

EU and Japanese models of quality infrastructure building and connectivity: shared values and potential for cooperation

Interview with Ambassador Kazuo Kodama



Mr. Kodama joined the Japanese Foreign Service in 1976 and studied at Oxford University (B.A. and M.A. in Philosophy, Politics, Economics). He was Press Secretary from 2008 to 2010. His overseas postings include Deputy Permanent Representative to the United Nations, Japanese Ambassador to the OECD and most recently, Japanese Ambassador to the European Union (from 2016 to 2020). In November 2020, he was elected as the President of Foreign Press Center Japan. He is a visiting professor for international politics at the law faculty of the University of Hiroshima.

Question 1: Why and how has the Japan-EU partnership agreement on sustainable connectivity and quality infrastructure come to a fruition?

Let me review a brief history of the Japan-EU relationship which recorded an unprecedented development over the last decade. The two sides started negotiations to conclude both the Economic Partnership Agreement (EPA) and the Strategic Partnership Agreement (SPA) in 2013. The negotiations gained momentum in early 2017 because of two external factors which transpired in the same year of 2016, the UK's decision to leave the EU (a threat to the unity of the EU) and the election of Donald Trump as the US President (a threat, due to his unilateralism, to post-WWII free and open multilateralism). Spurred by their shared sense of crisis and urgency, the leaders of both Japan and the EU agreed to accelerate negotiations towards expedited conclusions. These efforts culminated in EU leaders Tusk and Juncker

visiting Tokyo to sign the EPA and SPA in July 2018. The two agreements entered into force on February 1, 2019, when the UK left the EU.

In a nutshell, the conclusion of these two agreements made crystal clear the resolve of the leaders of Japan and the EU to work together as torch bearers for peace, security, sustainable development and prosperity, based on respect for international law, and to continue working together to support effective multilateralism, democracy, human rights and the rules-based international order with the United Nations at its core.

Back on August 27, 2016, Prime Minister Abe launched his vision for the Indo-Pacific while attending the opening session of TICAD VI in Nairobi, Kenya. In his statement, he said: *“Japan bears the responsibility of fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous”*. This was the genesis of the Free and Open Indo-Pacific (FOIP) vision.

When Prime Minister Abe paid a visit to Brussels on 25 April, 2019, the leaders of Japan and the EU issued a joint statement saying: *“We will continue to cooperate towards improving the economic, social, fiscal, financial and environmental sustainability of **connectivity** between Europe and the Asia-Pacific region, including **from the Indian to the Pacific Ocean**”* (author's emphasis). This is a pivotal moment when Japan and the EU agreed to promote *“partnership on connectivity and quality infrastructure”*. It should also be noted that the EU came tantalizingly close to embracing a shared vision for the Indo-Pacific, not directly, but by accepting the wording of *“the Indian to the Pacific Ocean”*.

Then came yet another epoch-making opportunity to formally launch the Japan-EU partnership on sustainable connectivity and quality infrastructure. On September 27, 2019, Prime Minister Abe paid a visit to Brussels to attend the Europa Connectivity Forum hosted by European Commission President Mr. Juncker. They adopted the Joint Statement on the Partnership on Sustainable Connectivity and Quality Infrastructure between Japan and the EU. It is also noteworthy that the EU accepted, for the first time, the wording of *“Indo-Pacific”*, albeit with the caveat that this is a geographical designation. Paragraph 2 of the joint statement stressed that *“Japan and the EU intend to work together on all dimensions of connectivity, bilaterally and multilaterally, including digital, transport, energy and people-to-people exchanges ... Japan and the EU endeavor to ensure synergies and complementarity between their respective cooperation on connectivity and quality infrastructure ... in the regions of ... Indo-Pacific, as well as in Africa”*. Two years after this joint statement, on September 16, 2021, the EU adopted the Joint Communication on the EU Strategy for Cooperation in the Indo-Pacific. This is a clear sign that the EU and Europe have decided to deepen their engagement with the Indo-Pacific region, which Japan warmly welcomes.

Question 2: Is the Japanese vision for FOIP identical with the EU strategy for the Indo-Pacific? If not, what are the main differences?

The joint statement of the May 27, 2021 Japan-EU Summit stated in paragraph 18 that *“Building on the commonalities between our respective approaches to the region, we will enhance cooperation for a free and open Indo-Pacific, which is inclusive and based on the rule of law and democratic values, as well as unconstrained by coercion”*. The EU side says there are commonalities between our two approaches. If we look at the substance of the FOIP vision of Japan and the EU Strategy for cooperation in the Indo-Pacific, the commonalities become clearer. The FOIP vision is comprised of three major pillars: to spread and establish the rule of law, freedom of navigation and free trade; to pursue economic prosperity through strengthening *“connectivity”*, including physical connectivity through

quality infrastructure, including ports, railroads, roads, energy, and ICT, human connectivity through capacity building, institutional connectivity through facilitation of customs clearance, and economic partnership through the EPA, FTA and BIT; and to secure peace and stability through maritime law enforcement capacity building, humanitarian assistance, disaster relief and counter-terrorism measures.

On the other hand, the EU strategy highlights seven priority areas for EU action: green transition, sustainable and inclusive prosperity, ocean governance, digital governance and partnerships, connectivity, security and defense, and human security. I would argue that the two visions are fundamentally identical on two important points: first is the importance attached to the principle of the rule of law and freedom of navigation for peace and security in the Indo-Pacific region, and second is their commitment to enhance connectivity on all levels to realize prosperity in the region.

In a nutshell, the aim of the EU strategy for cooperation in the Indo-Pacific and the Japanese vision for the FOIP are the same, namely, maintaining a free and open Indo-Pacific for all. I consider the two visions are indeed very closely connected. But I would be remiss if I did not disclose what I learned from a senior Japanese government official on the relationship between democracy, human rights and the FOIP: *“The vision for a free and open Indo-Pacific is an inclusive and expansive idea, and its approach is different from the one to put democracy and human rights up front. We will uphold the rule of law, freedom of navigation and free trade, and under these principles it is hoped that many countries in the region will accept our FOIP vision”*. In a related vein, on January 17 of this year, Foreign Minister Hayashi stated in his foreign policy speech at the Diet that *“Next, we will realize a ‘Free and Open Indo-Pacific’. This vision, which is about ensuring the peace and prosperity of the entire Indo-Pacific region and, by extension, the entire world, by establishing a free and open order based on the rule of law in the region, has now drawn broad support in the international community. We will further promote the efforts to realize a ‘Free and Open Indo-Pacific’ in cooperation with allies and partner countries, including the United States, Australia, India, ASEAN and Europe, while making the most of cooperation among Quad (Japan, the United States, Australia, India) and others”*. As for values like democracy and human rights, Mr. Hayashi stated that *“we will open a new frontier of Japanese diplomacy with a balanced and stable posture with high level of readiness, underpinned by three determinations; the determination to fully defend universal values, the determination to fully safeguard the peace and stability of Japan, and the determination to contribute to the humankind and take on a leadership role in the international community”*.

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Question 3: In what fields should this partnership expand in order to build a better FOIP based on shared values?

Whether it be a single road or a single port, when the EU and Japan undertake something, we are able to build sustainable, comprehensive, and rules-based connectivity, from the Indo-Pacific to the Western Balkans or Africa. It goes without saying that in order to make the connectivity linking Japan and Europe something rock-solid, the Indo-Pacific, the sea route that leads to the Mediterranean and the Atlantic, must be free and open. The two are

also mindful of “*the partners’ needs and demands and paying utmost attention to their fiscal capacity and debt-sustainability*”. On February 5, 2021, both sides exchanged information on their global engagement in the area of development cooperation. The following examples illustrate Japan-EU synergies and complementarity between their respective cooperation with partners in the Indo-Pacific region:

- ✓ Indo-Pacific Mekong Region: Water resource management and sustainable development of the Mekong River as the Development Partners of the Mekong River Commission (MRC)
- ✓ ASEAN: Disaster management, capacity building of the regional ASEAN-Emergency Response and Assessment
- ✓ Pacific Islands: Maritime affairs, maritime resource management, waste management and sustainable energy
- ✓ Central Asia – Afghanistan and Tajikistan: Border management between Afghanistan and Tajikistan.

Then on May 27, 2021, our leaders issued a joint statement in which they emphasized the importance of “*respecting the highest economic efficiency, fiscal, environmental, social and transparency standards, including open access to infrastructure services*”, while paying utmost attention to debt-sustainability. It further states that “*We continue to identify concrete projects, notably through consultations on the ground, on which we will cooperate. We will facilitate financing to incentivize private capital and attract investments by our businesses including by promoting a level playing field*”. The joint statement identified two projects, namely, the Gulf of Suez wind farms in Egypt and Olkaria geothermal power stations in Kenya. I would advise readers to look at the annex of the joint statement for more details.

To sum up, Japan and the EU are actively engaged with each other in the process of translating their commitments into concrete joint projects on the ground. Development assistance is indeed a time consuming and difficult process. Yet, I am confident the two will take the lead to help realize a free and open Indo-Pacific through their connectivity and quality infrastructure partnership.

Question 4: What are the perspectives for cooperation between Japan and the EU in developing countries where the China Belt and Road Initiative (BRI) is significant?

Let me make it clear that neither the FOIP vision or the Japan-EU partnership agreement on connectivity and quality infrastructure are directed against the BRI.

According to a Chinese announcement, 147 countries have signed the memorandum of cooperation with China. President Xi mentioned in June 2021 that China will strive for cooperation with high quality and sustainability. On the other hand, it has often been pointed out that some of the BRI projects have faced implementation delays, cost overrun or debt sustainability issues for the partner countries. We should watch carefully how China implements its BRI projects. We think it is very important for international standards to be maintained with respect to open and transparent procurement practices, ensuring debt sustainability, and the need to take into account the lifecycle cost of a project. In any event, we should engage with China so that it will discharge its responsibilities as a major player in development assistance.

As I mentioned earlier, Japan-EU collaboration will attach high priority to the Indo-Pacific region and enhance their partnership in accordance with the Joint Statement of the Japan-EU Summit issued on May 27, 2021.

Question 5: What role could the partnership play to improve maritime security?

Firstly, I would like to recall the Joint Statement of the May 27, 2021 Japan-EU Summit. Paragraph 19 said that *“We will enhance consultations on security ... and expand practical cooperation in areas such as maritime security ... We welcome the intensified naval cooperation between Japan and EUNAVFOR Operation Atalanta as well as the first joint port call and accompanying activities in Djibouti last October and the first trilateral Japan-EU-Djibouti anti-piracy exercise earlier this month”*.

The Joint Communication on the EU’s Indo-Pacific Strategy issued on September 16, 2021 identified “security and defense” as one of the seven priority areas of this strategy. On the Japanese side, one of the three pillars of the FOIP is to secure peace and stability through maritime law enforcement capacity building, humanitarian assistance, disaster relief and counter-terrorism measures.

On top of this cooperation, Japan and the EU are now exploring joint cooperation in assisting capacity building of partner countries in the Indo-Pacific region through the Enhancing Security Cooperation in and with Asia (ESIWA) program of the EU.

My final point is this: Japan should not lose this momentum of the EU’s increased attention on the Indo-Pacific and should further encourage both the EU and its member states to engage with the region.

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