, sustainable trade, security and
  stability, safe passage and maritime security, climate change, global healthcare and poverty
  reduction. <u>Partnerships will take different forms in different countries</u> depending on the extent of
  shared interests and the degree of like-mindedness.
- In view of the major economic, geostrategic and energy interests at stake, most of the countries in the region seek to prevent the Indo-Pacific region from becoming a pawn of one of the great powers or spoils in the conflict between them. Faced with two competing great powers, they are in search of economic, political and security policy anchors. Their latitude for making sovereign choices is increasingly limited. This calls for a strategic approach that goes beyond trade and investment, towards a fundamental reorientation founded on shared interests. This will entail identifying mutual interests and deploying a broad spectrum of integrated policy instruments so as to give these countries (and ourselves) a wider range of strategic options with which to protect their sovereign freedom of choice. Through more active outreach to countries in the region that share our interests and values, and by jointly and proactively shaping developments in the Indo-Pacific, the Netherlands and Europe in general can become more effective players in the region.
- While we should not exaggerate the EU's role, we should not underestimate ourselves either. The EU has the world's biggest market, and its approximately \$90 billion in annual investments in the Indo-Pacific (roughly equivalent to total FDI flows within Europe itself) make it one of the main investors and donors in the region. For its part the Netherlands is one of the EU's biggest investors and donors (in the top five). Our economic clout puts us in a position to play an active role.
- The <u>COVID-19 crisis</u> has accelerated a number of geopolitical trends that were already under way. It also highlights the need for international cooperation to combat the virus and mitigate as much as possible the pandemic's adverse economic consequences, in concert with what is after all the world's primary growth region.

The growing interest in the Indo-Pacific region, and the use of the term Indo-Pacific as a geopolitical concept, show that the world's economic and political centre of gravity has shifted towards the Indian and Pacific Oceans and the lands that border on them. Two-thirds of the world's oil shipping and a third of its freight transport cross the Indian Ocean, which has now surpassed the Atlantic as the planet's main strategic trade route. The main shipping routes are also in the Indian and Pacific Oceans, including the Straits of Hormuz and Malacca.

The COVID-19 crisis will clearly affect the Indo-Pacific and European countries and the trade flows between them. Its long-term consequences are currently still unclear, however. What is clear is that the IMF has predicted economic recessions in virtually all countries in the Indo-Pacific and Europe, whose gravity will depend on the duration of the crisis. Joining hands with the countries of the Indo-Pacific, the world's primary growth region, will be important in bringing about a sustainable post-COVID-19 recovery.

The Indian and Pacific Oceans are of crucial importance for Asia, Europe, North and South America and Africa. Due to the major economic, geostrategic and energy interests at stake there, many countries in Asia and beyond have formulated their own Indo-Pacific strategies. The best-known one may be the US strategy, 'A Free and Open Indo-Pacific', but Australia, ASEAN, India, Japan, South Korea, France and recently Germany have also devised their own strategies. China's Belt and Road Initiative, including its 21st Century Maritime Silk Road, aimed at establishing new trade links, investment in maritime infrastructure and a military presence in the two oceans, can be viewed as its particular Indo-Pacific strategy. Yet the EU still has no Indo-Pacific strategy of its own.

#### Towards a European vision of the Indo-Pacific

The Netherlands would like to see the EU develop its own vision of the Indo-Pacific, aimed at promoting EU cooperation with the region on the basis of a distinctive EU agenda so as to protect and promote our own interests. At the same time, the Netherlands must consider how it can contribute itself to an EU agenda by strengthening its bilateral ties with the countries of the Indo-Pacific.

The Netherlands and Europe in general have major economic and geopolitical interests in the Indo-Pacific. Challenges in the fields of climate change, international security, cybersecurity, maritime security, global value chains, global health, poverty, migration, human rights and the international legal order can only be effectively tackled in conjunction with this region. The Indo-Pacific plays a key role in all these terrains as the world's main growth region and as a geopolitical centre. For these reasons, developments there have direct consequences for our prosperity and security. To promote our interests as effectively as possible, we need to work more closely with the countries of the Indo-Pacific.

Opinions vary as to the exact geographical boundaries of the Indo-Pacific. For the Netherlands, the region encompasses in any event the countries around the Indian and Pacific Oceans, including the South China and East China Seas. The shipping routes through the Indian and Pacific Oceans that link Europe with Asia and Oceania are central to the concept. The region extends from Pakistan to the islands of the Pacific.

The EU, the Netherlands and the Indo-Pacific countries are already working together in many areas, both bilaterally and through the EU. Initial steps towards deepening these ties have been taken with EU policy documents such as <a href="mailto:the Council conclusions on enhanced EU security cooperation in and with Asia; EU-China: A Strategic Outlook; EU-India Strategic Partnership; Connecting Europe and Asia: The EU Strategy; and the EU-Japan Connectivity Partnership. The scope and implementation of

these documents fall short, however, and the EU must work more strategically in view of geopolitical developments, which the COVID-19 crisis seems to have only accelerated. This means that the EU must become more active in areas including security, as the EU acknowledges itself in the document on security cooperation in and with Asia.

The EU must also not be afraid of realpolitik. It should actively pursue its strategic interests, an endeavour in which power politics and principles can go hand in hand. A European vision of the Indo-Pacific would make a valuable contribution to this approach.

Economically, Europe and Asia are already closely intertwined. Over 35% of European exports (worth about \$1.5 trillion a year) go to markets in the Indo-Pacific region. Fully 90% of worldwide trade in goods is transported on shipping routes, much of it across the Indian and Pacific Oceans. Traversed by 25% of global shipping, the Strait of Malacca is the world's busiest strait. Four of Europe's top 10 trading partners are in the Indo-Pacific (China, Japan, South Korea and India), and the Asia-Pacific region is Europe's largest external export market. Direct investment in both directions between Asia and Europe amounts to about \$90 billion annually.

The Asia-Pacific region is the Netherlands' biggest export market outside Europe. Of total Dutch goods exports, 11% go to this region, mostly to China (1.8%), South Korea (0.9%), Japan (0.7%) and India (0.4%). Moreover, 22.5% of Dutch imports come from Asia, the majority from China. Due to the Asia-Pacific region's large population and the purchasing power of its young middle class, its market has great potential for growth.

The COVID-19 crisis has given a strong impetus to the discussion of strategic dependencies and the reliability of value chains. We need to join with our EU partners and other like-minded countries to consider ways of reducing one-sided strategic dependencies and of sustainably securing value chains, for example by diversifying suppliers from the Indo-Pacific region. At the same time it is very much in the Netherlands' interests as a trading nation to keep international trade flowing, and we seek to continue benefiting from the growth of Asian markets.

The Netherlands and the rest of Europe have major economic and trading interests in this rapidly growing region. We need to work with the Indo-Pacific to ensure sustainable green growth, economic recovery and responsibly organised management of digitalisation and critical technology. To these ends we need to strive to deepen our economic and trade ties with all countries in the Indo-Pacific region, including the Small Island Developing States (SIDS).

It is also in our *geopolitical interests* to collaborate more closely with like-minded countries such as Australia, Japan, New Zealand and South Korea, and with ASEAN countries that share our vision of an open, rules-based trading system and our commitment to an open, free and secure internet based on the principle that international law is applicable to the digital domain. We need to work more closely with these and other countries in the region, such as India, to promote effective multilateralism and to strengthen the international legal order.

In a world where democracy, the rule of law, human rights, freedom, free trade and a properly functioning multilateral world order are increasingly under pressure, the Netherlands and the EU must join forces with like-minded countries in the Indo-Pacific region and with ASEAN.

It is also in the interests of Europe, including the Netherlands, to work with the countries of the Indo-Pacific region in order to safeguard *peace and security*, reduce tensions on trade issues, promote maritime security and unhindered safe passage on shipping routes, and combat economic and cyber espionage and cyberattacks on vital infrastructure. Although the South China Sea and the

Indian Ocean may seem far away, every conflict in this region will have consequences for European (and thus Dutch) prosperity and security. For this reason Europe and Asia will have to work together more on political and security issues as well as economic issues.

## Elements of a European vision of the Indo-Pacific

The development of a European strategic vision of the Indo-Pacific, a distinctive European outlook on the region, should be based on the EU's own economic and political interests there. It should also help the countries in the region hold their own in the power struggle between the two great powers, since the EU and most of the Indo-Pacific countries have a shared interest in preventing the region from becoming a pawn in that struggle. As the ASEAN Studies Centre (ISEAS) annual survey report 'The State of Southeast Asia 2020' shows, geopolitical developments have focused significantly more attention on the EU, and the EU has greater scope than in the past to play its own distinctive role in the region. The COVID-19 crisis is another major reason for collaboration: only by working together can the virus be defeated, the economic consequences of the crisis mitigated, and sustainable reconstruction advanced.

A European vision should build on existing initiatives and EU policy aims in the region, as set out in the EU strategies and documents mentioned previously. It should also build on the EU's role as a major donor to efforts to achieve the SDGs, the EU free trade agreements with Indo-Pacific countries that either already exist or are still being negotiated, the <u>EU-ASEAN Plan of Action</u> and the planned EU-ASEAN Strategic Partnership. Furthermore, outreach to the region should identify where these countries need geopolitical and other strategic support from the EU.

The vision could also include the following elements:

## Security and stability

The strategic competition between the great powers, which initially focused on economic and technological domains, is increasingly extending into the realm of security policy. These developments are most visible in the East and South China Seas and in countries with a strategic location, where varying claims and investments give cause for concern. The great powers' military presence and exercises are further heightening these tensions. Military deployments often complement civil initiatives in the realm of security policy, in which China in particular uses the full range of its governmental instruments in a hybrid manner to pursue its strategic aims. Economic, political, military, cyber, security and intelligence activities are interwoven in the centralised Chinese system and cannot be viewed completely independently from one another. There are indications that COVID-19 is accelerating these developments.

Alongside great-power competition, longer-standing regional rivalries also have consequences for regional stability. These include nuclear tensions on the Korean peninsula, tensions around Kashmir and tensions in the border areas between China and India. It is still unclear to what extent the COVID-19 crisis and the ensuing economic crisis will affect these rivalries.

In addition to these rivalries between states, extremism and terrorism remain a source of instability in many countries in the region. These developments, such as those involving the Rohingyas in Myanmar and Bangladesh and the situation in Mindanao in the Philippines, call for ongoing monitoring.

In view of the EU's great economic, political and geopolitical interests in the Indo-Pacific, it must aim for de-escalation, inclusion and protection of the commons.

- ➤ The region must be prevented from becoming a pawn in the great-power contest. At country level, the EU has a role to play in helping to preserve the balance of power and where necessary in providing a counterweight to the strategic economic and military influence of one or more great powers.
- The EU's basic principle must be the protection and development of the international legal order (see below).
- ➤ The EU must pursue partnerships with countries in the region to guarantee safe passage and maritime security. This should happen first and foremost through compliance with the *United Nations Convention on the Law of the Sea* (UNCLOS) and the peaceful settlement of disputes using the appropriate mechanisms. Continued participation in the *Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia* (ReCAAP) could also help attain this goal.
- In this connection, the EU should speak out more often and more forcefully about developments in the South China Sea that are in conflict with UNCLOS.
- > The EU could take part as an independent observer or adviser in the negotiations between China and ASEAN on the Code of Conduct on the South China Sea, and could play a supporting role in implementing the Code.
- At the same time, the EU should step up its security efforts in Asia, exploring opportunities in the realm of defence and security.
- Given the militarisation of the region and the presence there of seven nuclear weapons states (China, the US, Russia, India, Pakistan, France and the UK), plus North Korea with its nuclear ambitions, the EU must work actively with Indo-Pacific countries within the existing framework for promoting non-proliferation, disarmament and export controls. This framework includes the Non-Proliferation Treaty (NPT), the Missile Technology Control Regime (MTCR) and the Hague Code of Conduct against Ballistic Missile Proliferation (HCoC). The EU's efforts should be aimed at promoting transparency, confidence-building measures and verifiable agreements, including on outer space.
- The EU should also pursue partnerships with countries in the region aimed at the universalisation and effective implementation of other agreements on arms control, peace and security, including the Comprehensive Nuclear-Test-Ban Treaty (CTBT), negotiation of a Fissile Material Cut-off Treaty (FMCT), and agreements on conventional weapons like the Arms Trade Treaty (ATT), the Convention on Cluster Munitions, the Ottawa Convention on landmines and the Programme of Action on Small Arms and Light Weapons (SALW).
- China is currently the only nuclear power that is rapidly expanding its nuclear arsenal. Moreover, exceptionally little is known about the exact composition of the Chinese arsenal, and it is unclear how it will affect developments in the region and beyond. China must be reminded of its global and regional responsibility in this regard. There should also be more support within the EU for US efforts to arrive at a trilateral arms control agreement including China as well as Russia.
- The EU must continue contributing, with knowledge, projects and capacity building, to the fight against extremism and terrorism in the Indo-Pacific.

## Working with partners in the Indo-Pacific region

The EU must seek to work more closely with countries in the region that share the EU's and the Netherlands' concerns about preserving an open economy and effective multilateralism and keeping the international legal order functioning.

In a world where democracy, the rule of law, human rights, freedom, free trade and a properly functioning multilateral world order are increasingly under pressure, it is important to work more in concert with democratic, like-minded countries to defend and promote our shared interests.

- The EU must promote democratic values and norms and continue to engage in dialogue about them with all countries in the region. To do so it can work jointly with like-minded partners, making use of its existing strategic and other partnerships with Australia, Japan, New Zealand, South Korea and India, as well as the Strategic Partnership with ASEAN that we hope will enter into force soon.
- > The EU must work with like-minded countries in the region to develop a better narrative, and make more strategic use of investments and of other activities aimed at connectivity. The EU Connectivity Strategy can play a central role in this regard.
- The Asia-Europe Meeting (ASEM) can be used as a forum for consultations on current and strategic developments.
- The EU can provide financial support to the Asia-Europe Foundation (ASEF) for activities promoting exchanges and collaboration in the areas of journalism, human rights and art.
- ➤ The EU should seek to link up with the NATO partnerships in the region. While pursuing a programme of work with China and tackling COVID-19, NATO has strengthened its links with its Indo-Pacific partners (Australia, New Zealand, South Korea and Japan) as part of its Partners Around the Globe framework. Of these four countries, NATO's ties with Australia (which is also an Enhanced Opportunities Partner) are the closest.
- > The EU should continue to work actively with governments in the Indo-Pacific countries on human rights dialogues in which the human rights situation can be discussed openly and critically.

#### Sustainable trade and economies

Europe and Asia are bound together by major economic and trade interests. For many countries in Asia Europe is one of their main trading partners, if not their biggest. There is also substantial investment in both directions. Geopolitical competition and potential technological and economic disengagement could have major consequences for many Asian countries as well as for Europe.

- ➤ The COVID-19 crisis has given a strong impetus to the discussion on strategic autonomyand the resilience of value chains. We need to join with our EU partners and other like-minded countries to consider ways of reducing one-sided strategic dependencies and of sustainably securing value chains, with a particular focus on critical technologies and raw materials. The EU should make better and more strategic use of its economic leverage to reach its geopolitical goals, deploying its full, integrated range of policy instruments for this purpose. More emphasis must also be placed on reciprocity.
- Talks on free trade agreements (FTAs) with countries in the region must be continued. The EU's aims in these talks should be:
  - o to bring the negotiations on agreements with Australia and New Zealand to a positive conclusion, with the broader goal of setting standards for a modern, open trade policy;
  - o in view of ASEAN's importance, to make progress in the talks with the ASEAN countries. The EU's first agreement was reached with Singapore in 2019. In 2020, the FTA with Vietnam came into force. Now progress needs to be made with Indonesia. The Netherlands would also support resumption of negotiations with Malaysia.;
  - o to restart negotiations on a comprehensive, ambitious trade agreement with India.

➤ Besides being a major challenge, the global energy transition is also an opportunity to boost future earning capacity. Cooperation between the EU and the Indo-Pacific on sustainable green growth and innovation should be strengthened in the interests of both global climate ambitions and the stimulation of sustainable trade and economies.

## Effective multilateralism and the international legal order

Precisely in times like these, when international tensions are rising, it is important to strengthen multilateral cooperation and the international legal system, which are crucial for maintaining peace and security. Only multilateral consultations founded on a rules-based order will enable us to find solutions that take account of the interests of all states. Multilateral cooperation is also the only way to tackle global challenges such as climate, poverty reduction, migration and pandemics.

- The EU should strengthen regional institutions and regional security and other partnerships through wide-ranging cooperation and capacity building.
- The EU needs to coordinate activities and voting at the UN and in the World Bank and other large forums, not only internally among EU member states, but also and to a greater extent with like-minded countries. It can also make more strategic and systematic use of its economic influence to better pursue its political interests.
- > The EU could explore ways of working more effectively at multilateral level with the Small Island Developing States (SIDS). Via the European Investment Bank (EIB) the EU is a major investor in the Pacific.

Sustainable connectivity. There are many initiatives in the Indo-Pacific region focused on connectivity. In addition to the Chinese Belt and Road Initiative, Japan, India, South Korea and ASEAN have their own connectivity strategies. In 2018 the EU launched its strategy, 'Connecting Europe and Asia', with a view to creating a distinctive profile as a partner for sustainable development in the areas of transport, digital infrastructure, energy and people-to-people contacts. In September 2019 the EU and Japan concluded a Connectivity Partnership based on sustainability, shared norms and values, quality infrastructure and their commitment to guaranteeing a global level playing field, particularly in Asia and the Indo-Pacific.

- > The EU should promote quality and fiscal, social and ecological sustainability in a broad sense as part of all its connectivity strategies.
- ➤ The EU should form connectivity partnerships with ASEAN and India modelled on its Connectivity Partnership with Japan. India has already expressed a desire to include connectivity in the agenda of the next EU-India summit. It would also like to reach agreements on further cooperation on connectivity within India as well as in the Indian subcontinent generally and in third countries, particularly in East Africa. ASEAN is seeking a partnership with the EU on the basis of a regional Master Plan on ASEAN Connectivity, which will also address the climate transition.
- > The EU could also further explore the offer from the US and other partners to join the Blue Dot Network, as many of the efforts of the US, Japan, Australia, Canada and so forth are focused on the Indo-Pacific region.

# Global challenges: climate and the SDGs

Together, the Indo-Pacific countries account for a third of global greenhouse gas emissions. While most countries in the region recognise the importance of a transition to clean energy, in practice many of their economies are still dependent on cheap coal-fired power plants. The Indo-Pacific is the region of the world with the highest economic growth rates and a high level of investment in infrastructure, which is laying the foundation for their energy consumption and energy mix for the

next 30 years. Unless the transition to clean, renewable energy in the Indo-Pacific can be accelerated, achieving the internationally agreed climate targets will be impossible.

Besides the fact that the Indo-Pacific countries are contributing significantly to climate change, the region also contains several of the most vulnerable countries, which are already experiencing the effects of climate change. These include not only small island states that risk disappearing under water, but also countries that are experiencing adverse impacts on agriculture, vulnerable population groups and densely populated urban areas. If countries in the region are not properly prepared for the impact of climate change, it could have destabilising effects on their economies, trade and social cohesion.

Climate action is increasingly becoming a necessary precondition for economic growth. Major gains can therefore be made in the Indo-Pacific countries if both governments and the private sector take the need for green recovery seriously. The Global Commission on Adaptation has calculated that every dollar that is invested in climate-smart infrastructure in developing countries between now and 2030 will generate four dollars in earnings, up to a net total of \$4.2 trillion.

Several countries in the region are strong advocates of ambitious climate policy. These countries are also active in regional and international forums on climate issues. The Netherlands and the EU can work more closely with these countries in a common effort to maintain this high level of climate ambition. The EU should also work to strengthen exports of sustainable, green energy solutions, in order to advance the climate transition in the Indo-Pacific. Collaboration is already taking place in many areas.

- The EU should further deepen and expand its cooperation on climate and the SDGs where possible, including with the SIDS.
- The EU should work to strengthen green trade flows to advance the climate transition in the Indo-Pacific.
- The EU should work towards greater cooperation on climate adaptation and in international forums, in the interests of ambitious climate policy.

## The Netherlands and the Indo-Pacific

Under the umbrella of a European vision of the Indo-Pacific, the Netherlands will also step up its bilateral efforts to work with democratic, like-minded partners. More specifically, the Netherlands will work towards:

#### Security and stability

- > The Netherlands recognises the importance of EU efforts to promote security in Asia.
- Together with like-minded countries in the EU, NATO and the Asia-Pacific region, the Netherlands will promote safe passage and maritime security by helping with capacity building in the area of the international law of the sea, exploring opportunities in that regard in the realm of defence and security.
- Either through the EU or as part of a smaller coalition including Germany, France and preferably a number of other like-minded countries, the Netherlands will speak out more actively about international law (and breaches of international law), including with respect to UNCLOS and the South China Sea.

- > The Netherlands will take part more often at the appropriate level in relevant gatherings on strategic issues in the Indo-Pacific region, including the annual IISS Shangri-La Dialogue (in Singapore) and the annual Raisina Dialogue (in India).
- In response to the increase in cyber threats from state actors, and in view of the lack of sufficient international consensus about international norms and values that are applicable to the digital realm, the Netherlands will strengthen collaboration and dialogue with like-minded Indo-Pacific countries on cyber issues, with an emphasis on cybersecurity.
- The Netherlands will step up cooperation with the region on combating hybrid threats, both bilaterally and through international partnerships aimed at countering foreign interference.
- The Netherlands will contribute to non-proliferation and disarmament by working with likeminded partners in the framework of the Non-Proliferation Treaty, for example in the Non-Proliferation and Disarmament Initiative (NPDI), and through the Proliferation Security Initiative (PSI) and export control regimes.
- The Netherlands supports the NATO partnerships with Australia, New Zealand, South Korea and Japan in the Indo-Pacific (Partners around the Globe). These are major operational partners for NATO. Australia, New Zealand and South Korea have provided troops for NATO missions, for example, while Japan has supported several stabilisation projects in Afghanistan.

## A framework for cooperation with democratic, like-minded partners in Asia

- The Netherlands will deepen its partnerships with countries such as Australia, India, Indonesia, Japan, South Korea, New Zealand, Singapore, Malaysia and Vietnam through practical cooperation on issues where we share common interests, and through annual consultations.
- The Netherlands will accede to the Treaty of Amity and Cooperation in Southeast Asia to underscore its commitment to closer cooperation with ASEAN.
- As a member of the Human Rights Council, the Netherlands will coordinate its interventions as much as possible with like-minded Indo-Pacific countries.
- The Netherlands will continue to participate in the Asia-Europe Meeting (ASEM) and to make an annual financial contribution to the Asia-Europe Foundation (ASEF).
- > The Netherlands will continue to strive to conduct an open, critical dialogue with Indo-Pacific governments about the human rights situation in their countries, and to strengthen civil society in those countries.

## Sustainable trade and economies

- The Netherlands will work through the EU towards reducing one-sided strategic dependencies and towards making value chains more reliable by exploring the scope for diversifying suppliers from the Indo-Pacific region.
- > The Netherlands will work towards sustainable trade and investment relations in Indo-Pacific countries, especially in economic priority countries (China, South Korea, India, Australia, Japan and ASEAN's five original members).
- > The Netherlands will actively support the EU negotiations (and their conclusion) on free trade agreements with Indo-Pacific countries (listed above in the <u>Sustainable trade and economies</u> section under 'Elements of a European vision of the Indo-Pacific').

## Effective multilateralism and the international legal order

- As a participant in the Alliance for Multilateralism established by France and Germany, the Netherlands will act in concert with like-minded countries in the Indo-Pacific region to promote effective multilateralism and the international legal order.
- In line with the priorities for promoting the international legal order that were jointly adopted by the Dutch network of missions in Asia, the Netherlands will engage in public diplomacy and other activities on the themes of the law of the sea, the cyber domain, trade law and climate change.
- > Together with the Permanent Court of Arbitration and Australia, the Netherlands will organise a seminar in Singapore aimed at capacity building for experts from ASEAN countries who are involved in the negotiations on the Code of Conduct for the South China Sea.
- The Netherlands will continue to offer annual courses on the law of the sea through the Clingendael Institute and the Netherlands Institute for the Law of the Sea (NILOS) so as to strengthen capacity in ASEAN countries. Where possible, the Netherlands will join in initiatives and activities from the region itself on this issue.
- The Netherlands will consult with Australia and other interested, like-minded countries in the region on developments in the South China Sea.
- Together with Singapore, the Netherlands will organise a cyber dialogue aimed at capacity building for experts from ASEAN countries who are involved in UN negotiations on international agreements on voluntary, non-binding norms of conduct for states and on the development of a system of confidence-building measures in the digital domain.
- The Netherlands will continue to offer courses on building cyber capacity in ASEAN countries, in areas including international law in the digital domain.

#### Sustainable connectivity

- In the framework of the EU Connectivity Strategy, the Netherlands will focus on digital strategy, including a spectrum of themes ranging from cybersecurity and internet regulation to innovation, artificial intelligence, e-commerce, cross-border data transfer, privacy and national digital sovereignty.
- The Netherlands will also join EU initiatives to strengthen Europe's strategic sovereignty (and especially current discussions on striking a balance between diversification of supply and value chains on the one hand and reinforcement of global and multilateral free trade systems on the other), and will join in implementing the Green Deal at international level in cooperation with like-minded Indo-Pacific partners.

#### Global challenges: climate and the SDGs

- The Netherlands will where possible further deepen and extend collaboration with other countries, including the SIDS, on climate action and the SDGs.
- The Netherlands will work more closely with Indo-Pacific countries to promote ambitious international and national climate policy to achieve the climate goals.
- The Netherlands will work to promote green, sustainable energy solutions in order to advance the energy transition.