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**The Global Gateway**

# The Global Gateway

## 1. Introduction

**Democracies – and the values that underpin them - must demonstrate their ability to deliver on today’s global challenges.** They must have the capacity and the ambition needed to help improve people’s lives around the world. This reality is brought into sharp focus by the ever-growing necessity for countries to invest and develop the infrastructure they need to create sustainable prosperity, jobs and services for their local communities.

This global need for infrastructure not only holds the key for sustainable development across the world but is a crucial part of the puzzle for fighting climate change and protecting the environment, improving global health security and boosting the competitiveness of the world economy. The impact of today’s incomplete, incompatible or disconnected global infrastructure was harshly exposed during the COVID-19 pandemic, whether through the economic impact and isolation caused by the lack of digital connectivity, the disruption to supply chains or the scarcity of medical goods. But while the pandemic accelerated the need for action, the gap in investment and the scale of global needs long predate it. According to G20 estimates, **the global infrastructure investment deficit will reach €13 trillion by 2040.**<sup>1</sup> If we take into account the further infrastructure investment needed to limit climate change and environmental degradation, that figure then jumps to €1.3 trillion every year.<sup>2</sup>

**Faced with this urgent need for major financing, countries need a positive offer** when deciding how best to develop their climate, energy, transport and digital infrastructure or how to strengthen their health or education systems. These choices have a real impact on the lives and livelihoods of their citizens. This is why they need a trusted partner to design projects that are sustainable and of high quality, and implemented with high levels of transparency and standards in order to deliver lasting social and economic benefits for local communities.

The EU will offer its financing under fair and favourable terms in order to limit the risk of debt distress. It will help build sustainable infrastructure with the support, skills and the finance needed to operate it. Without proper transparency, good governance and high standards projects can be badly chosen or designed, left incomplete or be used to fuel corruption. This not only stunts growth and deprives local communities but it ultimately creates dependencies, which can limit countries’ ability to make decisions.

Given the global nature of this challenge, the EU needs to provide a positive offer for its partners. **Global Gateway is that positive offer: an EU plan for major investment in infrastructure development around the world.** It aims to forge links and not create dependencies. To invest in projects that can be delivered with high standards, good governance and transparency. To work with host countries, financial institutions and the private sector to scale up infrastructure investment to boost our competitiveness, deliver benefits and protections for our partners, empower local communities and tackle today’s most pressing global challenges - from climate change and sustainable development to health security, gender equality and education systems.

To deliver on this, Global Gateway will work around the world, adapting to the needs and strategic interests of different regions, while remaining values-driven. It will focus on **physical infrastructure** – such as fibre optic cables, clean transport corridors, clean power transmission

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<sup>1</sup> The Global Infrastructure Hub: <https://outlook.gihub.org/>

<sup>2</sup> Rozenberg, Julie; Fay, Marianne. 2019. *Beyond the Gap: How Countries Can Afford the Infrastructure They Need while Protecting the Planet*. Washington, DC: World Bank.

lines - to strengthen digital, transport and energy networks. It will also provide an **enabling environment to make sure projects deliver**, by offering attractive investment and business-friendly trading conditions, regulatory convergence, standardisation, supply chain integration, and financial services.

We are facing a new scientific and production revolution brought by the need to fight climate change and respond to health threats, as well as by the digital transformation. These changes bring additional challenges to development efforts, but also offer new opportunities. In assisting others, the EU will also be contributing to the promotion of its own interests, to strengthening the resilience of its supply chains, and to opening up more trade opportunities for the EU economy, in which approximately 38 million jobs are dependent on international trade.

Building the necessary reach and creating benefits from infrastructure development at home and around the world will require investment at scale. Using all of the financial and development tools at the EU's disposal and supported by the strong commitment from EU Member States<sup>3</sup>, **Global Gateway will aim at mobilising investments of up to €300 billion between 2021 and 2027**. It will do so under one brand, taking a Team Europe approach - bringing together resources of the EU, Member States, European financial institutions and national development finance institutions. It will actively seek to mobilise private sector finance and expertise and support access to sustainable finance.

With Global Gateway, Europe will play its full part in narrowing the global investment gap. But meeting this objective will require the concerted effort of like-minded partners. In this spirit, Global Gateway will dovetail with the work started within the G7 and mutually reinforce initiatives such as the Build Back Better World. This commitment to working together was reaffirmed at COP26, the 2021 United Nations Climate Change Conference, where the EU and the United States brought together like-minded partners to express their shared commitment to addressing climate crisis through the development of infrastructure that is clean, resilient, and consistent with a net-zero future.<sup>4</sup>

Global Gateway builds on the achievements of the 2018 EU-Asia Connectivity Strategy, the recently concluded Connectivity Partnerships with Japan and India, as well as the Economic and Investment Plan for the Western Balkans<sup>5</sup>, the Eastern Partnership<sup>6</sup>, and the Southern Neighbourhood<sup>7</sup>. It is fully aligned with the UN's 2030 Agenda and its Sustainable Development Goals (SDGs), and the Paris Agreement. By offering a positive choice for global infrastructure development, Global Gateway will invest in international stability and cooperation and demonstrate how democratic values offer certainty and fairness for investors, sustainability for partners and long-term benefits for people around the world.

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<sup>3</sup> Council Conclusions 10629/21 'A Globally Connected Europe' of 12 July 2021.

<sup>4</sup> [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_21\\_5767](https://ec.europa.eu/commission/presscorner/detail/en/statement_21_5767)

<sup>5</sup> Communication 'An Economic and Investment Plan for the Western Balkans' COM(2020) 641 final.

<sup>6</sup> Joint Communication 'Reinforcing Resilience: an Eastern Partnership that delivers for all', JOIN(2020) 7 final and Joint Staff Working Document 'Recovery, resilience and reform: post 2020 Eastern Partnership priorities,' SWD(2021) 186 final.

<sup>7</sup> Joint Communication 'Renewed partnership with the Southern Neighbourhood: A new Agenda for the Mediterranean', JOIN(2021) 2 final, and Joint Staff Working Document 'Renewed Partnership with the Southern Neighbourhood Economic and Investment Plan for the Southern Neighbours' SWD(2021) 23 final.

## **The Global Gateway approach**

Global Gateway will channel EU spending on global infrastructure development in accordance with the following key principles:

### **Democratic values and high standards**

Global Gateway will offer a values-based option for partner countries to choose from when deciding how to meet their infrastructure development needs. This means adhering to the rule of law, upholding high standards of human, social, and workers' rights and respecting norms from international rules and standards to intellectual property. It means selecting investments that are sustainable – for local people, local environment and local economies. It means taking an ethical approach so that infrastructure projects do not create unsustainable debt or unwanted dependencies.

### **Good Governance and Transparency**

Delivering projects that work for people will require transparency, accountability and financial sustainability. It will need open access to public procurement and a level playing field for potential investors and a clear set of agreed deliverables to ensure that Global Gateway projects say what they will deliver - and deliver what they promise. Those most affected by potential projects – local communities, businesses and partners – must have their full say through proper public consultations and civil society involvement. Projects should ensure affordable and equal access to the services and benefits they will deliver, notably for women and girls and those at risk of disadvantage or exclusion.

### **Equal partnerships**

Global Gateway projects will be designed, developed and implemented in close cooperation and consultation with partner countries. Infrastructure projects will be based on the needs and opportunities that they identify for their local economies and local communities, as well as the EU's own strategic interests. This means developing partnerships with countries at eyes-level and ensuring that project planning takes into account the capacity of host countries to manage and maintain the infrastructure in a sustainable way after it has been completed.

### **Green and clean**

The Global Gateway is a climate-neutral strategy to speed up sustainable development and recovery, create inclusive growth and jobs and transition to a cleaner and more circular global economy. It will invest in developing infrastructures that are clean, climate-resilient and aligned with pathways towards net zero emissions. Projects will live up to the European Green Deal oath to 'do no harm' and ensure the use of environmental impact assessments and strategic environmental assessments.

### **Security-focused**

Secure infrastructure underpins the resilience of global economy and supply chains– be it on digital, health, transport or energy. Global Gateway projects will invest in infrastructure to plug vulnerabilities, provide trusted connectivity, and build capacity in the face of natural or man-made challenges, physical, cyber or hybrid threats, and economic coercion for geopolitical aims. They will ensure that citizens are shielded from unwarranted surveillance by public authorities or private companies.

### **Catalysing private sector investment**

Europe's world-leading industry, private sector knowledge and investment capacity gives us a unique competitive advantage around the world and Global Gateway must make full use of it in order to be a viable and attractive alternative for partner countries. The Global Gateway will

combine and leverage resources from the EU, its Member States, financial institutions and Multilateral Public Finance, and use these public resources to crowd-in private capital.

## 2. Global Gateway investment priorities

Global Gateway will strengthen the people-to-people connections between Europe and its partners and will channel its investments where infrastructure gaps have been exposed or exacerbated in recent years. These areas often hold the key to tackling our most pressing global challenges and investments there provide the greatest benefits to people in the medium and long-term.

Investments in the digitalisation, health, climate and energy and transport sectors, as well as in education and research will be a priority. Equally, improving the quality and quantity of infrastructure and the enabling environment in beneficiary countries and regions are key priorities. Global Gateway will ensure that the benefits of investment are fairly and equally accessible. In this spirit, we will guarantee that projects and investments be inclusive, notably in terms of gender equality.

### 2.1 Digital

The COVID-19 pandemic has heightened the importance of access to secure and trustworthy digital infrastructures and technologies underpinned by proper regulation. As global internet traffic is expected to grow more than six-fold by 2030, broadband connectivity will become a necessity in the transition toward a data-driven economy and society.

**The EU will work with partner countries to deploy digital networks and infrastructures** such as submarine and terrestrial fibre-optic cables, space-based secure communication systems as well as cloud and data infrastructures, which together provide a basis for exchanges of data, cooperation in high performance computing, Artificial Intelligence (AI), and earth observation. We will prioritise underserved regions, countries and populations, with the aim of tackling the global digital divide and strengthening secure and trusted digital connections within them and between Europe and the world. The EU will minimize the environmental footprint of digital infrastructure, by promoting green data centres and deploying underwater cables equipped with ocean monitoring sensors.

The EU toolbox for the cybersecurity of 5G networks will guide investments in digital infrastructure. These will also be linked with **standards and protocols that support network security and resilience, interoperability, and an open, plural and secure internet**. The EU will also promote access to the Open Internet, given its role as a key driver of innovation, socio-political, economic, and cultural development.

The EU will offer digital economy packages<sup>8</sup> that combine infrastructure investments with country-level assistance on ensuring the protection of personal data, cybersecurity and the right to privacy, trustworthy AI, as well as fair and open digital markets. For instance, the EU will build on the global trend towards convergence with the General Data Protection Regulation (GDPR) to inspire other countries to promote secure data flows. Global Gateways will promote

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<sup>8</sup> Communication from the Commission, '2030 Digital Compass: the European way for the Digital Decade', 9.3.2021, COM(2021) 118 final.

EU regulatory model of open and competitive markets for communications networks and services.

### Global Gateway on the ground

Through a submarine cable between the EU and Latin America and a terrestrial backbone between South American countries, amounting together to a 35,000 km long high-speed fibre optic network, the **BELLA programme** provides a digital highway to boost investment and research collaboration. The total grant funding amounts to approximately €53 million, including €26.5 million provided by the EU. Through Global Gateway, the EU will extend the BELLA programme to the rest of the Latin American continent, with an additional €15 million intended to leverage funding from partner countries. BELLA will ensure that the required connectivity is in place for the next 25 years to meet the ever-increasing needs of research and education bi-regional cooperation. It will include the provision of high-speed and reliable access to the planned regional EU Copernicus Emergency Management Services Centre in Panama, enabling the tackling of climate emergencies. Building on BELLA's success, the EU is committed to step up its partnership with the region through the **EU-LAC Digital Alliance**, as well as to promote regulatory convergence and international cooperation in the area of data protection.

## 2.2 Climate and energy

Affordable and reliable access to energy and raw materials is a prerequisite for economies to function and industries to be competitive. The energy sector also accounts for over 70% of global greenhouse gas emissions and its transition to cleaner energy will play a vital role in averting the destructive effects of climate change. **The EU is committed to become the first climate-neutral continent by 2050.** At the recent COP26, under the Glasgow Climate Pact, the world collectively committed to reducing global carbon dioxide emissions to net zero around mid-century.

The impact of climate change and degradation of biodiversity disproportionately affects the poorest and most vulnerable in the world, especially in low and middle-income countries. Investing in **both mitigation and climate resilience** in those countries is not only a necessity for food, health, human security, and for protection against the impacts of climate change but also presents a major economic opportunity. To ensure those investments make a real difference, infrastructure must be designed to respond to the current risks and future threats and be built to standards that will stimulate low or zero emissions and withstand the impact they will have.

**These infrastructure investments and supporting regulation will pave the way for the clean energy transition.** Together they provide a unique opportunity to transform economies, create employment and strengthen energy security. We will cooperate with partner countries to enable their just energy transition and to diversify our clean energy supply at the same time. We will support regional energy integration, based on interconnection and joint projects such as offshore wind farms in coastal regions, and promote energy efficiency, renewable energy (including smart grids) and just transition.

We will work with partner countries that have the potential to develop their renewable hydrogen production, and promote the creation of competitive markets to enable such hydrogen produced outside the EU to be traded internationally without export restrictions or price

distortions. We will also work with partner countries to invest in infrastructure for developing sustainable and resilient raw materials value chains.

#### Global Gateway on the ground

The EU will mobilise €2.4 billion grants for Sub-Saharan Africa and € 1.08 billion for North Africa to support renewable energy, energy efficiency, the just transition and the greening of local value chains, and will join forces with initiatives such as **Power Africa**. It will help develop the renewable hydrogen sector by unlocking business opportunities in both the supply and demand side for energy intensive industries. The deployment of the **Africa-EU Green Energy Initiative** will contribute to the development and integration of regional energy markets and the implementation of a strong continental Africa Single Electricity Market.

### 2.3 Transport

Transport networks are a critical enabler of prosperous economies and societies. They connect us to our partners and enable international trade. Equally, transportation is a key sector in the fight against climate change and the development and introduction of digital technologies.

Global Gateway will promote worldwide infrastructure investments that create **sustainable, smart, resilient, inclusive, and safe transport networks in all modes of transport**, including rail, road, ports, airports, as well as logistics and border-crossing points, and bring these modes together in a **multimodal system**. We will implement transport infrastructure projects that foster the sustainable development of partner countries and reduce greenhouse gas emissions, as well as enable the diversification of their supply chains. We will also seek to build on our position as the world's transportation hub.

#### Global Gateway on the ground

The EU will provide additional € 4.6 billion to enhance **sustainable transport connections**, in line with the green and digital transformation. Having successfully extended the EU's Trans-European Transport Network (TEN-T) to the Western Balkans, Turkey, and the Eastern Partnership region, the EU will continue to work towards completing the jointly agreed priority infrastructure and will engage actively with partners on the adoption of the Trans-Mediterranean Transport Network (TMN-T) in the Southern Neighbourhood. The EU will promote the strengthening of connections with adjacent strategic corridors in Sub-Saharan Africa and Central Asia, advance the regulatory environment and promote EU and international standards.

Global Gateway will foster convergence with European or international technical, social, environmental and competition standards, reciprocity in market access and a level playing field in the area of transport infrastructure planning and development. It will serve to enhance the recharging and refuelling infrastructure for zero-emission vehicles and foster the supply of renewable and low-carbon fuels. It will serve to strengthen aviation and maritime links with key partners, while also setting new standards to enhance environmental and social sustainability, create fair competition and reduce emissions in those sectors.

### 2.4 Health

The pandemic has revealed weaknesses of healthcare systems and the fragility of pharmaceutical supply chains. It has also highlighted the wide discrepancy in medical manufacturing capacities around the world. Africa, for instance, still imports 99% of its vaccines. Nevertheless, **health issues extend far beyond the pandemic**. There are an estimated 8.6 million deaths in low- and middle-income countries each year from treatable conditions including vaccine-preventable diseases, maternal disorders and road injuries.<sup>9</sup>

Global Gateway will prioritise the security of supply chains and the development of local manufacturing. As regards the security of supply chains, the EU will be working with partner countries to diversify their pharmaceutical supply chains. The Health and Emergency Preparedness and Response Authority (HERA) will also contribute to addressing international supply chain bottlenecks.

Continents must be able to manufacture their own vaccines. The EU is committed to preventing future health emergencies by strengthening capacities throughout the world. This includes building manufacturing capacities in third countries.

**HERA** will establish a close collaboration with global partners to reinforce global surveillance, to facilitate international cooperation and support for medical countermeasures in case of a health emergency, to support low- and middle-income countries to build expertise and develop manufacturing and distribution capacities and to support access to EU-funded medical countermeasures.

Global Gateway will also facilitate investment in sustainable infrastructure and regulatory environment for the local production of medicine and medical technologies, which in turn will help integrate the current fragmented markets and promote research and cross-border innovation in healthcare; thereby **helping us to overcome diseases such as COVID-19, malaria, yellow fever, tuberculosis or HIV/AIDS**.

The **European Centre for Disease Prevention and Control (ECDC)** will contribute to strengthening the capacities of Africa Centres for Disease Control and Prevention (Africa CDC) in terms of preparedness and response to health threats. Building on existing partnerships, this cooperation will also contribute to facilitating harmonised surveillance and disease intelligence of prioritised outbreak-prone communicable diseases at continental level, and supporting the implementation of Africa CDC's public health workforce development strategy.

## ***2.5 Education and research***

Education is critical for equitable and inclusive societies and for their long-term economic success. The COVID-19 pandemic has exposed weaknesses in education systems worldwide. Education budgets in developing countries are often insufficient while the number of students is growing. The number of students in the world is estimated to triple in the next two decades.

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<sup>9</sup> Kruk, Margaret E.; Gage, Anna D.; Joseph, Naima T.; Danaei, Goodarz; García-Saisó, Sebastián; Salomon, Joshua A., *Mortality due to low-quality health systems in the universal health coverage era: a systematic analysis of amenable deaths in 137 countries*, *The Lancet* 392.10160 (2018), pp. 2203-2212, [https://doi.org/10.1016/S0140-6736\(18\)31668-4](https://doi.org/10.1016/S0140-6736(18)31668-4).



The EU will invest in quality education, including digital education, with a life-long learning perspective, paying particular attention to the inclusion of girls and women and other vulnerable groups that often show lower school attendance. We will assist partner countries to transform their education systems and address deficits in teaching, training, and learning at all levels.

We will also facilitate mobility of students, staff, teachers, and trainees, and strengthen networks and peer learning across higher education institutions. The extended Erasmus+ programme opens such opportunities for people from all over the world.

The **Erasmus+ programme** has a strong international dimension. It reinforces mobility and exchanges between the European Education Area and partner countries, by developing more inclusive and sustainable education systems, and by increasing management and governance capacities at all levels of the education sector. The total amount allocated for the period 2014-2020 was € 1.8 billion. The international arm of Erasmus+ 2021-2027 will be scaled-up with a total funding of € 2.2 billion coming from EU's external instruments in order to reinforce the European offer of mobility and cooperation in education, training, youth and sport around the world.

The EU will work with partner countries to strengthen cooperation on research and innovation.

Horizon Europe, the world's biggest publically funded multilateral research and innovation programme, offers researchers and innovators outside Europe the opportunity to participate in EU-funded collaborative research and innovation actions, mobility schemes and multilateral Research & Innovation partnerships. The Horizon Europe programme now offers the possibility to associate countries located anywhere in the world, which share fundamental values and a strong science, technology and innovation profile. The Commission will also explore possibilities for connecting business incubators and innovators worldwide.

### **3. The Global Gateway investment and delivery model**

To meet the scale of investment needed, Global Gateway will mobilise more and better investments in international infrastructure. This requires a new and innovative approach to financing and an **upgrade of our existing tool kit**. Global Gateway will rely on **de-risking instruments**, such as guarantees and blending to draw on the combined resources from both the public and the private sectors. **Financial tools will be combined with operational tools** such as technical assistance, policy and economic dialogue, trade and investment agreements and standardisation, in order to help create better conditions for quality investments.

#### **3.1 Scaling up investment**

##### **Global Gateway – The finances**

Global Gateway aims to mobilise infrastructure development investments of **up to 300 billion in the years 2021-2027**.

This sum is composed of:

- Up to €135 billion worth of investments made possible by the EFSD+, including a new initiative with the EIB that could bring €25 billion of additional investments<sup>10</sup>,
- Grant financing of up to €18 billion under other EU external assistance programmes,
- €145 billion of planned investment volumes by European financial and development finance institutions,
- The EU aims at coordinating better with its Member States to enhance its strategic role in the boards of the Multilateral Development Banks (MDBs) in support of Global Gateway projects.

The EU expects to **increase budget spending** on infrastructure in third countries. In the years between 2014 and 2020, the EU invested 14% of its external budget – €9.62 billion – on connectivity projects. Under the 2021-2027 budget cycle, this sum will likely increase significantly. The Neighbourhood, Development and International Cooperation Instrument (NDICI) - Global Europe, which finances cooperation with third countries, has a total budget of €79 billion and a spending target of 35% for climate actions. In addition, approximately 10% of the NDICI funding will be dedicated to digital actions.

We will also **use innovative financial instruments to crowd-in private capital**. The NDICI-Global Europe establishes the Union’s guarantee capacity of up to €53.4 billion. The EU can also leverage private investments by means of its Instrument for Pre-Accession Assistance (IPA) III, Interreg, InvestEU and the EU research and innovation programme Horizon Europe. The **European Fund for Sustainable Development Plus (EFSD+)** will be our main financial tool for mobilising investments under Global Gateway. The guarantees it provides will be used for de-risking activities and leveraging of private investment, working together with the European Investment Bank and other European financial institutions including, for example, the European Bank for Reconstruction and Development.

Further adding to its financial tool kit, the EU is exploring the possibility of establishing a **European Export Credit Facility** to complement the existing export credit arrangements at Member State level and increase the EU’s overall firepower in this area. The Facility would help ensure a more level playing field for EU businesses in third country markets, where they increasingly have to compete with foreign competitors that receive large support from their governments, and thus facilitate their participation in infrastructure projects.

### Financing Global Gateway through the EFSD+

<sup>10</sup> The Commission is proposing a new Global Gateway initiative to cater for a significant increase in investments funded from the EU Budget. It is offering to make available an additional €750 million over the period 2022-2027 in annual tranches, conditional on the EIB matching these funds as per the appropriate arrangements and the implementation of these projects progressing as planned. To this end, work on identifying and assessing the projects needs to be taken forward urgently. The Commission proposes to evaluate this in 2024 with a view to enlarging the budget when appropriate.

The EFSD+ in an innovative instrument that will help generate investments in a variety of Global Gateway sectors through its guarantee capacity and blending grants. It makes available €40 billion in guarantee capacity.

### ***Guarantees***

The EFSD+ guarantees are offered on favourable, highly competitive conditions. They allow private investors to finance projects in more challenging markets, by assuming the risks of more unstable environments while avoiding market distortions.

Because the EFSD+ covers a share of the risks, the Union's development finance partners can match the EFSD+ guarantees with their own resources, which in turn will attract additional investors. The investment programmes will be implemented through two main paths:

- **In a partnership with the EIB, the EU will provide a guarantee covering €26.7 billion in financing** to support investments in several sectors such as clean energy, green infrastructure and health for which the EIB has already a strong record of accomplishments under the previous External Lending Mandate. The risk coverage provided will allow the EIB to offer loans to partner countries to make sustainable investments in connectivity and other priority sectors. The Union guarantee will have a maximum impact on Global Gateway investments in those partner countries where sovereign and other public sector risks are still a major bottleneck. The partnership approach under EFSD+ will ensure a strong steer in line with the Global Gateway priorities, promoting synergies and complementarity with all areas of EU external action.
- As one of the sectoral windows of the **EFSD+ Open Architecture (€13 billion)**, the Commission will propose a specific **Global Gateway window**, which, together with other thematic windows such as the Sustainable Finance window, will focus on sectors like sustainable energy, clean transport and digital. A dedicated sub-window will be created for digital connectivity with a country level approach to reinforce convergence with the EU's digital economy packages. Working with a variety of European financial institutions will allow to fully reap the wealth of geographic and sectoral expertise available in those institutions to unlock investment bottlenecks faced by the private sector in host countries.

### ***Blending***

- Where projects have a public added value that is not monetarised and that guarantees cannot address, the EU will use the EFSD+ **blending facilities**. These facilities make use of grants and loans to support non-bankable investment projects in EU partner countries while enhancing their sustainability, climate-proofing and development impact.

Financing supported by EFSD+ will **rely on systematic mechanisms to filter out abnormally low tenders**, which put in danger the actual implementation of the projects or the principles of the Global Gateway, and **foreign subsidies** that undermine the level playing field. Attention will also be paid to ensuring that trade and investment is not distorted when the EU finances projects in third countries. The EU's development finance partners should adhere to procurement standards similar to those applicable in the EU.

Where EFSD+ will have to be deployed due to an unfavourable regulatory environment or externalities not reflected in market prices (e.g. CO<sub>2</sub> emissions), the EU will work with the

partner country to **address these underlying deficiencies**. This should reduce the partner country's dependence on future external assistance.

### 3.2 An investment-friendly environment

An enabling environment plays a key role in mobilising increased infrastructure investments that also meet high technical, competition, environmental, social and governance standards. The EU will use its various tools to improve conditions for attracting quality investments in partner countries. This will include working on different tracks:

- Strengthening **domestic resource mobilisation, public finance management and debt management**, and improving **debt sustainability**;
- Facilitating reforms in partner countries to establish **transparent, non-discriminatory, and sustainable regulatory frameworks** aligned with international standards, and building their capacity to enforce compliance with legal obligations;
- Improving the flow of **sustainable finance**, by promoting relevant taxonomies, standards and disclosures. The Commission is developing a comprehensive strategy to scale up access to sustainable finance in low and middle-income countries;
- Enhancing the capacity of partner countries to develop infrastructure plans and prepare **credible pipelines of projects** aligned with national development strategies and needs;
- Encouraging **adherence to international standards for infrastructure spending** by other bilateral and multilateral finance providers.
- Actively participating in relevant **international standard-setting bodies**.

#### **Better infrastructure spending - the EU will:**

- Promote the use of **multilateral tools** such as the IMF's Public Investment Management Assessment (PIMA) framework, the OECD's Methodology for Assessing Procurement Systems (MAPS) and the IMF/World Bank's PPP Fiscal Risk Assessment Model (PFRAM) to improve **project preparation** and ensure **value for money** in infrastructure.
- Provide **technical assistance** for capacity building and technical studies in partner countries, through NDICI-Global Europe programmes and the Technical Support Instrument for EU Member States, which enables knowledge sharing between national administrations under programmes such as TAIEX.
- Promote the implementation of the **G20 Principles for Quality Infrastructure Investments** at the international level.

### 4. Coordinating efforts with like-minded partners

In implementing Global Gateway, the EU will work closely with like-minded partners to **develop synergies between their respective efforts** on connectivity and quality infrastructure with third countries and achieve the maximum impact in closing the global infrastructure gap. This cooperation will extend to all aspects of our work, including coordination of policies, collaboration on and co-financing of joint or parallel projects, joint engagement with host countries, the private sector and international financial institutions, and cooperation in the context of relevant international standard setting forums.

The **G7** already has in place a great number of initiatives that support sustainable infrastructure in partner countries. The EU is fully committed to the step change in infrastructure funding that G7 Leaders committed to at the **Carbis Bay Summit** in June 2021, and plays an active role in putting this ambition into practice. The EU sees this as a long term partnership that will remain open for others to join.

The EU has already concluded **Connectivity Partnerships** with Japan and India. It also intends to pursue a connectivity partnership with the Association of Southeast Asian Nations (ASEAN), building on the 2020 Ministerial Declaration. Earlier this year, the EU and the United States launched the Trade and Technology Council, where the parties are also cooperating to promote secure and sustainable international digital connectivity. The EU will seek further collaboration with the US, as well as with Canada, the Republic of Korea and other like-minded partners.

To bring this up the political agenda, the European Union will make Global Gateway a priority for multilateral, and where relevant, bilateral summits with our international partners, starting with the upcoming **EU-Eastern Partnership Summit, followed by the EU-African Union Summit**. It will also integrate the principles of Global Gateway into its existing cooperation on connectivity with partner regions, organisations and countries.

## **5. Governance and communication**

Global Gateway projects will be developed and delivered through **Team Europe Initiatives**. The EU institutions, Member States, and European financial institutions will work together with European businesses as well as governments, civil society and the private sector in partner countries.

The implementation of the Global Gateway will be taken forward under the overall **steer** of the President of the Commission by the High Representative/Vice President of the Commission and responsible Commissioners. In this context, a **Global Gateway -Board** will be established to provide strategic guidance to this initiative, in particular in relation to the development of Team Europe projects.

The Commission will set up a **Business Advisory Group on the Global Gateway**. This group will ensure private sector involvement, be easily accessible and will serve to discuss the implementation of the Global Gateway strategy. It will receive input from business and share knowledge in order to maximise the impact and effectiveness of investment. This group will work complementarily and without prejudice to existing business support organisations. A dialogue will also be set up with **civil society** to ensure a fully inclusive approach is taken.

To support this outreach, **EU Delegations** - working closely with EU Member States in a Team Europe approach - will play a key role in coordinating with all stakeholders on the ground and in reaching out to the partner countries, in order to identify projects, match them with financing, and follow up on implementation. This will be part of wider diplomatic efforts that will be undertaken jointly with Member States to promote the Global Gateway model and the economic, social and environmental benefits it brings about.

The EU will launch an **awareness raising campaign** in partner countries to explain the Global Gateway approach to citizens and to institutional stakeholders, inviting Member States and European financial institutions to join forces in this communication. The Commission will also set up a dedicated Global Gateway communication campaign within the EU during 2022.

## **6. Going forward**

Global Gateway aims to combine the **capital and expertise of Team Europe**, its international partners and the private sector. It will be driven by the needs of our partner countries and the strategic interests of the European Union. In this spirit, we will develop Global Gateway together with partner countries and invite the active participation of civil society as well as the local private sector in our exchanges. The EU will now reach out to other countries willing to partner up. We will also engage the **private sector** to unlock its capital, expertise and experience.

Progress in the implementation of the Global Gateway will be **regularly and proactively monitored, evaluated and reported on**. The Strategy will be adjusted if need be. The Commission and the High Representative are committed to the swift implementation of the Strategy and will keep the Council and Parliament closely informed.

Building on the successful Europa Connectivity Forum in 2019 involving some EU partner countries and key stakeholders, the EU will host regular editions of the **Global Gateway Forum**. The Commission will organise a **meeting with stakeholders in June 2022** to take stock of the progress made in the implementation of the Global Gateway and have a dialogue on next steps.